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

AMBASSADOR LAWRENCE P. TAYLOR

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

Q: Today is the 10th of April 1998. This is an interview with Ambassador Lawrence P. Taylor and its being done on behalf of the Association for Diplomatic Studies, and I'm Charles Stuart Kennedy. Larry, let's start at the beginning. When and where were you born?

TAYLOR: I was born in Cleveland, Ohio, in 1940.

Q: Can you tell me something about your family, what your parents' occupations were and then something about your early years in Cleveland, if you grew up and started in Cleveland?

TAYLOR: I did start in Cleveland. My parents were both from Illinois. My dad graduated from the University of Michigan. My mother from the University of Chicago. My dad was research chemist. Despite her education, my mother was a classical housewife of the day. I think one of the distinguishing things was that my dad came from some background that was extremely successful and even wealthy, until the great depression hit.

Q: Yes, 1929.

SPROTT: 1929, and this was the jumping-out-of-windows era, and his family, although not literally, figuratively jumped out of a window, and five children in that family, instead of being in a situation of means, then found themselves working four at a time, each to send the odd one, the fifth one, through college. And so they bootstrapped all five through college, and my dad landed a job with Union Carbide as a research chemist.

Q: So how long did you live in Cleveland?

TAYLOR: Right, we lived in Cleveland really only through the early years of grade school, and then we moved to Pittsburgh and stayed in Pittsburgh until my sophomore year in high school and then moved back to Cleveland.

Q: In your early education, both in Cleveland and then in Pittsburgh, what type of schooling were you getting?

TAYLOR: It was public schools. It was very, I think, kind of conventional U.S. big city public schools of the day. It was a good solid education. There was little discipline problems. People threw spitballs and yelled and so forth. Not the kind of things you see today, but it was very much a middle-class neighborhood public school education.

Q: What about interest in reading and books and all. I mean, did anything sort of grab your interest as a young lad?

TAYLOR: It sure did, and that again comes from my family. My dad was a book collector, of antiquarian books, and the house was full of books from the time I can remember visualizing colors and shapes, and I suppose from that I acquired a similar sort of interest. So I read avidly, usually history, geography, travel sorts of things. Not the science and mathematics books -

Q: Richard Haliburton and all that sort of thing?

TAYLOR: That's the kind of thing. Absolutely right. And then over time and through my Foreign Service career I've continued to be a collector of antiquarian books and antiquarian maps and printed ephemera of political and military events. And I suppose it all started back there with my dad's huge bookshelf captivating me at a young age.

Q: Oh, yes. What about while you were going through high school particularly, did any teachers get to you?

TAYLOR: Yes, there were several teachers that stand out. They really made an impression. They went beyond the classroom and made an impression as a personality and opened minds and eyes beyond the subject matter, but there was one in particular in junior high school that was really, without knowing it, a kind of threshold even. Part of the class was to read newspapers and to discuss articles in the newspaper, and I remember reading the newspaper in that portion of the class, and I remember putting up my hand

and asking the teacher - this was when Eisenhower was president, and it was about something in Geneva, and I can't remember all the details, but it was mysterious, it was important, it was far away - that's the way it was presented. And I put up my hand, and I asked her, I said, "Somebody must work on this. Who actually works on this?" And she knew the answer. She said, "There's a Foreign Service, there's a diplomatic service. They do the staff work. President Eisenhower and Secretary Dulles, they're the top, but there's this whole pyramid of people who actually work every day professionally on foreign affairs." And that was an eye-opener to me, and I remember thinking to myself at that time, that's what I want to do.

Q: Isn't that amazing.

TAYLOR: It is amazing.

Q: It's both perceptive on your part at the point, you may ask the question, but the odds of having a teacher who could really give an answer, I mean, enough to elicit this - well, did this set your reading, your studies, off in that direction at all?

TAYLOR: It certainly did. It made me much more serious about history, about foreign cultures, about international events and following those events on a daily basis, in addition to reading the historical background and so forth.

Q: At the high school, what were you doing. I mean, were there any particular things? I mean, I assume you were chasing girls, but-

TAYLOR: Well, I wish I'd done more of that, actually. So of these things, if you could do over again, I didn't do as well as I should have. Actually, I was playing a lot of sports, and particularly basketball, at the time. It was a very important thing of me, and I spent an awful lot of time trying to improve my basketball skills.

Q: Which stood you in great stead later on, I assume.

TAYLOR: It certainly did.

Q: Well then, by this time you would have been graduated in, what, about 1958?

TAYLOR: I graduated from high school in 1958, that's right.

Q: Where were you pointing yourself, or what were you going to do?

TAYLOR: You know, I wasn't pointing myself anywhere. I came from a family in which I simply accepted that when one got to that age, one went to college, but I hadn't thought seriously about it at all, and I sort of went with the flow of my contemporaries and my friends and landed at Ohio University at Athens, Ohio, without really thinking why I was doing that, except that I had a basketball scholarship. But I had basketball scholarship offers from other colleges and universities as well. But there I was in Athens, Ohio.

Q: What was the campus in 1958 of Athens, Ohio, like?

TAYLOR: Well, through the eyes of an 18-year-old from Cleveland, it seemed to be big and very attractive, a lot of nice-looking young women. I remember a very small gym, but they were building a bigger one, and a lot of very good basketball players. That's the way I started out, thinking about Ohio University.

Q: So much for the intellectual thrust of American youth.

TAYLOR: There wasn't much of that at that moment. I was really more interested in trying to live successfully away from home and establish a network of relationships that I was comfortable with, and the easiest way to do that at the time was through my basketball skills.

Q: What about courses? Were you taking mainly general courses, or did you find yourself forced into trying to come up with a major?

TAYLOR: I knew I wanted to major in something like history or geography, and at the time, there was an expected set of freshman courses. You could select, but there were guidelines, and you operated within those guidelines, and I took what was expected of a freshman at that point who was pointing not to an engineering degree or a math degree but to something in the social sciences.

Q: Did the Foreign Service come up at all when you first entered college?

TAYLOR: Not in the first year at all, no. It came up at all in, I think, big-time ways about the end of my sophomore year and then started to dominate my thinking in the junior and senior years.

Q: Well, let's see. You were in college during the time when Kennedy was elected.

TAYLOR: I certainly was.

Q: Did that have an effect on you?

TAYLOR: Oh, a big effect. I left college - I don't mean I left it permanently, but I missed a few classes - to go over and campaign for Senator Kennedy in the neighboring state of West Virginia, in his primary run against Hubert Humphrey there. One of the most exciting moments was actually spending a great deal of time with him and his brother through an accidental airport meeting in Parkersburg, West Virginia, of all places. It was a much simpler time in America, and people moved around without the benefit of huge security cordons, and sort of little ordinary citizens might bump into somebody like that.

Q: What particularly struck you about Kennedy?

TAYLOR: Well, at the time, I was simply excited by his youth and his intelligence and his ability to articulate a vision and a sense of mission for the country.

Q: And sort of by your junior or senior years, where were you going?

TAYLOR: Well, I knew exactly where I was going: I was going into the Peace Corps. And that's the kind of thing that President Kennedy had inspired in me, and I knew I wanted to join the Peace Corps, and I knew after that I wanted to join the Foreign Service. And when I graduated from college I did join the Peace Corps. But I did take a year off. I took a whole year off, much to the consternation of everybody who knew me at the time, feeling that I would be lost, and I hitchhiked around Europe for a year, staying at youth hostels. They were only 25 cents a night in those days, and I spent 11 months in Europe. I'm proud to say I did that on... I went over on the *Queen Mary* and came back on the *Queen Elizabeth*, the old one. I got a cut-rate ticket. They were less than $300 each way, and I lived for 11 months in Europe on under $500, if you can believe that.

Q: Well this was what, this would have been '62.

TAYLOR: That was '62, so I graduated in '63.

Q: So your Wanderjahr *was '62?*

TAYLOR: That's right. It should have been my senior year.

Q: This, of course, was before the time turned into a pursuit of hashish and all that.

TAYLOR: Oh, yes. Much before that. I didn't even know anything about that.

Q: This wasn't part of the scene then. What struck you about Europe?

TAYLOR: History, the weight of the past, the interest of the past, to be sure, different cultures and different languages, different values, different perspectives on issues that I cared about and ordinary issues of life. It was a really, I think, exhilarating and broadening experience. I couldn't do it again today. I'd collapse under the effort, but for somebody who was 22 and full of energy, it was just terrific.

Q: Did you get into places like Yugoslavia or Czechoslovakia, places like that?

TAYLOR: I did not. I did spend, though, a number of months, fascinating months, in a Berlin that had just had the wall built, and it was a very exciting place, very, very exciting place, and the people and the activities of the day were really, I guess, something for some young guy out of middle-class Ohio.

Q: I was wondering what you were picking up there right after the wall was built? I know there was concern on our part that with this wall would mean that all the young people

would leave, there was no place to go, and pretty soon the place would kind of wither.

TAYLOR: Yes.

Q: You were pretty young to be picking this up, but I was wondering whether you were getting any feel from the youth that you were with.

TAYLOR: Well, it was just the opposite from the groups I was out with, and I couldn't see the bigger trends. Maybe the bigger trends were in the other direction, but I lived in youth hostels, and I ran around with people my age and somewhat older but mainly in their 20s, and actually, young people were coming there to sort of see what was going on and to experience the vibrancy of the student culture and the young people's activities at the time. And I thought it was just one of the most exciting environments that I'd ever been in.

Q: Did you feel a difference between the American student at that time in the United States and the European students?

TAYLOR: No, I didn't, nor did I feel all that estranged or different later when I was in the Peace Corps in Colombia in dealing with Colombian students. It all changed, though, during Vietnam, and then you started to see these big differences develop and emotional attitudes and so forth. But still, in '62, in Europe, I think for young people with a flexible mind, it was very easy to establish a common ground and to go from there.

Q: So you graduated in-

TAYLOR: '63.

Q: -'63 with a degree in-

TAYLOR: History. History and economics. One of the things that I had not understood when I went to college was economics, and by the time I got to my junior year, I thought that this was really a subject that I needed to know a great deal more about, and I had begun to take an awful lot of economics along with the history.

Q: Well, you say you'd sort of pointed yourself towards the Peace Corps.

TAYLOR: I did.

Q: How did you get in, and what happened?

TAYLOR: I guess I got in by mistake or by luck. That depends on how you look at it. But there was an application procedure, and I went through that. I was selected for Peace Corps volunteer training in New Mexico, at the University of New Mexico, and went to that, and after that was accepted as a volunteer and was assigned to Colombia, to a rural community development project in Colombia.

Q: What was your impression of the Peace Corps people you were with at the University of New Mexico?

TAYLOR: Well, the University of New Mexico was the training site. The volunteer trainees were from all over the country, although the greatest numbers were from New York and California, and there was also a disproportionately high number of people who were left-handed, which I remember we all thought - I was not one of them, but we all thought - that this was something important that somebody ought to do a dissertation about. I'll tell you, it was marvelous, because these were the kind of people I liked, and it was so easy to form very close and immediate connections and friendships with almost every one of them, and it was a tremendous experience.

Q: Were you going through sort of midnight questions about asking what the hell can I, as a history-economics major from the middle of the United States, do down in Colombia?

TAYLOR: No, that comes after we get to Colombia. What can I really do? At the time, most of us had great confidence that we had something to offer, even though we probably couldn't have been very definite about what it was, and remember, this was the beginning of the Peace Corps as well. I think it's riding at that point on enthusiasm, on emotion, on a sense of commitment, but hasn't yet come to grips with connecting all of that with real skills and real needs. That's the connection that still has to be worked with and that we face in practical ways when we're actually down there on the site.

Q: Well, what about Spanish?

TAYLOR: I had had some Spanish in college, and they provided some training at the time. Again, this was a system that was not yet worked out. Language training in the Peace Corps subsequently became much better. It was more or less haphazard. But when you piece together what I'd had in college with what I had in the Peace Corps, it was enough then to learn by doing down there. You weren't starting at all from ground zero.

Q: So where did you go in Colombia?

TAYLOR: It was in the province of Antioquía. It's out in the countryside, a small little community called Betania, and the work was something that was very much in vogue at the time, which is rural community development, and it was based on what we believed, at the time, was the experience in the Philippines a couple of decades earlier, in which, by working at community levels to organize communities to develop the capacity to solve their local problems without waiting for federal governments or churches or outside organizations to do it for them, you could actually instill a sense of participation and democracy from the grassroots up. That was dovetailed, at the time, into President Kennedy's Alliance for Progress and the notion that if there was not social change in Latin America by peaceful means, there would be the inevitable change through revolutionary means, and we believed that we were out there as part of that agent of

peaceful social revolution that would build democracy and build participation and prevent the kind of revolution that had occurred in Cuba.

Q: Well, now, can you describe your locale before we get to what you did there?

TAYLOR: Yes, let me tell you first that it was very high up, and I'm a guy who's afraid of heights. It was very high up in the mountains, and these crazy buses going around these absolutely hairpin turns, high up in the Andes Mountains - I certainly remember that very well. It's a nice little town on the Spanish model, with a nice central plaza where people sit out and have a beer or a soft drink or whatever, and that's the social center of the town, and then it's dominated, as most of these little places are, by a very substantial church building and then the municipal buildings, the government, the National Association of Coffee Growers and others have their offices around; and then that's a nodal center then for an agricultural region in which mainly coffee is grown, and the only way you can get out to that agricultural region is by getting on a mule, because a horse will fall off these country trails. And you ride out there on these hairpin turns, instead of on a little one-lane bus road, now you're on a one-track mule road, and it's beautiful and exciting.

Q: Well, then, how were you received there? You must have been one of the earliest ones.

TAYLOR: Yes, we were one of the earliest ones, although Colombia was even at that time a very big program for the Peace Corps. Now later when it becomes a narco-state, all of that is pulled out, but at the time, this is intended to be a model for the Alliance for Progress, and the Peace Corps is being poured in there. During the time I was there, I think the number of volunteers built up to several hundred. It was extraordinary, and all over the country - not concentrated in Bogotá or the big cities but all over the countryside, consistent with its philosophy of rural community development and grassroots organization empowerment for local communities.

But we were received, I suppose, with a mix of wonder and of courtesy - wonder about who we really are and what the heck are we doing there, and just traditional down-home courtesy that said we're not sure why they're here, but they're nice and we're nice and we're going to welcome them.

Q: Well, you went out there with an eye to doing this rural development. How would you characterize the rural development at the time you went there? What were you going to be working on?

TAYLOR: The philosophy of community development is really a philosophy of creating an empowerment of the community. It is through the community's own empowerment, then, that specific projects happen. Often that intermediate step, that first step of building the empowerment, is forgotten, and people talk about community development being building a water system or a school or a medical center. It's only community development, as opposed to a project, if the community has been brought together and given a sense of empowerment and has itself decided that, as a priority, it wishes to build

something like a water system or a school and then proceeds to find a way to do it. The Peace Corps's mission at that point, as we understood it, was to create that sense of empowerment. Now there were organizations that understood this concept locally and that were willing to be partners. One was the National Association of Coffee Growers in Colombia. They did many things in the countryside associated with the coffee industry, but they had many members who understood the importance of community empowerment leading to community improvements through projects. And they were willing to be helpful in trying to organize a community. In the community we were in, there were also three full-time priests. Two of them were old-style conservative priests whose mission in life was what you would expect. One was a very young priest who had a reform mission in mind, who thought that the church had to be more socially minded and had to work to the improvement of the community, and especially of the peasants, in order to bring about peaceful change. And he was very eager to help gather the community and try to develop a sense of empowerment and decision leading to projects. And there were some teachers in the area who understood that concept and believed in it. So you start by finding who your natural allies who have credibility, who have reach, who have some power in the community might be and organize them into a nucleus that then reaches further and tries to draw in wider sections of the community to the process.

Q: But when you look to your natural supporters, you must have natural - not enemies but - opponents, because you must be breaking the rice bowl of the local chiefs, the caïds*, what do they call them?*

TAYLOR: *Caudillos?*

Q: I don't know, but I mean I would think that you would be stirring up the pot?

TAYLOR: Well, if you got too successful you might, but when you're just out there trying to plant an acorn, probably they're not worried it's going to grow into an oak tress. They probably think you don't know what an acorn is anyhow, much less can grow it successfully. One of the interesting things about the Peace Corps, though, was that to some extent it coopted the natural opposition. The natural opposition is the vested established power structure in some cases, but the Peace Corps came with an on-high blessing. President Kennedy had a magical image in Latin America at the time and in Colombia at the time, and the government of Colombia, starting with the president but ending down through the structure down to the local level, know that the Peace Corps was President Kennedy's personal program, and doors that would not be open to others would be open to Peace Corps volunteers. You had to know how to use them and know how to take advantage of them, but many centers of potential opposition - if this were coming from another source - were actually lukewarm supporters or, at least, neutral if it was coming from the Peace Corps, because they would not oppose President Kennedy's program. There was a kind of intellectual and emotional reach that was very helpful to us.

Q: Were you there when Kennedy was assassinated?

TAYLOR: Oh, I sure was.

Q: How did that hit?

TAYLOR: It hit me like a sucker-punch in the solar plexus, but what was, I think, more interesting is the effect it had in the community. I'll never forget it. I think that community and every community I knew of or later heard about in rural Colombia seemed to be as affected by that event as America was, and I still remember the endless lines of mules and horses and people that walked out of the countryside to come in and tell us, who were the only Americans they knew, how sorry they were and that in this Catholic country they all burned candles on the night after, when people knew that he had died. The whole countryside, as far as an eye could see, was full of candles. There's no electricity out there, but every little hut for as far as the eye could see had lit a candle in remembrance of President Kennedy. It was, in a depressing sense, kind of a magical moment.

Q: Well, it was. I was in Yugoslavia, and you could buy Kennedy's picture in the local outdoor farm markets and all, little plastic frames and all, along with Tito's.

TAYLOR: Yes, I went to Yugoslavia later. I didn't know you'd been there. I was in both Zagreb and Belgrade 10 years later in the Foreign Service.

Q: Well, let's talk a bit about your work. How did the work go?

TAYLOR: Well, I guess the way to put it is, I learned a lot more than they did. It went all right, but it's a very slow process, and a process that, I think, never really took deep roots there. Some projects were done, but, again, I think it's a mis-definition to evaluate community development by the projects. It's really whether the community reaches a critical mass of awareness that it has the power to solve its own problems at a certain level. And I think in that sense it's something that was more generational than a one- a two- or three-year effort could accomplish. But you know, it's the same with this as when I was ambassador in Estonia just recently, we had Peace Corps volunteers in Estonia. I mean the Peace Corps is still there, and I used to pay a lot of attention, having been a former volunteer, to the health of the volunteers and the integrity of the program in Estonia. And many of them had the same concerns that we had had 35 years earlier, that were they really making a difference? That things seemed to move so slowly, they couldn't see whether they were making a contribution, and yet there's many ways in which that presence pays off. It isn't just the formal task to which a volunteer has been assigned or a specific "job," and put job in quotes. The very presence of a young American, bringing a new perspective, new ideas, in a community can have ripple effects that are astounding, particularly on young people, and lead them in new directions, directions that their lived otherwise never could have taken. So I want to be careful when you say, well, how did it go? Because think it's very hard to establish the right criteria to know the answer to that question. In pure community development terms, I think the results were mixed at best. But in terms of those ripple effects, maybe there's a very different answer.

Q: As Americans we tend to be short-term thinkers and want to see, you know, results within that short term, and they're not there. Certainly the Peace Corps had made a major difference in the United States, because the Peace Corps people have moved into all sorts of areas.

TAYLOR: It's an extraordinary thing, and I have to tell you, my son's in the Peace Corps. My son's in the Peace Corps in Slovakia, today as we sit here. And you're right, the return volunteers and their contribution, both individually in what they do but also then as an organization, have had an impact on American life.

Q: Well, now, you were in Colombia from '63 to about '65?

TAYLOR: Right. And then I went to graduate school after that.

Q: Did you get any feel for the Colombian political system?

TAYLOR: Oh, a great deal, sure. Let me tell you one thing that was interesting. Of course, I learned later that it wasn't true, but I'm just reporting my feelings of the moment, you see. All the volunteers felt that nobody in the embassy know anything about Colombia. They're up there having dinner with this small, elite group that all speak English and are of an international bent, but here beneath that tip of the pyramid is the real Colombia, the mass of the body of the iceberg, complicated and big, and that the embassy was completely out of touch with it. That was one impression we had quite strongly. We had consulates at the time in Medellín and in Cali, and we had nice young consular officers at the head of those consulates. We all liked those people, and went over to their homes occasionally and invited them out to our sites, but we thought that the Ambassador and that big staff in Bogotá were just so far out of touch. Of course, we were wrong, but that's the way we felt about it at the time.

Q: This is repeated in every other country.

TAYLOR: I'm sure, probably still repeated. Maybe all those volunteers in Estonia think I was completely out of touch.

Q: That old crock, thinking about his time but not really doing anything.

TAYLOR: Right, he doesn't know anything about the-

Q: -the real Estonia.

TAYLOR: That's right.

Q: Well, so you went back, what, to grad school?

TAYLOR: Yes, I went back to grad school at Kent State University, and then I took the Foreign Service Exam and passed it, and while I was waiting to be tapped, I took the

management intern exam on the civil service side and passed that and was offered a job as a management intern, which I accepted. But no sooner had I accepted it and started than the phone rang, and it was the Foreign Service, so I switched right over and ran over and became a junior officer.

Q: At Kent State - you were at Kent State from when to when?

TAYLOR: I was at Kent State from ’65 to ’67, and then I went to grad school at American University while I was a management intern, and then I joined the Foreign Service in ’69.

Q: During this ’65 to ’67 and then at AU, what were you taking?

TAYLOR: Right, I was at that point, at Kent State, I was in Latin American area studies, trying to build on my Peace Corps experience. At AU, I got a master’s degree in economics.

Q: When you took, obviously, the written exam and then the oral exam, do you recall anything about the oral exam?

TAYLOR: Yes, I remember it.

Q: Can you give me an idea of some of the questions and challenges you found at that time?

TAYLOR: Well, I had heard how hard it was, and I was thinking that I must not have passed it because I didn’t think it was very hard so I had missed the whole point of it. I took it in Chicago. I don’t remember the names, but I can even today see the faces of the three examiners. I found it very enjoyable. I had trepidation going in, because I’d heard how difficult it was and not very many people passed. I thought it was a nice conversation for about an hour and a half, very different from the oral exam today, very, very different, but I was pleasantly surprised when they came out almost immediately and said, “You passed.”

Q: Do you remember any of the questions?

TAYLOR: Yes, I remember. There was a discussion about whether the United States, in pursuit of its Cold War objectives cozied up too much to dictators and authoritarian figures on the right. I remember we discussed that for a considerable amount of time. They asked me who I thought the two or three best Secretaries of State had been and why, after I had picked the two or three best. They asked me about being able to present American values, American culture, American literature to an international audience, to groups in other countries. I remember those very well.

Q: So you came in in when, ’69?

TAYLOR: ’69, yes, very exciting time. We were there first - I think we were the first, if not, we were one of the first - very big class, too big, almost 70 people, and segmented because about 20 of the class had been recruited on the basis that they had to go to Vietnam, and when they arrived and realized there were about 50 of us who had a choice, they were hopping mad, hopping mad, and in addition to that, you can imagine in ’69, if we weren’t the first class, we were certainly the first class in which a substantial portion of the class, emotionally and viscerally, disagreed with our Vietnam policy. So here you have joining the system that we still defending the Vietnam policy sort of the people who you looked out the window at or on television and sort of said, who are those people? And that produced a kind of, if not a culture war, a culture clash throughout the A-100 process, as various speakers came over to tell us about our Vietnam policy, and even I remember it almost produced a riot in our A-100 class there were three gay people in it as I remember it, and that was at a time when somebody from the Department still came over and warned us about the evils that these people presented to American values and how it was our job to discover them and root them out. And the class almost broke down into a riot at that point, so it was a very interesting moment. It captured social and intellectual trends in society here at an entry point into the system in which the joiners of the system were challenging some of the old values, and it was a very interesting class.

Q: Well, personally, you had gone through Kent State, which turned out to be a focal point in that year, or I guess it was ’70.

TAYLOR: Right, ’71 or ’70.

Q: Spring of ’70. But you had come up through there. Let’s talk about before you came in the Foreign Service your view of our involvement in Vietnam. How was this hitting you?

TAYLOR: Well, yes, you know, I had opposed our policy in Vietnam for a long time, and it goes back to my Ohio University experience there. I had a professor at Ohio University - I remember him very well - Dr. John Cady, who was a Southeast Asia expert, and I first took his freshman class in 1958, here just a young basketball player from Cleveland, Ohio, who really didn’t know much about the world, and I remember this guy, who had been in OSS [Office of Strategic Services] in World War II, and I remember him telling this class - it was either in ’58 or ’59 because I took him again the next year - telling us that the way things are going some of you are going to have to go off and die in South Vietnam. This is ’58 or ’59. I didn’t even know where South Vietnam was. What the heck is this guy talking about? And he then proceeded in the course of that class to explicate his concerns about what was happening in Vietnam and how he saw American policy progressively drawing us into a situation in which, out of a false belief that we were stopping communism, we would end up fighting Vietnamese nationalism. And that made a big imprint on me, and it seemed as though he had anticipated reality to me for a good many years, and so I had long been concerned about it, but not the way so many of the opponents were. I was very uncomfortable with them. I was concerned that we were getting into a war we wouldn’t win and that the consequences of that would be negative for U.S. interests, here and around the world. I didn’t share at all the opposition’s concerns that somehow the Vietcong and the North

Vietnamese were good guys and we were bad guys and that we were immoral and that they were virtuous. And so I guess I was kind of an insider critic, in the sense that I accepted the standard definitions that we should follow our interests, but believed that our interests would be better served by not expanding our presence in Vietnam and risking the loss that then did happen.

Q: While this class was going on, were there big debates about Vietnam within the class?

TAYLOR: There were, at a number of levels, again, partly because a subset of the class had been recruited only on the basis they agreed to go to Vietnam, and some of them were, as I said earlier, hopping mad about that, and they wanted to talk about it, at that level, constantly. And then, of course, in a more structured way, we had very many speakers come over and tell us how important it was that we prevail in Vietnam and how we were prevailing, and that led to hot exchanges. And of course, then, in the class itself, in our social functions and getting to know each other, that was one of the main topics of conversation, as it was in America of the day.

Q: Did you find that your "den fathers," "den mothers," the people who were in charge of the A-100 course, were trying to at least keep you from going to the throat of those who were coming up and talking about Vietnam and all?

TAYLOR: Yes, I think they tried to referee that, and did referee it in a pretty helpful way. Without taking sides, they tried to establish a framework of civility and orderliness about that, yes.

Q: Did you find that your class was looked upon with a certain amount of hostility by the powers that be? Did you get any -

TAYLOR: I don't think so. I don't think so. I think certain speakers went out of the room shell-shocked, but I don't think that the powers that be - the real powers that be - even knew we existed, much less cared about what we thought about Vietnam at the moment. But certain speakers were certainly surprised.

Q: Well, a little bit earlier in the game, the junior officers, particularly when Kennedy came in, were looked upon as somehow born without original sin, and there was an organization called Jeff Side, and they were, you know, they even had the ear of the Secretary of State for a while, not much, but -

TAYLOR: Yes, not much, but I don't think we had that ear any more, but I think we were allowed the absence of original sin, but we didn't have the ear of the Secretary of State.

Q: What happened when you got out, finished the course?

TAYLOR: Finished the A-100 course? Like every A-100 course, you're in a magical world there, somewhat of your own imagination, in the A-100 course. When you're out,

hey, you've got to get to post. You've got to prepare to get to post. You've got an assignment. You're the low person on the totem pole. You've got to worry about practical things all of a sudden. Vietnam's very far away. I'm not going there. I'm going to the Dominican Republic. And so I've got a wife; I've got a child; I've got to go do a brand-new job. And so that's where my focus moved to in the end.

Q: Had you asked for Latin America?

TAYLOR: I had asked for Latin America, that's right.

Q: And so you were going to the Dominican Republic.

TAYLOR: I went to the Dominican Republic.

Q: Well, when you went out to the Dominican Republic, can you describe the situation in the Dominican Republic at that time, because this was still an interesting time.

TAYLOR: It was a fascinating time, yes. What surprised me was how much the country and the embassy still lived in the shadow of 1965 and the U.S. intervention.

Q: Explain what happened in 1965.

TAYLOR: Well, President Johnson decided that political events on the island necessitated an American intervention, and he sent military forces to restore the government. I think it was President Balaguer at the time. It turns out, of course, that the personalities of 1969, 70, and 71, and even 10 years later, were still the same personalities. They just never seemed to go away, Balaguer and Juan Bosch. Balaguer - for all I know, he's going to be president again.

Q: He's still going.

TAYLOR: It's endless, right. But what really surprised me was that there were very large sections of the embassy who had come in 1965 and 66 on temporary duty, who didn't seem like they were planning on leaving any time soon, although their mission seemed to have gone away years earlier. I'm thinking in terms of, well, the FBI still had a very large presence there, although they weren't certain what they were... They were certainly enjoying their time there. You know, here you have an island and a system that was still very much thought of, and maybe somewhat legitimately, as being another potential Cuba.

Q: Wow.

TAYLOR: And great many social problems, agrarian problems, class problems, income problems, education problems, all festering around in an environment in which the Cuban Revolution was riding fairly high - at least the philosophy and ideology and image of it were. And when you traveled around the country you could sense that and you could feel

it, and it seemed to be the question of peaceful evolution or violent revolution, and the question of violent revolution's connection to international Communism was thinking that dominated the American presence in the Dominican Republic at the time.

Q: I found it interesting, looking at the map you see this little appendage called Haiti sticking out there.

TAYLOR: Yes, there it is.

Q: It seems to be completely two different worlds. Was there any spillover?

TAYLOR: Yes, but maybe you would expect. I was going to say, *not* what you would expect. The spillover is basically in illegal activities, in smuggling and black marketing and the bringing in of Haitian labor for sugar cane cutting season, even though it's not supposed to be brought in. And the normal relations between the countries didn't exist, but this kind of black market and illicit exchanges did exist and were carefully controlled by the authorities on both sides to serve their own interests and to be sure they stayed under control.

Q: Who was our ambassador when you were there.

TAYLOR: The Ambassador when I arrived was Frank Meloy, Francis Meloy.

Q: Who later was killed in -

TAYLOR: Later killed in Lebanon, right.

Q: How did he operate, or are we to know?

TAYLOR: Well, he took a great deal of interest in the junior officers. There were a lot of junior officers in the Dominican Republic, and I must say that we probably had as close a relationship with him as anybody I knew. It was all up to him. We didn't know what to do. But he had us all over as groups and as individuals constantly. He included us in so many of the social functions, and he met with us individually and in groups on a regular basis. Goodness, I thought that's what ambassadors were supposed to do. It was only later that I learned that hardly anybody ever did that. So the junior officers in the Dominican Republic had a pretty good relationship and a pretty close relationship with him.

Q: How did you find your wife reacted to all this? Had she been primed for this before, or was she, as most of the wives do, they come out and all of a sudden, whamo, they're hit in the head with this thing.

TAYLOR: Well, they're hit in the head with it, and I mean, Linda's great. She's a trouper. The government got two for one for close to 30 years from us. I don't know whether the government gets that any more, or should, or maybe even should have in our

case, but in any event, she is a real trouper. But over time, you realize that the real burden of Foreign Service life falls on the spouse and on the family. The officer has a job, has a niche, has a set of expectations, has a set of relationships into which to step and to begin immediately. And the spouse, at least in those days, is dropped off in a strange culture, in a strange house, and said, "Good luck" - no car, no money, just "Good luck." We assume you're going to be happy and successful, and we'll see you in six months or something. And they have to really, then, start from scratch and do it all themselves. Fortunately, I had a spouse who was pretty good at that, pretty flexible, not a whiner and a complainer, and when problems developed, just solved them and went forward.

Q: Well, now, what was your job when you first arrived?

TAYLOR: When I first arrived, this is very interesting, actually, because they had a new consul general. They had a horrible consular situation there, horrible consular situation, not just in the press of the business, not just in the incidence of fraud, but it was simply totally out of control. Americans did not even control the Consular Section. Mob chaos controlled it. It was totally out of control. And the new consul general, John Diggins - I remember him so well - John Diggins decided that the way to deal with this situation was to have the Ambassador send over all the new junior officers and we were going to have a whole new approach to consular work. And he convinced the Ambassador to do that. None of us wanted to work in the Consular Section, but we all went over, and John Diggins did a great job of leadership, both with respect to his vision about how to take control of the consular situation, but also with his sensitivity to the fact that none of us wished to be there. None of us thought we were going to a consular assignment, and he reached out to each of us personally and to our families and made us feel part of a real team in trying to get on top of this problem. And again, just like with Ambassador Malloy, those of us who were there got off to a lucky start, to be exposed to real leadership and not sort of bureaucratic fumbling, which could have been just as easy in other places, right from the beginning.

Q: Well, what was the problem in the Consular Section?

TAYLOR: The problem in the Consular Section was that virtually everybody on the island wanted to go to the United States, and virtually no one could meet the requirements of U.S. law. And so every day the Consular Section was besieged with hundreds and hundreds of people waiting in line, surrounding the section - it was in a separate building from the embassy - trying to get a visa in one way or another. And the waiting room had become in total control of the mob, of the applicants, and the space of control for the consular officers was about the space of this desk, looking out over a waiting room that was just seething with applicants holding fraudulent documents, trying to bribe you, trying any way they could to get to the United States. And so all of that had to be brought under some sort of reasonable control, new management procedures and interviewing procedures and crowd control procedures had to be put in place, and the whole thing just needed about eight step-ups of professionalization. It was just a disgrace. It was a disgrace to the United States, but it was a disgrace to the Dominican Republic and the applicants that we created a situation that allowed that to happen. It was our

responsibility to straighten it out, and John Diggins saw that, and he did it.

Q: Had it been like that for some time?

TAYLOR: Yes, it had been like that for a long time?

Q: Well, how did he go about it? Can you tell his -

TAYLOR: Well, first he brought in new people. He wanted new people who hadn't been associated with how it had been. Then he redesigned, physically redesigned the space, moved all the applicants out of what had formerly been their waiting room, and built in, then, waiting and intermediate procedures, where one registered and then went to another station and so forth, finally ended up with an interviewing technique, and to some extent built in an assembly-line procedure, because what was happening is that at eight o'clock every morning there were several hundred applicants, and at five o'clock in the afternoon, when we closed exhausted, there were still several hundred applicants. It just was overwhelming. And he built in this assembly-line technique of a while, through this staging process, that not only kept it under control, but expedited the movement through the system. And we did that for a week. You know, it was very controversial. The Ambassador questioned whether this was treating the applicants correctly or not. We were maybe too much like an assembly line and not enough like a personal interview. But I'll tell you, it was a brilliant thing, because in a week we broke the back of that crowd. We didn't know what the numbers would be, but in a week we ran so many people through that system, that the next day there were only about 10 people waiting. And then the crowds built up during the day. By 5 o'clock there wasn't anybody left, and we could go back, then, to actually under the new procedures, with the new control systems and so forth, we could go back to interviewing people like people, so that week of breaking the back of that overhang of numbers was absolutely essential to getting to the point where we could interview people in a more civilized way.

Q: But essentially you were refusing most of the people, is that right?

TAYLOR: Yes, 99 percent of them.

Q: How did you keep them from coming back?

TAYLOR: We started to have to mark their passports. Instead of just returning them without a visa, we marked them as having been reviewed for a visa. I should tell you also that one of the great - probably not a surprise - one of the great difficulties, complexities of the situation was that so many of our Foreign Service colleagues in the Political Section would send over their friends for a visa, although their friends seemed not the least bit qualified to go, which always led then to great difficulties within the embassy, as these things got kicked upstairs. But you know, what happened was, it wasn't really their friends. Their friends were qualified. It turned out to be the niece of the cousin of the maid of their friends who actually showed up, and they just weren't remotely qualified. But some of these things had to go to the Ambassador to be resolved. You probably know

about that.

Q: How did you find the Foreign Service national?

TAYLOR: I thought the Foreign Service nationals were very good. I liked them. They did an immense amount of work. I thought they were honest, but unfortunately a couple of years later they were fired for visa fraud, so I think I learned a lot of lessons from that. And I think one of the most important lessons is how much we rely on Foreign Service nationals and how much we have to rely on their integrity, and that to have that, to have that commitment from them, to have that integrity in an environment where they're subject to all sorts of other pressures, it's very important that the American supervisors make them real members of the team. If all they do is treat them like hired hands for six or seven hours a day, then these other pressures that are on them can win. I think it's very important that they be made to feel that they are recognized as real members of the team and that they are appreciated as real members of the team if we are to retain that support and integrity that we need.

Q: Were you doing consular work the whole time?

TAYLOR: *No*, by the grace of the Ambassador, I got into the Political Section after a year.

Q: You were saying, there was this Balaguer or something?

TAYLOR: Balaguer and Juan Bosch.

Q: And I think, at least Bosch I guess is blind, but he's still doddering around.

TAYLOR: I can't believe it - that's Balaguer, I think. I think Bosch has passed away. I'm not sure. Yes, that's Balaguer.

Q: But was there a sort of a reappraisal by the time you got to the political section about how threatening Cuba was at that time, and even before, in '65, or was Cuba still a major concern.

TAYLOR: Cuba was still a major concern, although I don't think anyone felt it constituted an immediate threat to the Dominican Republic or to American interests in the Dominican Republic. And I think there was a tremendous awareness throughout the embassy of the importance of growth and development of employment and of peaceful change, land reform and so forth, to producing the kind of system that would have stability and staying power without violent revolution.

Q: What were you doing as a political officer?

TAYLOR: Well, you know, I was doing what you would probably expect, a lot of whatever drops to the bottom, but then in terms of my substantive responsibilities,

consistent with my Peace Corps experience and the fact that I liked to out of the embassy and in the countryside meeting people and actually seeing what's going on, I did follow the role of the Church in the Dominican Republic, and I followed agrarian reform and kind of peasant movements in the countryside and local politics outside of the capital, in the interior towns and cities, tried to keep my finger on the pulse of what was, you know, moving politics at that moment.

Q: Well, how did you find the political system worked? Were there, as in other Latin American countries, you know, the ten families who run things or not, or was this a different breed of cat?

TAYLOR: Well, it was a slightly different breed of cat. It certainly had the oligarchy and the tip of the iceberg, but it was a country that, again, had just emerged from the very long rule of the Trujillo family, and that period still cast an influence over the whole system. It was a system that was trying to find its legs, in terms of trying to become more democratic and more participatory, but it was a system that had been used to moving on patronage, on a kind of feudal benevolence from powerful patrons and so forth, and so the parties tended to organize themselves along that fashion and distribute goodies to sort of buy votes in that sense.

Q: Well, how did you adjust? Here you'd been in Colombia where, all power to the people, and you're out, you understand what the real people want, when you're in the Peace Corps and all, and here you are with the embassy and you're getting out in the countryside and all - I mean, was it a little hard to adjust to being as an American official and all that?

TAYLOR: No, I didn't find it difficult. Maybe it's because some years had passed. I didn't move directly from the Peace Corps to this role. But also, I think, some credit to the leadership of the embassy, which seemed to be big enough, in an intellectual sense, to have room for all sorts of view points and perspectives, and I never felt that the kind of perspective that I tried to introduce into understanding the Dominican political system and how U.S. interests played in all of that, I always found that people welcomed the thing, and what they did with it, that may be a different story, but nobody ever sort of say, you know, we don't like that.

Q: What about the Catholic Church? What role were they playing there?

TAYLOR: Well, you know, a mixed one. You had some very traditional members of the institution who lined up as you would think, and at the same time you had some local priests who were borderline revolutionaries, quite frankly, in terms of the agenda that they were pushing at the grassroots level, in terms of land reform, peasant rights, community development, and this sort of thing, and those were the priests that I got to know quite well. Again, it was, I think, easier for me, being that age and coming out of a Peace Corps background, to have relationships with them and for them to have some confidence that I was a person they could deal with and talk with. So in a sense the embassy actually slotted me in exactly the role that I could be most effective in.

Q: Did you find that, by and large, the political section and the economic section, the more senior officers were captured by the oligarchy or the wealthier people, as so often happens?

TAYLOR: Not in the Political Section at all. I think the Political Section had a very broad view of what was going on in the Dominican Republic and had good contacts in all segments of the society.

Q: Obviously you're pretty far down the feeding chain -

TAYLOR: Right at the bottom.

Q: -but '69 was the arrival of Richard Nixon with his deputy, Henry Kissinger, on the scene. Was there any feel that you were getting from more senior officers that there was a difference?

TAYLOR: Yes, but I didn't see it. There was no question the more senior officers were talking about Latin America being left out. It didn't fit into Kissinger's world view; it wasn't one of Nixon's priorities. You know, he had a rough time in Latin America in his history.

Q: He was spat upon.

TAYLOR: And that may be true in some glorified policy sense back here in Washington, but I never saw it affect anything practical that I worked on or that the people I knew worked on. But I took that on board, and I thought it was probably true in a certain way, but I didn't see it affect my work.

Q: During this '69-71 period, were there any developments in the Dominican Republic - earthquakes, wars, disasters, Presidential visits, or what have you?

TAYLOR: There was a major plane crash outside of Santo Domingo. That was the closest thing to the kind of event you're talking about.

Q: Did you get involved in that?

TAYLOR: Very much so. The whole embassy got involved. The Ambassador formed a crisis team immediately. There were American citizens on the plane, so the Consular Section was very deeply involved. There was some concern that the crash may have been a terrorist act, at least at first. It turned out not to be the case. But we worked day and night for two days, about 48 hours straight, until the authorities and the system got on top of that, and then after it, all of us who spoke reasonably decent Spanish spent a lot of time canvassing all of the hotels where American citizens might have stayed in order to help identify people who were on the plane or not on the plane at the time, because the passenger list was incomplete and inaccurate.

Q: Well, after '71 you were available. Whither?

TAYLOR: I'll tell you right now I had a very unusual career pattern, Stu, in the sense that I'm sure I'm the only Foreign Service officer who in the first 25 years of his or her career only worked one year in Washington.

Q: Yes, it's against the law, for one thing.

TAYLOR: Well, you know, laws are made to be broken. In any case, that was my one year. I spent it as a staff assistant in the assistant secretary for Latin American affairs' front office, and then I spent the next 22 years overseas.

Q: Now, let's see, you were, what, '71 to '72 a staff assistant -

TAYLOR: Yes, in ARA. Charlie Meyer was the assistant secretary; John Crimmins was the deputy.

Q: How did Charlie Meyer, what was his background and how did he operate?

TAYLOR: Well, he came from Sears, Roebuck. He had a great background in Latin American affairs. He was a very cultured, intelligent, nice gentleman. I was not close to him, but I saw him every day and very much admired his grasp of the issues and his ability to manage the Bureau. I was closer to John Crimmins, who was the chief deputy at the time, and I thought he was one of the most impressive officers that I've ever met in my career.

Q: He was a regular Foreign Service officer. What were your responsibilities?

TAYLOR: Oh, move paper around, write little memos, write things for one of the principals' signatures, to staff them while they were in their offices. Those were the days, you know, before the first oil price run-up, where people worked routinely. They came in at seven in the morning, and they were still there at 11 at night, no car pooling, none of that, and so all of us - there were three staff there - we had to spread ourselves out so that we covered that office. Somebody got there before the principals came in, and somebody closed it up after the last one left. And John Crimmins, he was usually there until about 9 or 10 every night.

Q: Well, do you recall any events during this time that sort of got the attention of people?

TAYLOR: Jeez, there were just - I don't remember a particular crisis. I don't know that one happened in that way at that time, but again this is a period of time in which you have the Cuban situation still, as it is today, unresolved, but then in a Cold War context. You have things like the Panama Canal. You have these various governments teetering around. You have all the border issues with Mexico developing. It's an interesting agenda. At the time it was not a front-page agenda, but it's just full of kind of interesting

issues that pop up and present interesting challenges to American foreign policy and the management of those issues at the time.

Q: Did you get involved in getting papers cleared with other bureaus.

TAYLOR: Oh, yes. I mean that was the stock-in-trade of a staff assistant.

Q: How did you find this process?

TAYLOR: Well, I told you that I only worked one year out of my first 25 in Washington. That's the answer to that question. I discovered quickly that I loved government issues and I hate government work. I hate bureaucracy. And I decided I was going to work in the place where I could spend the most time on the issues, which is out in the field, and the least amount of time on clearing papers and fighting about words and that sort of thing. So my whole career pattern is the definitive answer to that question.

Q: Well, after this abortive bureaucratic career -

TAYLOR: Yes, yes.

Q: -in '72 where did you go?

TAYLOR: I went to Yugoslavia. I went to Zagreb and then on to Belgrade.

Q: Well, now, what prompted you to go off to Yugoslavia?

TAYLOR: Well, Yugoslavia had always been a keen interest of mine, ever since I read Rebecca West's books, many-

Q: Black Lamb and Grey Falcon. That did it to me.

TAYLOR: That's it. That did it to me, just caught me, captivated me, had to go there, had to see that place, had to be part of it. And it's also a place, at the time, that I though, in microcosm, to be sure, just had all of the interesting international issues. It had the East-West issues, and it had a special role. It had the north-south issues, and then the internal politics were absolutely fascinating and so full of history and culture and conflict. So this was just a place where I thought I could enjoy it every day, and I did, I really liked it very much.

Q: Did you take Serbian?

TAYLOR: I took Serbo-Croatian. I know today that it's Serbian, Croatian, Bosnian - but it was Serbo-Croatian at the time.

Q: What was that? For a year or about 10 months?

TAYLOR: 10 months, yes.

Q: Did you have Popovic and Jankovic?

TAYLOR: I did. I had Jankovic and Milosevic. Father Milosevic was the second teacher at the time.

Q: Before you went out there - this is the '71-72 period - what were you getting from your teachers and all about Yugoslavia?

TAYLOR: Very valuable lesson, although I think some people were a little angry about it at the time. What I got was an interpretation of World War II, and maybe the year after the war, 1946. Actually, while it seemed to be ridiculous, that's still what drives every... That's why they're still killing each other. So it turned out to be a very valuable lesson in what actually motivates the people that live in that tormented little country, or set of countries.

Q: I had both Jankovic and Popovic, Popovic even more, and I got the same thing. I mean, I got the Serbian point of view. I was given the book Genocide in Satellite Serbia *or something like that -*

TAYLOR: Yes.

Q: -and all this which has served me to understand the Serbs more. I mean, Popovic was saying, was taking great pride on the Salonika front during World War I that they didn't kill people with bullets. If they caught a traitor they killed him with an axe. And I thought, uh-oh.

TAYLOR: You're right. And I always felt very fortunate, though, Stu, that I served in both Zagreb and Belgrade because serving in Zagreb opened my eyes to things that you can' get either from our language instructors of the day or from experience in Belgrade. For one thing, you knew immediately that this country was not holding together. When I went to Belgrade, everybody in the embassy thought, well, Yugoslavia is doing pretty well, and when I went there, I said, well, I can see what you're saying but, you know, I live in Zagreb, and when you're there, talking to people, building relationships, getting beneath the surface, it's very clear they all still hate each other. Now it's controlled, but some day this genie is going to get out of the bottle. It hasn't been solved; it's just been contained. When you were in Belgrade you thought the system was working. There were Yugoslavs. Well, maybe there were, but there weren't any in Croatia, I'll tell you that. So that service in Zagreb really gave me an insight that unfortunately the embassy and the people who only worked in Belgrade, even if they'd been there for two or three tours, never really could understand because it looked like it was working.

Q: I came out of Belgrade after five years there. I thought, hell, this place is going to hold together.

TAYLOR: And if you were in Belgrade, that's what it seemed like. You had to be out in one of the other places to know that it wasn't going to be that way.

Q: Well, let's start. You were from '72 to when were you in Zagreb?

TAYLOR: I was in Zagreb from '73 to the end of '74, and then in Belgrade until '76.

Q: All right, let's take Zagreb. Who was the consul general when you were there?

TAYLOR: Norm Wilson.

Q: And he was an old Yugoslav hand.

TAYLOR: He was an old Yugoslav hand.

Q: He had been Desk officer when I was there in '62-67.

TAYLOR: Forever, right. That's right.

Q: What job did you have?

TAYLOR: I was the chief consular officer.

Q: We've already alluded to it, but how did you find your first impressions in Zagreb of the people and the system and all that?

TAYLOR: Well, I just thought it was fascinating, and I was really up for this assignment. It was what I had wanted. I thought I was just so lucky to have a job that sent me to a place this fascinating, that had given me language training and so forth, so I went in there on a real emotional high, and I just loved it. I didn't have a set of expectations about the system, but I liked the people, and the people liked Americans. That was absolutely clear, and so that was a big advantage. But what struck me most about the place, again, was the weight of history, but this time it was quite a negative weight of history, and the sense of ethnic hatred and dislike. And I remember I had so many conversations with visiting American scholars who were writing books on Yugoslavia who were claiming that Yugoslavia was going to work, that the workers' self-management and the Yugoslav identity had solved a lot of problems and opened new doors, and they were quoting all the time the statistics on inter-ethnic marriage and so forth. And I just kept saying all the time, I would say, "Well, I hear what you're saying, but I live here, you know, and it doesn't seem that way to me. That's not what I hear at night. That's not what I hear when I talk with these people. That's not what I hear when I sit in a restaurant or in a café. They really don't like each other very much, you know." But there was an international industry at the time that was convinced and wrote a lot of books about, you know, how Yugoslavia was the new model and was and would continue to be successful.

I'll tell you, one interesting [language] vignette was, because again, I was still young

enough and still oriented toward trying to get out and network and meet people and not stay in the office all the time, so when my car came to the port of Rijeka, instead of having it delivered, as was normal, I told the Administrative Section, I'll get on the train, I'm going to go down and pick it up and drive it up here myself, because that will give me experience of going on the train, going through the... So I went down there and I did, and I had to have the help of - there was some nice customs expediter down there, not from the Consulate but from the port, who took pity on me and helped me get the car and everything. So I took him out to lunch to thank him for the car, and I still remember him saying to me, after lunch was over and I was getting ready to get in my car and drive it back to Zagreb, he said, "Mister Taylor, you speak Serbo-Croatian wonderfully, but you speak it like a book." And it rang true to me. I mean I was just drawing this stuff right out of the textbook. It was a wonderful comment.

Q: What were the consular problems that you had?

TAYLOR: Consular problems there were not visa problems. The visa thing was fairly orderly. Most people either clearly could or couldn't go, and we were in control. It wasn't anything like the Dominican Republic, and in fact I had a vice consul and a Foreign Service national that did most of the visa work, and it was only a few cases that I had to become involved in. The interesting cases were welfare and whereabouts, American citizens. Some of them were quite normal - young people run out of money or gotten sick on the Dalmatian coast, and how can you help them. There were a lot of American citizens in the Consular District. They were originally born in Yugoslavia, had emigrated to the United States, and come back to live on their Social Security payments in a place where [Social Security checks] went a lot further than they did in the U.S. And they needed some care and feeding, and then, of course, some of them would eventually pass away, and then there would be a death thing.

Now a couple of things there. You know, this was 1973 or '74. It was amazing. I wish I'd been doing oral history, Stu, at the time, because I had American citizens come into my office, elderly ones, who had been born in the Turkish Empire, or who had been Sarajevo in 1914, when the archduke was assassinated, and then had emigrated to the United States and were telling me what Los Angeles was like in 1921, and then had come back to the Yugoslavia of the day. The richness of this historical texture was just unbelievable, but of course it's all gone now, and we didn't capture it. No one captured it, and it's gone. What a loss.

Q: I had one man came in and said, "Well, I worked as a torpedo in Chicago," for maybe it was Al Capone or something, you know, a killer for one of the mobs. Another one worked in a "blind pig," which is slang for a speakeasy - a "blind pig," and I was mentally searching and I finally remembered some obscure reference and knew it was a Prohibition bar.

TAYLOR: There are fascinating, just fascinating, things, just so full of interesting characters and this rich history. And then, I'll tell you, there's this one consular case, fascinating. This American citizen, born in Croatia but was an American citizen, was

caught entering Yugoslavia, crossed the border illegally, carrying weapons and a Ustashi uniform, and so he was arrested as a terrorist. So eventually I was notified and I went there. It turns out I was absolutely convinced the guy was nuts - this was far from being a terrorist, he was mentally unbalanced - and so then initiated a long process to get him out of jail and under some sort of medical supervision, which I finally prevailed in. And then he was transferred to this medical facility for examination and so forth - that was in Zagreb - and so I would go see him once a week and bring him some chocolate or something like that and talk to him. Now this guy, you know, was just absolutely totally off the wall politically, but he was mentally unbalanced, and not a terrorist, he was just mentally unbalanced. But I can tell you this, and this is the eye-opener for me: when he talked about domestic Yugoslav politics and about World War II and what it meant to the country, he sounded just like everybody else. He sounded like the prime minister. He sounded like the bishop. He sounded like the college professor. They're *all* lunatics about that - which unfortunately explains a lot about what has gone on. That region has produced more history than it has consumed.

Q: Well, did you have any problems, particularly in Germany but even more so in Sweden, of sort of these Croatian nationalists left over from World War II who were terrorists, and they were trying to mess around in Croatia. Did you get any reflection of that?

TAYLOR: No, they had peaked out just before I got there. They had, I don't know, kidnapped a plane or blown it up. That was kind of their last hurrah, and fortunately they sort of disappeared off the landscape, but there was a little bit of a legacy in that any time you flew on the Yugoslav airline for all the time I was there, because of those things, all the baggage was lined up as you got on the plane, and no bag was ever put on that plane unless a person said, "That's my bag."

Q: In November I took Croatian Airlines, and you could not have anything with batteries in it in your stowed luggage. You could carry it in your suitcase, and I tell you, you'd never - you know how many batteries you have, for flashlights, cameras, and all that, and the sweat that poured out of me, thinking, My God, have I got them all? I mean they're still obviously nervous about this type of thing. Did you get any feel for the Church? Was the Catholic Church important at all at that point?

TAYLOR: Oh, it was very important. It was very important, and the mixture of the religion with Croatian nationalism in people's minds was extremely important. Again, this is one of the things that still, at that time and I guess today, is a factor in setting Serbs and Croatians off with each other, because the Croatians really look to the Church as a foundation of their society, their culture, and their legitimacy; and the Serbs are, as you know from your own experience, the first thing that will be out of their mouth is how the prelate of the Catholic Church walks down the steps of the Cathedral when the Nazis march in and puts a garland of flowers around the Nazi general and then proceeds to support the extermination of Serbs. Is that really true? No one asks if it is reality or nonsense.

Q: And you hear about the massacre at Glina-

TAYLOR: Exactly, so it's a very divisive factor between Serbs and Croats still today, but the Croatians very much look to the Church as an integral part of their system, their state, and their society.

Q: On the protection and welfare side, did you have any problems with the Autoput and automobile accidents?

TAYLOR: Never had an automobile accident. The Autoput was littered usually with Turkish drivers and passengers. Unbelievable.

Q: The Turkish consul general said he was just . . . because they would buy their car after working in Germany and drive it day and night.

TAYLOR: No sleep, just drive it back and forth. And you know how bad that road is. One, there is no passing lane. There are no lights.

Q: And trees along the side.

TAYLOR: And horses and cattle just everywhere. And so the place was littered with Turkish automobile accidents. There was never an American automobile accident. We had, again, a number of American welfare and whereabouts cases along the coast. We did have an American citizen that was of Lebanese descent, but he was an American citizen who was jailed, and then when he got out on bond, hid himself in the trunk of his wife's car and drove out to Trieste, and successfully. They didn't open the trunk of the car. The Italians opened it, however, within sight of the Yugoslav guards, and were surprised to discover him in the trunk, which led to a massive Yugoslav effort to retrieve him, both immediately on the spot, but then when that failed, subsequently through diplomatic channels. I was unfortunately involved in that.

Q: What happened? Did they ever get him back?

TAYLOR: No.

Q: No, I didn't think so. What was your impression of how Tito was viewed at that particular juncture?

TAYLOR: You know we had a Croatian friend. She was of Hungarian descent. Her family had lost everything in the Communist revolution. They had been part of a very wealthy oligarchy. Members of her family were killed. All of their land and houses had been taken away from them. So she worked as a translator, and she spoke several languages and made a nice little life for herself, but wasn't part of the system. She hated the Communist system; she hated Tito; she hated everything about it. One day, she came in, and every once in a while, a rumor would go around that Tito was sick and about to die. Well, it came around. Tito was sick and about to die, and this time it was on the news

and people thought it was real. And she came running in to see me. She said, "Mister Taylor, Tito's going to die. What are we going to do? What are we going to do?" So here it is, you see. Here it is, this woman who hates everything about him and his system can't imagine what life would be without him. So by this time, he's such an established part, such a dominant part of the life and the stability of a system that's so potentially unstable, that even those who hate him realize that he may be indispensable.

Q: Did you sense at that point - I mean, it was a pretty small consulate general, wasn't it?

TAYLOR: Yes, the consulate general was small.

Q: So were you feeling any - I won't say tension, but - was there a difference in outlook and all between the officers in Zagreb while you were in Zagreb and those in Belgrade?

TAYLOR: Yes, one thing I mentioned earlier is we saw the country and the issues from a somewhat different perspective. From the capital of the country, from the heart of Serbia in Belgrade, it seemed like the system was not just alive and well - it certainly was, I wouldn't disagree with that - but somehow had successfully mastered the ethnic tensions and hatreds and conflict and cultural clashes that historically have been present in those societies. And sitting out where we were, we knew that that was not the case.

That was one thing. Now there had been something called a "Croatian Spring," a couple of years earlier, named after the "Prague Spring" of '68. And in the Croatian Spring of '71-72, the genie of Croatian nationalism had almost gotten out of the bottle down there in Zagreb. There was this one terribly emotional moment in which at the opera, at the opera house in Zagreb. Croatians love music and opera. You know, they think of themselves, really, as part of the Austrian-Hungarian tradition. They're not part of the Orthodox Church. They're Catholic, they use the Latin alphabet, they're part of Europe, thank you very much - not like the Serbs, who are part of Asia and Orthodoxism and all of this, in their minds. And they love opera, and at one of these operas, for the first time in the Communist period - it's an opera about the Turks besieging, it may have been Vienna or it may have been another, I can't remember which town it was - and as the Christians sally forth to do battle on stage, for the first time in the Communist period, unfurled was the old Croatian flag.

Q: Oh, boy.

TAYLOR: And it was such a shock. And the reaction was immediate. The entire audience rose to its feet and cheered and cheered and cheered. This sent tremors throughout the whole system, it was such a natural, spontaneous, but very real view into what was beneath the surface there. Anyhow, as the system got control of the Croatian Spring, the embassy to some extent got control of the consulate general as well, and the consulate general, which during that earlier period had sent political reporting in under its own name, had been asked to send in most political reporting through the embassy, so that the embassy could provide comment on it.

Q: Ah, yes, well, when I was in Belgrade, '62-67, towards the end I found myself telling my colleagues in Zagreb, I said, "Yes maybe this is so, but you weren't 500 years under the Turkish yoke," which is what the Serbs say. And I mean, my God, it permeates.

TAYLOR: It permeates everything, I know. It was very interesting to be in Zagreb, and then to be in Belgrade and really be able to see the country from both perspectives.

Q: While you were in Zagreb, did you run across people who were trying to escape from East Germany, Czechoslovakia? So many would sort of come down for the summer. They could get there and all that. And then many of them looked towards getting the hell out.

TAYLOR: Right. No, we didn't see any of those. We knew what was going on, and of course, Yugoslavs could travel freely. I mean there were hundreds of thousands working as guest workers in Germany. This was one of the safety valves of the system, both the people could leave if they wished to, but also that they could earn money and do well and bring it back into the country and help their families. We knew these other nationalities were coming down there and in that environment trying to exit. We didn't see them applying for American visas or deal with them directly. Occasionally we had a Palestinian passport or so show up at the Consulate trying to get a visa. Of course, at that time that was not possible to do.

Q: Well, in '74, you went to Belgrade. What were you doing there?

TAYLOR: I was doing the kind of mainstream economic reporting from the embassy.

Q: Who was our Ambassador at that time?

TAYLOR: Malcolm Toon.

Q: How did you find him?

TAYLOR: He's one of the superstars of the system, as you know, and he was brilliant. He was also a rather distant and shy personality, from me and most of the staff. So while I very much respected him, I was not close to him.

Q: Who was the DCM [deputy chief of mission]?

TAYLOR: Of course, Toon was succeeded by Lawrence Silberman, whom I worked for as well. Then the DCM was Dudley Miller, and then when Dudley left, there was kind of a strange situation in which a friend of Ambassador Silberman's seemed to become the DCM.

Q: Why don't we talk about the Ambassador first? How did you find Silberman as ambassador?

TAYLOR: Well, Silberman is very controversial. I have to say that two of my friends there, Dudley Miller and Ken Hill, were very much mistreated, and as a result of that, that colors my impression because I don't like what happened to them. It was not fair, and it was more than unfortunate, it was just wrong. On the other hand, Ambassador Silberman and I, for some strange reason, got along very well, and in my personal dealings with him, I actually enjoyed him.

Q: I know Dudley because he was in the Economic Section when I was in Belgrade. What happened to Dudley and Ken Hill?

TAYLOR: Well, let me tell you something funny, Stu. You know I'm retired to Gettysburg, right? My retirement home's in Gettysburg, Pennsylvania. Well, Dudley Miller lives about five miles away from me, and Ken Hill lives about a mile away from me, so the three of us, that old Belgrade group is right up there in Gettysburg.

Q: We'll work to get them interviewed. But how did it come out? What happened, and so on?

TAYLOR: Well, Silberman essentially fired Dudley, and that led to a situation, I think, where Dudley retired prematurely from the Foreign Service. I think he would have been, and should have been, an ambassador and somehow got sidetracked there and left. I think it's very unfortunate and very unfair. Ken Hill, I think, had a very rough time and left Belgrade prematurely and in an unfair situation that followed him around for a few years. But Ken stayed around and eventually became ambassador to Bulgaria and did an extremely good job and then did a wonderful job at the Marshall Center, the new Marshall Center in Garmisch, as the State Department representative there in terms of training - primarily military but some civilian officials of the newly independent states of the former Soviet Union. So Ken went on to a very distinguished and successful career.

Q: When Silberman came he was what, he wasn't a judge at that time; he was a lawyer, wasn't he? Did you get a feel for, what was his attitude when he came there?

TAYLOR: His attitude about what?

Q: Towards diplomatic life, the embassy, and Yugoslavia.

TAYLOR: Well, first of all, he's a very smart guy. He's a very bright guy, and he's a very energetic guy. I think he's full of self-confidence and felt that we had a lot to learn from him, perhaps. I think he wanted to do, and did do in some ways, a very strong and good job with the Yugoslavs. He wanted to establish a relationship with them, but he was a tough guy, and he wanted to establish kind of a tough love relationship with them; and in one case, which was the case of a dual citizen, who had gone back there - Silberman was extraordinarily aggressive and successful in standing up for American citizen interests. He took on the Yugoslav system in a way where a lot of ambassadors wouldn't have, and really staked everything on his fight for the right treatment of this American citizen. There was just, I think, a lot of unfortunate mistakes made by many of us that led

to situations in which a couple of very fine friends and officers got unfair wrong treatment, and unfortunately it's hard for me not to see things through that legacy, because I like those people and know how they were wrongly treated. But again, trying to separate that, I think Silberman did a strong job. He did and aggressive job. And, in my personal dealing with him, I found him interesting, and he treated me fairly.

Q: I remember reading from afar, but as a former chief of the Consular Section in Belgrade not too far past, watching him trying to get this American out.

TAYLOR: Yes.

Q: I was saying bravo, because I did feel that most professional ambassadors wouldn't have taken that course. There was always something else to deal with, and so the tendency to throw somebody in trouble, to leave that and not really make it as a commitment.

TAYLOR: No, as I said, he deserved very high marks for that.

Q: What was your impression - you were an economic officer - of the economy?

TAYLOR: I thought the Yugoslav economy of the day was quite good, in large part because of the foreign workers and their remittances - it was a tremendous boon to the system - but also because this was the heyday of the growing tourist industry. The Dalmatian coast was being opened. Germans, but other Western Europeans, were coming there in increasing numbers, and so the tourist earnings were also quite good. It seemed to me that internally, worker self-management was not as successful as outside academic experts thought it was, and that the country, despite its socialist ideology and philosophy, the reality was that the country itself had serious class splits, serious urban-agrarian splits, and serious north-south splits, in which Croatia and Slovenia were doing very well, thank you, and Macedonia, the Kosovo, and Montenegro were very much third-worldish and 19th-century, when you traveled through.

Q: There was the charge, later during the split, about 15 years or so later, that one of the feelings in Slovenia and Croatia was that they're taking all our money and dumping it in Macedonia and Montenegro and all, and we want our own money.

TAYLOR: Well, that was the price of being one country, that there was some redistribution that had to be made in order to keep everybody on board, and that they were paying more in taxes than they were getting back was certainly true. In the end they didn't wish to be part of one country and maybe the others didn't either. There was not that natural, genuine sense of identity. I always felt, Stu - I don't know how you felt - I felt there was a kind of a Yugoslav man and woman, but that, that sense of identity, of being Yugoslav, was limited to the generation that fought with Tito. They truly had transcended their ethnic conflicts. They became Yugoslavs in their outlooks and in their self-identities, but even though they came to dominate the system, to control the education and the schools, to control the churches, to control everything, they could not

pass that sense of identity on, even to their own children. And so it wasn't what was going to happen when Tito died, although that was an important question. The more fundamental question, what was going to happen to that country when that generation passed through and there was no one left who was a Yugoslav and the identity then would fracture? And I think that's precisely what happened.

Q: Was there any thought that, if Yugoslavia splits, there would be a Bosnian state?

TAYLOR: No, not at the time I was there. People did not think of Bosnia as a genuine state at the time I was there. That was kind of a no-man's-land between Croatia and Serbia and was not thought of as having its own natural identity as a state.

Q: I know, as I say, last November, I went there as an election observer and started saying, I'm sorry, I don't speak very good Serbian, and they said, "You're speaking beautiful Bosnian!" Were we looking at Kosovo at the time?

TAYLOR: We were. We were very well aware at the embassy that Kosovo was a potential flash point, that the demographic trends were working to a situation in which the Serbs would become such an increasing minority that it would be very hard to see how they could continue to control the province effectively, and at the same time, given the Serbian sense of soul and history, that the Serbian state was rooted there and that the glories of Kosovo Polje were something integral to Serbia that they would never let it go. And we covered that. We all traveled to the Kosovo. We looked at that, the embassy, there was an officer there, Jim Shoemaker, did some very interesting reporting on the university in Pristina in Kosovo and Albanian nationalism, so that was not something that to the people who were there unnoticed. It may have been unnoticed in Washington - I don't know - but that was something that Ambassador Toon and Ambassador Silberman were very much aware of.

Q: How did you find dealing with the Yugoslav government as an economic officer?

TAYLOR: At a personal level it was quite easy, but at a professional level it was very bureaucratic and tedious, I have to tell you, and unless there was really something in it for them, it was damned near impossible.

Q: Well, were you able to use Liederkranz and things like that, to open doors?

TAYLOR: Yes, and we still had a residual aid program, not that we were getting any more assistance, but we had loans on the books that had to be charged off in some way, and that always opened doors. But, you know, what we really were trying to do, with Ex-Im, we were trying to increase American exports to the country and have a very active export-import program at the time.

Q: What about encouraging American investment in the economy? Were we doing that?

TAYLOR: Yes, there was some of it, mainly around big projects. It wasn't as dominant

an activity as it has become in countries today, but around major projects, yes. We were certainly tremendously aggressive on the Krško Nuclear Power Plant. Whether this was in retrospect something we should have been so aggressive about, I think there might be some lessons to be learned from that, but at the time, the companies involved and the U.S. government felt that it was right to really pound away and try to make sure that project was an American project.

Q: Well, during this period, what was the view from our embassy in Belgrade of the "Soviet Threat?"

TAYLOR: The Soviet threat to Yugoslavia?

Q: Yes.

TAYLOR: I might not be the best person to answer that question, although I did do some work on it looking into, for example, the defense industry base in Yugoslavia and, certainly, at the very large amount of infrastructure in caves and underground they had put in place in Bosnia in the mountains and so forth. I tended to see it as no so much of a threat. I was more interested in how the Yugoslavs created a deterrent or an ability to deal with an eventuality that might or might not occur, even though I thought it was unlikely to occur. So my focus was really on Yugoslav preparedness, rather than on estimating the degree of a Soviet threat. To the extent that I saw a Soviet threat through my contacts and through my activities, it was not through military attack but through trying to use economic propaganda, intelligence assets, in order to shift, within the Yugoslav government, within the system, thinking in favor of the Soviet Union's position on key international issues.

Q: Well, economically speaking, did the Soviets have anything particular to offer the Yugoslavians?

TAYLOR: No. They didn't have much to offer themselves either. But the thing is, when you get into command systems like that, and it certainly didn't have anything to offer on a long term basis, I don't believe, but on any individual day or week, a barter system could be created that had some advantages, so you could manipulate, using a barter system, issues to your advantage. But in terms of building a future, I think the Yugoslavs had decided that looking east was not their economic future.

Q: I think one of our concerns when I was there, at least it was a concern I had - I didn't lie awake at night thinking about it, but - the basic thing was that if Yugoslavia falls apart, this gives an opportunity for the Soviets to come in and meddle.

TAYLOR: Oh, yes.

Q: We will not stand for that, and so this could be the equivalent to another Berlin, as far as a flash point. And I think that, you know, there was wishful thinking - (maybe it wasn't even wishful thinking - it was probably practical thinking) that everybody wanted to keep

Yugoslavia together-

TAYLOR: That's correct. Oh, yes.

Q: -at that point. And it was only with the disappearance of the Soviet threat, in a way, that allowed the place to fall apart.

TAYLOR: Yes. I don't think there's any doubt that the disintegration of the Yugoslav state, had it occurred in a context in which the Soviet Union remained a global contender with the United States, would be far more worrisome, far more dangerous to our interests in Europe and around the world than the disintegration of the Yugoslav state in the context where the Soviet system itself has lost power and come apart. Again, my own feeling on that was that, as long as Tito or as long as his generation that we discussed earlier was still in control of the system, that state would not come apart, and my own feeling was that it couldn't help but come apart after they had passed, no matter what the international environment was, because the centrifugal forces were just too strong once that restraining generation was no longer there.

Q: Well, you were still a relatively junior officer-

TAYLOR: Yes, I was at middle grade.

Q: -which meant that you were talking at a younger level -

TAYLOR: In the Yugoslav system.

Q: -in the Yugoslav system, including social contacts.

TAYLOR: That's right, yes.

Q: Was there a different breed of cat that you were talking to in Serbia than you were talking to in Croatia?

TAYLOR: Well, first of all, neither of them were Yugoslavs. I've already said that. They were Serbs and they were Croatians, okay? Very important. Secondly, the Croatians hungered for something different, and the younger Serbs hungered, I think, for Serb hegemony. It wasn't going to be a Yugoslav system, but they certainly imagined a system in which they would remain in charge. But both younger generations were increasingly international in their outlook. That is, although they carried this historical weight and all this mythology about each other and about World War II, they also knew about a wider world and knew that it had some importance in their lives. So there was a generational shift in that sort of awareness. And many of them had traveled, at least to West Germany or Italy, and so they had seen, they had experienced a whole different way of life. They had seen prosperity. They had seen democracy. They may not have understood how you did that sort of thing, but they knew the word was different from Belgrade and Zagreb and what was going on in their own country. And they were in other ways just like young

people. They were more adventuresome. They were more flexible. But still, they had all of that mythology about each other. This terribly distorted historical memory is deeply embedded in most everyone.

Q: Were there any sort of major events while you were there, '74 to '76?

TAYLOR: Well, we did have a couple of visits by Secretary Kissinger. We had a visit by President Ford.

Q: How did those go?

TAYLOR: They went very well. Secretary Kissinger was very tough with the Yugoslavs, as he should be. President Ford was very diplomatic and effective with them. Tito was still alive. The Cold War was still going on, and Yugoslavia had an importance in the diplomatic environment, and I think our policy at that time was right and it was very effectively done.

Q: Essentially, what was our policy with Yugoslavia in the view of the Cold War?

TAYLOR: Well, to keep them distinct and separate from the Soviet system and to marshall their support to the degree we could on major international issues, either East-West or north-south sorts of questions, and to keep them successfully looking west.

Q: Were we getting involved in arms trade with them?

TAYLOR: I don't know the answer to that question. I wasn't involved in that.

Q: Did you get any reflections from our relations with Ceausescu in Rumania at the time?

TAYLOR: No, I never worked on anything with respect to Rumania. The Yugoslavs that I knew regarded Ceausescu and Rumania as a kind of horrible soap opera, but I didn't have any direct experience of it.

Q: Well, you left then in '76.

TAYLOR: Right.

Q: So we'll continue this next time after you left Belgrade in 1976.

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Today is the Ides of April, 1998, income tax day.

TAYLOR: And I paid my taxes.

Q: Okay, Larry, '76, you're leaving Belgrade. Where did you go?

TAYLOR: I went to a year of economic training at Harvard.

Q: Could you talk about how you found the training and also something about the outlook of the faculty and the fit between the academic world and the Foreign Service world.

TAYLOR: Okay. First the training was excellent, but it was excellent because we made it excellent. It didn't happen by spontaneous combustion. I think it was the responsibility of all of us who were on that program to search out the right professors, the right courses, that fit into our career development and to use the opportunities in that way. It could have been a wasted although enjoyable year if we simply had taken a set of curriculum offered through the graduate schools at Harvard without critical thought about which of those opportunities supported our career development and our future work in the Department.

Q: You're saying "we." Could you explain how this was structured?

TAYLOR: Well, it was through FSI and through the mid-level training division of PER, but at that time in the Department we were sending five or six officers through this program each year, and so there were four or five colleagues with me.

Q: You weren't just lost in the groves academiae*; I mean, there were people who had gone before you and after, so you kind of knew, there was some guideline to what would make sense.*

TAYLOR: I don't think so. Again, I think each of us had to look at ourselves personally, our own strengths and weaknesses and our own aspirations to the future and try to fit that all in to an incredibly rich and diverse and deep menu of opportunities offered up there. I was the only one that I know of then, before (and I don't know about after), but I was the only one of the groups that I knew personally who took courses not just at Harvard but also at MIT and at the Fletcher School. It was hard, because of the logistics of getting around to all of those and meeting one's responsibilities, but the extra opportunities involved were immensely valuable to me. Now on the point of the fit, again, I think you had to work at it. You had a natural advantage. We were older; we were more mature; and we brought a set of experiences that could be interesting to the university environment. But again, it won't happen by spontaneous combustion. I think we each had to make an extra effort to meet our faculty, to meet the administration of the graduate schools, and to establish personal relationships. And as valuable as that year of academic training was, Stu, I can tell you, the most valuable thing that came out it, from a career point of view for me, was that set of personal contacts that I made with the faculty and with the administration, because it turned out that I saw those people again and again over the next ten years on my job. A whole set of them were advisers to the Indonesian government during the years that I was posted to Indonesia, and two of them became very senior officials in the Canadian government during the time that I was posted to Canada. And being able to draw on that personal relationship established during that year of

training was a great advantage in doing my work, both in Jakarta and then later in Canada.

Q: Where were you rank-wise when you took this economic course?

TAYLOR: I was an FSO-2, that would be a 2 by today's...

Q: So was that about major, lieutenant colonel?

TAYLOR: Right. That was a lieutenant colonel [equivalent].

Q: You say you had to figure out what your goals, aspirations are. When you went there, what were you pointed toward, and then could you talk about how it went?

TAYLOR: Yes, see, I knew exactly what I wanted to do. I already had a master's degree in economics, so I had a nice foundation. What I wanted to do was develop a specialty in the geopolitics of oil and gas and to work on international petroleum, natural gas, and energy issues in an environment that had already gone through the first oil price shock of 1973 and in which I was fairly confident there would be another one, as there was. And I wanted to niche myself for a bit of my mid-career in that specialty, and I thought that I needed more training in order to really perform well. And that's why I took that full spectrum of courses through those three universities instead of just the courses that were offered at Harvard. And it was a tremendous year for that, again, in terms of building informational and analytical expertise, but also in building personal relationships that would be valuable later.

Q: With the faculty, did you find that most of them had acted as consultants? I mean, did they understand the real world rather than the theoretical world?

TAYLOR: The ones I worked with sure did, and they had a lot of consultancies with foreign governments and with Washington, and many of them were on what, at the time, seemed to be a revolving door between Cambridge up north and appointments down here in Washington. Now they got shut out because they mainly traveled in Democratic political circles, and beginning in 1980 the Republicans had the White House for a while; but at the time I was there, they were in and out of the Carter administration and intended to be an important part of the American government as well as an important part of academia.

Q: What did you do when you finished this year?

TAYLOR: I was posted to Jakarta, Indonesia, as the petroleum officer there, which I want to tell you right now is heads and shoulders the best middle-level job in the entire Foreign Service, in terms of the range of responsibility, the interest, and the relevance of the work. So it was a great country, it was a great posting, but what an exciting job!

Q: Well, this would have been '77 -

TAYLOR: Yes.

Q: -to when?

TAYLOR: ’80.

Q: Okay, first could we talk about Indonesia in 1977, when you arrived? How did the country strike you, and then what were American relations with the Suharto government?

TAYLOR: Well, the country is striking in many ways, and it is a unique, wonderful, but very foreign culture to a North American, full of fascinating history, values, ideas, and actions, some of which at first glance seemed a bit strange. The contrast between wealth and poverty hits you the minute you walk off the plane and on the drive in from the airport. It’s a contrast that I had seen before. I saw it in Yugoslavia, I saw it in the Dominican Republic, and I lived with it while I was in the Peace Corps. But I can tell you, at the time we had a big AID program, and we brought in many contractors, and some of the contractors that we brought in were experts on agriculture or finance or some area in which we assisting Indonesia but had never been out of the United States before. They turned around and went home in the first hour, and part of the reason they turned around and went home - it didn’t happen often, but it happened - was because on the ride in from the airport they simply experienced a culture shock of proportions that they could not cope with and decided that they had to leave. And what they saw was, living right by the road, just very desperate sort of poverty that they had never encountered before. So that was one of the striking features. It’s also a very colorful place and a very beautiful place in terms of natural beauty.

I was fortunate, Stu, that my job took me to every corner of Indonesia. It’s a big place. It’s an archipelago. You know, it’s a lot of water, by definition, but it’s almost as wide as the United States, when you go from the tip of upper Sumatra, swing out through Irinjaya. And my job included networking with the entire international oil community, mainly American companies, not exclusively, who were there, and they were in all parts of Indonesia, and I got to visit all parts of Indonesia on a regular basis. So you saw the immense amount of diversity that went beyond the dominant Javanese culture, which is what most of the people in the embassy experienced during their time.

Q: Who was the ambassador when you arrived?

TAYLOR: When I arrived it was David Newsom, and he was then shortly replaced by Ed Masters.

Q: Well, now, what was your impression - you’ve been in a number of embassies - what was your impression of the embassy, not only how it functioned but how well plugged in was it to the powers that be in Indonesia?

TAYLOR: That embassy was extremely well plugged in and had been for a long time

and remains plugged in today. And that is because of the close association the United States has had with President Suharto since he assumed power in the '65-66-67 period. There were many, and I guess still are many, former U.S. government officials who after their retirement took jobs consulting on Indonesia or with Indonesian organizations or with American organizations connected to Indonesia and who continued to exert quite an important influence over relationships, and who worked closely with the embassy, who were there to talk with the embassy and to share insights. It was a very, very close relationship - and the United States benefited from it immensely in so many ways. Indonesia did many things throughout the last 30 years, including the Vietnam period and other sensitive periods, in support of U.S. interests, at the request of the U.S. government, that would be above and beyond the expected in a normal relationship. So we've profited immensely in a number of ways - economic, commercial, political, strategic - from our association with Indonesia, but here we stand now, in 1997, perhaps toward the sunset of the Suharto era, at a time when Southeast Asia, and specifically Indonesia, has gone through an economic meltdown that is associated with the structural type of economies and crony capitalism and this sort of thing. And I think, looking back, we also have to ask ourselves whether we have been able to maintain the necessary sort of political distance from that government in order to be sure that we were correctly assessing and shaping U.S. interests at all times.

Q: What about it, when you arrived there and first took a look at it? You immersed yourself in oil economics and all, but before we look at developments there, let's look at how you looked at the structure of the government. Was the Indonesian government dealing with its oil program well at that time, or was it just sort of being enhanced because there was oil there?

TAYLOR: It's a complicated answer. In the first instance, Indonesia had pioneered a unique method, at the time, of partnership with the much-needed foreign expertise and companies. That was called a "production-sharing" arrangement. Basically, sovereignty over the natural resource was retained by the government of Indonesia at the same time that contractual conditions were fashioned as incentives that enticed foreign oil companies, and especially American oil companies, into the country in a big way to promote development and ultimately to promote production. Indonesia had gone through a huge wave of that, based on those unique contractual features, and had established a very sizable production base by the time I had arrived. What was missing at the time was a system, a professional system of deep expertise within Indonesia itself and an honest public administration with which to administer its responsibilities with respect to the foreign oil companies. Things had gotten a little bit out of control there (and I'm sure they had elsewhere) during the first oil price run-up, when money simply rained down on these systems, and then prices had retreated, and the system was in a bit of disarray. The chief Indonesian entrepreneur and head of the State Oil Company had come in to disrepute for some of his handling of this money, and he was being shuffled offstage and new people were being brought on stage, and it was a country that was in the process of developing a liquefied natural gas industry as a complement to its oil-exporting capacity. That was quite exciting, but what really took it off again was the second oil price run-up, and it needed that sort of a kick-start.

Q: That was what? Seventy-

TAYLOR: ’79.

Q: As you were looking at this, what were you looking at, really, as the petroleum officer?

TAYLOR: Well, first, several things. It’s hard to believe today, but at that time the American embassy was the world’s finest source of accurate and timely information on the Indonesian petroleum industry. It was even more accurate than the Indonesian sources, and so everyone who cared, whether they were in Washington or in London or in Jakarta, about the condition of the Indonesian petroleum industry relied upon the American embassy’s petroleum officer, whose networks of contacts and information was better and larger than just about anyone else’s. So there was almost an interesting global infrastructure of people and organizations who, for some reason, cared about the Indonesian petroleum industry that that petroleum officer position networked with and was in constant touch with. And kind of the epitome of that was an annual petroleum report drafted by that officer, which was just an incredible international bestseller.

That report kind of summarized, in an unclassified way, what we knew at the embassy about the condition of the Indonesian petroleum sector. I know that in the month that it was due, which was always April, I would receive calls at the end of March until it was actually out, whatever date it happened to come out, from all over the world - just scores of calls - saying, “Is it out?” and “We need it immediately.” There were from universities, from companies, from governments. So that was one interesting aspect of it, that the condition of the world economy and the global information system at that time was such that a country like Indonesia, with a major petroleum industry, really didn’t have an accurate analytical or even informational base beyond what the American embassy was providing.

Now we used that information base and that network of contacts to promote U.S. interests in a variety of ways, but particularly in promoting U.S. commercial interests, to be sure that American companies got it. I’m a great believer in free and fair trade, but only if I can’t bias it toward American companies. Indonesia was a system that was not free and fair, and so in that system I played as hard as I could to be sure that American companies, American businesses, American workers got the benefit of what was going on in Indonesia, and got and inside track on contracts and on projects. And that ranged from providing advance information - giving information to American companies first - all the way through the critical decision process, in which we help the company executives obtain appointments with Indonesia decision makers and sometimes, when push came into shove, I would go in, or if it took more, the Ambassador would go in and see the minister or even higher and really advocate as hard as we could to make sure an American company got a shot at it.

Q: Were you looking at what became very evident in the last year, when the Indonesian

meltdown came, which other Asian countries have gone through but Indonesia seems to be almost the worst case of bad loans, cronyism? Were we looking at the fact that Suharto's family members were all of a sudden very wealthy people and that Suharto's daughter and others were getting a significant share of the product. Was that a case of interest at that time?

TAYLOR: I guess the answer is a little bit. From the perspective I had, there were two issues that I took on directly. They didn't relate to this. The first was when I arrived the conventional wisdom within Indonesia and internationally, including the oil companies, was that Indonesia was about to run out of oil exporting capacity, and this judgment was reached by an analysis that extrapolated a then current decline in production capacity against a rapidly growing domestic consumption curve that was going to cross in a few years and leave this country to be a net oil importer. The World Bank subscribed to that. Important parts of the U.S. government did. The IMF did. I felt this was wrong, and it was one of these fallacies of extrapolation in a situation that was more complicated. So I took that on analytically. The second was to try to assess and analyze the growing importance of Indonesia's LNG industry as a foreign exchange earner.

Q: LNG?

TAYLOR: Liquefied natural gas. And the international community that assessed Indonesia's financial stature, its growth capacities, its economic prognosis, in other words, had totally missed the very rapid buildup of the natural gas industry and its translation of production into a liquefied natural gas export capacity, which was going to be a very huge foreign exchange earner as well. So that was kind of a second analytical task I took on in order to provide what I thought was a more reasonable, realistic, and objective assessment of the economic health of the country, which at that time, hinged substantially on its hydrocarbon sector.

Now after the second oil price run-up, it is true that the Economic Section where I worked, including work that I did, reported fairly steadily on the way the rent income generated out of that second oil price run-up was being corrupted and misused and mismanaged and that that was associated with the kind of crony capitalist nature of the system. But I have to say, all in all, at that time, that it was a more informational middle-level issue, that that was not an issue that dominated the senior agenda or senior policy-makers' attention. It was something they were aware of, something they were interested in, but it didn't seem critical at the time, and I guess the fact that it's all coming to a head here now, 17 years later, indicates that they were right - it wasn't that critical at the time.

Q: Well, of course, too, it was a reflection of what had been going on in Japan for years. I mean, this close relationship between banks and projects and all, so this all of a sudden came to a head, really, in 1997-98.

TAYLOR: Yes.

Q: What about the problems in the fuel area with corruption as far as American firms

were concerned.

TAYLOR: In my experience, there were some very small American entrepreneurs, one or two, niched in around the edges, that were probably operating in gray areas. I knew who they were in general, but they didn't come to the embassy very often. They were part of the background environment that I worked in, and I would hear about them second-hand or see them at a distance - and they were after a quick buck. The companies that were really there, established to do business and to develop the country, the big petroleum and oil service companies, were not involved in corrupt practices or shady dealings, and they took very seriously their legal and ethical responsibilities under U.S. law, which included the Foreign Corrupt Practices Act, at that time, and including in most of these big companies - the Duponts and the Shells and the Mobils and the Exxons and so forth - a corporate code of ethics that governed how they operated as well. Now, in order to get things done in Indonesia, they and everyone else had to use middlemen, contractors, and how the contractors got the job done is... I mean, we all know how they got it done. But I have to tell you, this wasn't massive bribery or corruption. This was employing a middleman to get your rig out of harbor, and, you know, it cost you thousands of dollars a day to have that thing tied up in the harbor, and I don't know how the middleman got it out, but I bet he paid $50 to a customs official. Well, I mean, that is just the grease on the wheels of progress -

Q: Services rendered.

TAYLOR: -but they had to do it through middlemen. They couldn't pay the $50, and they wouldn't pay the $50, but they would hire a customs broker, who would go and somehow get the rig out. But to their credit, they would establish a fair basis for the service, and that's what they would pay, on an international standard, on reasonable standard. They did not inflate, they did not put into the remuneration to the middleman room for bribery or corruption. How the middleman got it done out of a fair rate, they didn't look at, but they paid what they deemed to be an international and fair rate.

Q: What about other competitors, not Americans, the British, Dutch, Danish who were in Indonesia? How did that work?

TAYLOR: Well, they were all there. They were all scrambling, and especially around these oil price run-ups in '73 and then again in '79 and '80, because the money was raining down and opportunity was golden everywhere. We had a big advantage because the American embassy was staffed to support this sector and had a position dedicated to doing it. Most of the other embassies relied on us totally for the information base. They were some of that set of eager customers for the petroleum report. They would come to my office, it seemed like every day. One year I was there I counted the number of people I briefed, as the embassy's petroleum officer, in a single year, and I'm counting one meeting, whether there was one person there or 10 or 20. I'm not counting 20 people as 20 times. Single meetings. And that year I had over 400 briefings on the Indonesia petroleum sector, just to give you an idea of the intensity of interest and the total paucity of sources that had any expertise or knowledge on current developments. And the

international companies, the other international presence there, the embassies, the World Bank, the IMF, were a big part of that constant set of briefings. And their companies there were constantly complaining what an advantage the American companies had because their embassy was staffed to support them. And that was especially true of the French.

Q: Well, looking it in sort of mega-economic terms, when the '79 price tidal wave hit, was it the feeling that, yes, lots of money was going to Indonesia, but actually we were coming out ahead on the thing because the money had to be invested somewhere, and it was mainly going to the United States, or how did we feel about that?

TAYLOR: Well, it was certainly a boon for the American petroleum industry, in a way, but I don't think any of us thought that oil price spikes like that were good for the kind of international economy we wanted to see in place. It was so disruptive and so distorting. But fortunately the second price run-up was so severe that it did set in motions counterbalancing and self-correcting forces, and as you know, today on an inflation-adjusted basis, gasoline has never been cheaper. So that was kind of the last hurrah of those who thought we were running out of oil and that prices would continuously trend up in real terms.

Q: When you arrived, where in the supply side did Indonesia rank, as compared to Nigeria, Saudi Arabia, Kuwait, that sort of thing?

TAYLOR: Well, nowhere near the big Gulf producers, but quite a nice, sizable secondary-level producer. They exported more than Algeria and those kinds of countries. And very important player in the Pacific basin and particularly with respect to Japan and to the West Coast of the United States as well.

Q: What about the Japanese? Were they trying to corral Indonesia sort of into their market? I mean, they tried to do it once. I mean, World War II, as far as we're concerned, a major cause was Japan wanting to grab Indonesian oil. And I was wondering what was happening now some 30 years later.

TAYLOR: Well, Japanese businessmen were quite aggressive in Indonesia at the time, and I'm sure they continue to be. American companies dominated the petroleum sector, though. Japanese companies were there in small amounts, but they weren't then and aren't now competitive, in terms of their services or their capabilities with the international oil industry, which is dominated by, you know, a set of American companies.

Q: What about the impact of the oil companies. I'm not talking about the money impact that hit the higher branches of government, but out in the field, because you put a crew into a place, and oil people, the roustabouts, the oil crews are not the most sophisticated group of people. It's rough, dangerous, hard work. Was this a problem?

TAYLOR: Not generally. There were one or two cases. There was an important problem

where the leadership of the local international company broke down, and itself lost control, lost control of itself and created some local problems. By and large, though, many of the newly discovered Indonesian fields, the ones that were discovered in the '60s and '70s, were in kind of isolated areas, and the traditional practice of the international oil companies was to bring in those workers on rigs offshore or onshore, work them straight for 30 days and then give them 30 days off with a ticket anywhere they wanted in the world, and they just showed up again a month later. So they really didn't have the discretionary free time to relate to the local community. They worked full-time when they were there, and when they weren't working, they weren't there. And it just went 30 days on and 30 days off.

Now there was a very sizable, longstanding production capacity in Sumatra, a Caltex production, where over decades there had been built up a foreign presence living cheek by jowl with an Indonesian presence. That was extremely well managed, I think, by international standards. Obviously, there are cultural and other challenges always in a situation like that. That can't be eliminated, but in terms of managing them in a decent and sensitive way, I think the company had come to do that and had finally gotten to the point where it was even able to make an Indonesian the head of the local company, as opposed to constantly bringing in an expatriate to do that. I think that was an important watershed in that particular company's evolution.

Q: Were there any disputed areas? Did we get involved in any? The borders of Malaysia with Vietnam?

TAYLOR: Yes, there were a few. They were mainly offshore. Push never came to shove while I was there. I used to write reports about those areas and what the Indonesians thought of them, what the American companies thought of them as prospective production or exploration sites, and to try to sort of give a heads up if the Indonesians or the American industry were trying to push for action or decisions in any of those areas. It turned out that that was mainly informational, and there was never any conflict while I was here in any of those regions.

Q: How were relations with Indonesia and Malaysia and Brunei and all that?

TAYLOR: Well, they were okay by the time I got there. Some of those earlier, really difficult and even bloody sets of relationships had been overcome, and a sort of stability had set in over the borders, and the relationship. So there was that legacy still to deal with. It was still in people's minds and recent. But it was at that time accepted as being history and not part of the future.

Q: How about the Chinese community? Did they play much of a role there?

TAYLOR: Oh, they were critical on the economic side. On the banking side and the entrepreneurial side they dominate the Indonesian economy.

Q: Were we sort of keeping an eye out for if it seemed like a pogrom may be starting? I

mean, was this a concern of ours?

TAYLOR: Yes, especially given the experiences in 1965 and the clear understanding of the importance and the uniqueness of the Chinese community in Indonesia, that was something the embassy always had its eye on and was sensitive to.

Q: Well, were there any, sort of, crises that hit you or the embassy during this time?

TAYLOR: I don't know that there were crises; there were just huge sets of exciting opportunities associated with developments in the petroleum sector, opportunities for American companies, major projects, and it was a window, I have to say - a very good window for us - into the decision and thinking processes of OPEC, which today doesn't seem to be too important, but in those days people thought it was critical. And we did an awful lot of reporting using that window on decisions being made elsewhere or thoughts about decisions that were being considered elsewhere in the oil-exporting world but based on information that we had got in Jakarta.

Q: You say trade opportunities. Your trade opportunities would be: they need another drilling rig here, or they need -

TAYLOR: A lot of major project opportunities - refineries, petrochemical facilities, LNG export facilities, LNG tankers - huge project opportunities associated with the petroleum sector.

Q: Well, would you find yourself in the position of going out and flagging a project? Who would it be, the Department of Commerce, or would you let it be through your contacts in the petroleum world and-

TAYLOR: No, we did it. FCS wasn't in existence then, and we did the commercial work at the time. And, again, on the petroleum side of the house, it was a very high priority because the projects were so big, the money was so big, and the scale of U.S. interests - the Bechtels, the Fluors, all of the big engineering companies and capital equipment, shipbuilding, you know, General Dynamics - they all wanted a piece of that action, so it was a big part of our work.

Q: Did you find American companies at this level responsive to the desires of Indonesia?

TAYLOR: Yes, these were world-class companies going after world-class projects, and the big players knew they had to give good value and good service. What they were interested in was making sure they got a fair shake in an environment where things were not always transparent.

Q: How did you find yourself fitting into the Economic Section? I would think that, you know, what you were doing would attract 400 interviews in a year.

TAYLOR: I'm sure some of my colleagues thought I fitted in a bit awkwardly, but what I

can tell you is that the leadership of the section really understood the importance of it. More importantly, the leadership of the embassy did, and I think the Ambassador and the DCM both gave me a lot of running room and expected me to take advantage of it because my contacts were their contacts, both on the Indonesian side - I dealt directly with the minister, the head of the state oil company, all of the decision makers (so did the DCM and the Ambassador, usually in a different way), and I knew personally and very well - just see-you-every-week, come-to-my-home-I-go-to-your-home basis - the head of every American petroleum company in the country, and those were the ambassador's and the DCM's contacts as well, and I think they wanted to be sure that the embassy was being effective with that set of influential and important contacts.

Q: What about over the years by this time the educational infrastructure of Indonesia - that's the wrong term, but in other words, where were people in the ministries and all getting their expertise, and where were they being trained?

TAYLOR: All over the world. All over the world. A large number of them, in the United States, some in Germany or Holland, some in Japan (relatively few), but they had a good international exposure, and the set of officials, the key officials there, were capable global actors. The problem is that they weren't deep, and you'd have one or two people that could think and act on a kind of a global level, but there was no follow-through. They weren't deep enough to have organizations and professional systems that could follow through at that level of decision making or leadership, and so things tended to go bad fairly quickly. Even though it sounded as though the meeting or the decision had gone your way, a month or two later it seemed to be chaos, and you couldn't quite understand how we had gotten from what we thought was a clear and important kind of decision to a place where we couldn't see any relationship to what we had understood.

Q: You mentioned this tremendous contrast between the people being wealthy in Indonesia and the... This was during the Carter Administration, in which human rights were almost a major focus, anyway, and I'm sure human rights included the right to be -

TAYLOR: Rich.

Q: -the right to be rich and the right to use one's money as one wanted or something like that.

TAYLOR: Right, to have a job and to participate in the economy.

Q: Did that come in?

TAYLOR: You know, I didn't see it much from my vantage in the embassy. I certainly knew about the human rights emphasis of the Carter Administration. It was quite controversial and important within the State Department itself, and I remember reading cables from other posts about the visit of Pat Darien and other important people in that initiative, but I don't remember anything that dramatic happening in Indonesia, although it well could have because you had the East Timor issue, you had an issue of prisoners

being held in conditions and for a long time stemming from the 1960s and not clear what the basis of that might be. So there was a whole host - and you had a system that, however benevolent it might have been at the time and however much we found ways to cooperate with it, was clearly not democratic in our sense of the word. So there are all sorts of potential entry points for this human rights emphasis, and maybe the Ambassador or the political counselor of the time would remember episodes about that that I don't, but it didn't touch me in many ways.

We did get into an incipient environmental issue, which I thought was really important, and that was about the impact of developing these massive liquefied natural gas facilities up at the tip of Sumatra, in a place called Aceh. And I remember thinking at the time that I wasn't necessarily too pleased with myself for pushing the American company position as strongly as I did. I kept thinking, But you know, there are environmental consequences to this that I don't understand, but the environmental groups couldn't send people to my office or to the embassy. They were back in the U.S. If they knew about it at all it was a marginal issue to them, and of course, the companies could send - and did send - scores of very powerful lawyers and engineers and executives to explain why their position was the right one. And I was thinking, We've really got an asymmetry here between our understanding of the company's position and our understanding of environmental issues. But at that time, kind of international environmental projects and consequences were not yet a big part of American foreign policy. You know, if that same issue had materialized last year, probably Tim Wirth would have been standing in the embassy having something to say about it.

Q: He's the under secretary for-

TAYLOR: -global affairs.

Q: -global affairs.

TAYLOR: And the environment was one of those "global affairs." But at the time, that simply was not much of a factor.

Q: Well, you left there in 1980.

TAYLOR: Yes.

Q: Where did you go?

TAYLOR: I went to Ottawa, Canada.

Q: Did you find this a foreign environment?

TAYLOR: Ottawa?

Q: Yes.

TAYLOR: I found it a real education, because I had never been to Canada and, like most Americans, knew it was up there and knew it was nice and didn't really know what that meant in any specific terms. And I got up there and found quite a fascinating country, full of interesting little issues that I didn't hear anything about when I was in the United States, and I was lucky enough to get there at exactly the time that the Canadian government made a decision to bet its entire economic future on inevitable price rises in oil. And it busted itself. I mean, it imploded as a result. It made a huge mistake, but the consequences of the mistake didn't come home for three or four years, until they realized what a huge mistake. So I bumped right in, in a very fortuitous timing, to being at the center of U.S.-Canadian relations in this kind of energy niche that I was in, and as a consequence, really had a fascinating assignment in Ottawa, got to travel everywhere in Canada, and was on the cutting edge of the issue that dominated U.S.-Canadian relations for about two and one-half years.

Q: You were there from 1980 -

TAYLOR: -to '84.

Q: I assume you had several ambassadors at that time.

TAYLOR: I had two. I got there in the summer of 1980, and President Carter would lose the election in November, and so we would get a new ambassador, but President Reagan's ambassador who came was there throughout my entire period.

Q: Who was that?

TAYLOR: That was Paul Robinson. Ken Curtis was there when I arrived. He was a very nice man, but he left, really, the day of the election - didn't even wait until January 20th, I think - and he had been the former governor of Maine. He was a great fellow, but I only worked under his leadership for a couple of months.

Q: As you were still, what, the fuels officer?

TAYLOR: In Ottawa it was called the energy officer because there was, in addition to oil and gas, other important energy relationships with the United States, not the least of which was a massive electricity trade out of Quebec.

Q: Was there a difference in emphasis, set-up, or anything between being the energy officer in Ottawa and being the fuels officer in Indonesia, in the pecking order or emphasis?

TAYLOR: No. In Indonesia, it was just by self-definition a very important job. I had succeeded two great officers in that job who had really established it as in its own unique niche - James Matts, who had it in the early '70s and went on to work for Fluor after he left the job, and then Mark Johnson (and I succeeded Mark). They had defined the job

and shaped its role. Because Indonesia was such a well-known petroleum country and petroleum exporter, the importance of that job went with the territory. Now that was not true in Canada, and under ordinary circumstances, I think in the pecking order the job I got in Canada might not have been too visible or even too exciting. It would have been a run-of-the-mill thing, but as I mentioned earlier, by dint of fortuitous timing, I arrived there just a few months before the Canadian government launched this massive, bold initiative called the National Energy Program, which bet the country's economic future on large, inevitable price rises in oil, and sought to use what I call a set of measures that approximated creeping expropriation to, in essence, nationalize the private sector, which was heavily American. That is, betting your future on price rises would have been Canada's own mistake, and we would have left them to stew in it, but adopting a set of measures that look like creeping expropriation along our northern border went right to the top in the U.S. government, and so I found myself in a portfolio that had immediate immense interest at the top levels of the U.S. government, surprising - they were shocked by what Canada was doing.

Q: How was this reflected in what you were doing, this expropriation-

TAYLOR: -*creeping* expropriation.

Q: -creeping expropriation -

TAYLOR: And that's my term. I mean, the Canadians would not like it.

Q: As you went around when this first came out, was this evident in the legislation?

TAYLOR: Oh, absolutely, totally clear. It first came out as part of the federal budget, which is a big exercise in Canada, in any parliamentary system, the announcement of the budget, and the embassy stays up all night. The budget is given in the evening, and the embassy stays up all night and analyzes it. That's a tradition. But usually it's the Treasury part of the embassy, the financial part of the embassy. This time we knew that the energy legislation would dominate it - we'd already discovered that - so I was there to stay up all night as well. I know the very first cable that we sent said that this massive, bold initiative had two central themes. The first was to federalize the energy sector and the revenue flows from the energy sector within Canada, and the second was to nationalize the petroleum industry, which meant that the U.S. private companies were going to come under great pressure either to sell or to take on Canadian partners.

Q: It was still the Carter Administration when this came out, was it?

TAYLOR: Just barely, that's right. It came out in October. President Carter would lose the election a month later.

Q: What was the reaction in Washington and elsewhere in the States?

TAYLOR: You could tell it was a lame-duck administration. We had done enough work

to see that something big was coming that was going to affect American interests, and we had sent a cable actually saying this is worth somebody senior, like maybe a Secretary of the Treasury, maybe an under secretary of State, calling the Canadian finance minister and the Canadian energy minister and expressing concern, based on embassy reporting. Nobody was interested, and I think the reason nobody was interested - maybe we weren't convincing enough that something big was coming - but I expect the political environment here just wasn't willing to take on what seemed to be such a marginal task at that moment.

Now once it hit, lights went on all over Washington, not necessarily because of the embassy reporting, although that should have been sufficient, but because they were getting immediate from the American industry saying you've got to do something about this.

Q: Well, I assume you were talking to the appropriate ministries in Canada.

TAYLOR: Oh, sure.

Q: There has always been this sort of "we're-the-small-guy" and sticking it to the United States-

TAYLOR: Yes, very popular.

Q: You know, it's what you do when you don't have anything else to...

TAYLOR: And this was Pierre Trudeau, you know, and he's so good at that.

Q: Were you catching this?

TAYLOR: Oh, yes. They loved it. That portion of the Canadian public opinion that thinks in the way you describe just thought this was wonderful. But Canadian public opinion is not homogenous. It is diverse, although you may not realize it down here because you never hear about it, and this program was very popular in central Canada, which was energy consuming and has that foreign policy attitude, anyhow. In the energy-producing sections of Canada, out west, particularly in Alberta, this was almost a declaration of war, against them more than it was against the United States. As I said, the first theme here was to federalize the Canadian energy sector. Canada has a very decentralized system. The provinces have a great deal of power and authority, and Alberta opposed the National Energy Program, for its own reasons and its own set of interests, as fervently and as effectively as did we. So there was support, and within the Canadian system, that we tried to work with and mobilize to achieve our interests in opposing some features, the features that we felt violated Canada's international obligations in the OECD and elsewhere and those features which we felt were a direct attack on international comity and contractual relationships and the status of American industry already operating within Canada.

Q: I take it Pierre Trudeau was not a favorite of our embassy.

TAYLOR: It depends on what you mean by a favorite. I think most of us thought he was absolutely masterful at what he did. The problem was we didn't always like what he did in terms of U.S. interests. So I think there was a mixture of great respect and admiration for him as a Canadian leader, and a recognition that U.S. interests were going to be under some pressure from the kinds of policies that he believed in during the early 1980s, particularly regarding the oil sector, and more generally U.S. investment.

Q: What cards did we have to play if the Canadians wanted to move ahead with this creeping nationalization?

TAYLOR: That's exactly what senior officials in Washington soon came to ask. Where's our leverage? What can we do to them? And I'll tell you, at the end of the day there are a whole set of things that we went through. We tried to sort of identify specific programs, activities, and relationships that could be used as leverage, and in the end we rejected that, and I think rightly so, because there's a much bigger leverage that we did play and eventually played extremely effectively. And that is that this is a relationship of importance to both countries, and while as you pointed out a very substantial portion - a majority of the Canadian public - likes occasionally to stick it to the big guy down south, the Canadian public knows and understands and will not tolerate a government that picks a continuous fight with the United States. Canada can only lose from a souring of the relationship across the board and from the top, in which the President of the United States, senior Cabinet officers are giving speeches about Canada's unfairness, about Canada's violation of international practices and obligations and of questioning whether we can trust Canada in our commercial, our economic, and our political relationships. It was that constant drumbeat of sort of saying, Canada, you've really gotten off the reservation this time, and we may not be picking this or that issue to hit you with, but we're not going to let you be this far off the reservation without speaking out about it, without pointing it out, and without holding you under the spotlight of critical analysis. And eventually, along with the fact that they made a huge mistake (oil prices went down, not up), that proved effective in reversing that set of proposals.

Q: I suppose it was also helpful to have the Reagan Administration in, because he was considered not to be an internationalist and a rather tough person as far as if you started messing around and certainly was not in favor of nationalization or federalization of our property.

TAYLOR: Yes, I think the Reagan Administration did take a tough attitude about this. I suspect any American administration would have, but maybe not to the same degree with the same intensity as the Reagan Administration did. I think that's right. The Canadians caught a little bit of bad timing from their point of view in that respect, too, because they got no sympathetic ears in Washington with the Reagan Administration. There was no part of Washington that was saying, oh, well, we have to understand their point of view. We did understand their point of view, and we damn well didn't like it, and that was all of us. So they caught a bit of bad timing on that.

Q: When did the downturn come in oil prices?

TAYLOR: Well, almost immediately, but I think that it became persuasive that the *trend* was down only after a couple of years, and at that point Canada's National Energy Program simply wasn't working - never mind whether you liked its philosophy, never mind whether you believed it was right-minded or right in some political or international sense - the plain fact of the matter is that it didn't fly, so something had to be done about it.

Q: How did you find dealing with the Canadian bureaucrats dealing with your area, energy?

TAYLOR: It was interesting, is what I would say. I acquired, eventually, a great deal of respect for their technical competence and for their integrity. This was an issue of such importance we had to go above the bureaucratic level. They simply couldn't meet our concerns, and we fought this out at a much higher level, and in fact, at some points, probably were pretty close to the line of what they considered overreaching for an embassy. We did work closely with those sections of Canadian public opinion, including provincial governments, that were opposed to Canada's policy, and we did have a big network of non-governmental contacts that we used to try to mobilize opinion and to try to make sure that our position was well understood in Canada. And so this was an issue in which we didn't just present démarches to the Foreign Ministry and wait for their answer, which was always unsatisfactory.

Q: You know, one of the things that all of us observe in foreign embassies that come here is often they don't really understand how America works. And they come and they go to the Department of State, when actually you should be out in the halls of Congress and appearing on a television show and hitting the media. How about Canada? Was there a different way for an embassy to work there.

TAYLOR: There was, and we did, and that's what I was saying, that we didn't just work through the federal government on this issue. I'll tell you, though, the point you're making is very interesting, because one of the biggest effects of this National Energy Program effort and its blowup, internationally and domestically, was that Canada changed the way it dealt with the United States. The Foreign Ministry was out of the loop in the development of this plan in the first place. They were as surprised as we were. They knew that- (end of tape)

They learned that they had to, as a foreign ministry, get on top of the development of issues like this before the fact and not after the fact, and they went through a reorganization internally, a redefinition of the foreign ministry's role within the government in the development of such policies, and they staffed and managed their embassy differently here in Washington as a result. And so the ripple effects of this National Energy Program, its boldness and its sensitivities and controversies and its failures, extended into the Canadian system as much as they did into the U.S.-Canadian

relationship.

Q: Were you working with the American oil companies to help coordinate our attack on this initiative?

TAYLOR: Yes. When you say "you," I did, but also very much our consul general in Calgary, where the companies were mainly located, was heavily involved in this, too. I must have spent half of my time in Canada in Calgary as a result of this program, and the consul general spent probably all of his time.

Q: Who was he?

TAYLOR: Rich Wilson. He was terrific. He did a terrific job. In fact, you ought to interview him if you haven't.

Q: Where is he now?

TAYLOR: I don't know where he is now. Rich Wilson. In fact, after that he went to Jakarta, so it would be a good interview about Indonesia, too.

Q: Were there any issues concerning U.S. oil up in Alaska? Did that have any effect, or was that just a different matter?

TAYLOR: There was a lingering issue because there had been an agreement to build a natural gas pipeline from Alaska into the United States that went across Canada, and there was a whole organization and budget in Canada dedicated to shepherding that along, even though by the time I arrived that project was dubious because of the economic changes. Managing the fate of the Alaska Natural Gas Transportation System (ANGTS), was one of the jobs that the embassy had and that I was the point person for from the embassy. That turned out to be very useful, though not on a project basis, because it eventually had to fade away like such projects must, but because there were such senior Canadian officials involved in that project that my relationship with them, which began and was nurtured through my role in that project, became important on the wider energy relationship, on the National Energy Program and these more controversial, dynamic issues. And I had an access and an ear and a network that I wouldn't have had without having been able to use that project to get into it.

Q: Well, we talk about energy. Did you cover the electric grid, too?

TAYLOR: Insofar as there was an international dimension to it we did. And there was some all across the border, actually, but the issues we dealt with always seemed to be associated with Quebec and Hydro-Quebec and the Quebec factor in Canadian domestic politics. Other than that, the cross-border electricity exchanges really worked extremely well, and they worked with Quebec, too. It's just always their sensitivities in the U.S. capital markets or the U.S. energy market about whether Quebec is going to be in Canada or not and what that means to them. So it was really more of a political interest, even

though the energy sector seemed to be the occasion of it.

Q: Well, while you were in that embassy, sort of the great unspoken thing, I think, for some time, and obviously is today still, is what if Quebec moves out? I mean, this is a very important factor in how our relations will go, but if we even talk about it or plan about it and the Canadians hear about it, then we'll go up in smoke, you know, and everything we do, I mean, whispered consultations on "What if?"

TAYLOR: In the period 1980-84, there were not. Now I'll just jump ahead and remind you that I went back to Canada as economic minister from '89 to '92. That was a period of the abortive Meech Lake Accord, and during that period, there was quite a bit of discussion on this issue, very senior-level discussion, and in fact, as you might remember, President Bush went further than any American president has in departing from the traditional mantra that this was up to Canadians. So that issue became much more electric and actionable in the '89-92 period.

Q: Which we'll cover when we get to this.

TAYLOR: Yes.

Q: What about, since it has something to do with energy and all, did you get involved in the acid rain business at all?

TAYLOR: A little bit. Now Canada was one of these countries in which we had a science attaché, and the science attaché covered the environmental issues. And the acid rain issue was very interesting. I can remember President Reagan made his first international trip to Canada after he was elected, and it was a subject of some controversy. Even Canadian cabinet officers, one at least, demonstrated against his visit, carrying a sign saying "Stop Acid Rain." I remember very well that the vast army of people that accompany a presidential visit had never heard of acid rain, and so most of the U.S. staffers were running around with buttons that said "Stop Acid Rain" because it sounded like something you should stop, and they'd never heard of it before. So it was a very interesting moment.

Q: But that didn't really intrude on your-

TAYLOR: At that time, it was not an issue that I managed. Somebody else did. Now, again, in the '89-92 period, acid rain had not disappeared, and we had incorporated the science attaché in to the Economic Section, and so when I became the economic minister-counselor in the later period, kind of managing the acid rain issue was something that was more directly in my portfolio later.

Q: Well, dealing with this very sensitive issue, how about the politics of Canada during this '80-84 period? Were there any elections?

TAYLOR: Sure.

Q: And how did we view - I mean, were we sort of looking at, Gee, I hope one side will win over the other - you know, from your perspective?

TAYLOR: You know, the watershed here was the departure of Pierre Trudeau from the political scene. He had made his decision to retire in, I think it was, '84. And that was a real watershed in the relationship. I think clearly the Reagan government had a preference for the Conservative Party. That manifested itself clearly, and later in '89-92, when we were so close to the Mulroney government. But I think the Democratic Party in the United States probably would have a more philosophical preference for the Liberal Party in Canada, so we made no effort, ever, to interfere in Canadian domestic politics. I think different governments in the United States did have different philosophic preferences, but the basic commitment is to get on together as good neighbors. We've got so much in common, we've got so much to do together, and I think that transcends, really, any of these philosophical preferences.

Q: What was life like, living in Canada, working with your Canadian colleagues. I mean, did you have to go through sort of this "poor little us" and "you're such a big" and "it's like sleeping with an elephant" and -

TAYLOR: Oh, yes, you hear that all the time. Those are the mantras. They're all over the place, but you don't pay any attention to those. Let me tell you what life was like. Life in Canada, in the early 1980s, was like life in the United States in the early 1950s. It was calm, decent, civilized, and it was the nicest family community from that middle-class American vantage point of and earlier period that we have ever lived in. Your kids could travel all over safely on buses and walk the streets at night, and if there were problems in the schools it was because somebody was throwing a spitball, you know, and things like that. So it was a wonderful middle-class family sort of environment at that time. The Canadians do have that. You sort of just have deal with it, but you don't take it too seriously, is the way you move forward. We enjoyed living in Canada very much, and we learned a lot. Again, I think it's an interesting country. It's full of people that have kind of a different perspective on North American culture and North American life. You don't get that perspective south of the border too often. We found it fascinating, even when we didn't agree with it, and we still have so many good personal friends who are Canadians who were made - established friendships with them - in that earlier period, and then they were reinforced when we went back in '89-92. We kind of think of Canada, from a personal point of view, from a family point of view, as a second home.

Q: What about Ambassador Robinson? He was, I gather, a businessman, a bit of a rough cob, wasn't he, or not?

TAYLOR: Yes, I think that would be a fair assessment of him.

Q: But how did he operate and how effective was he?

TAYLOR: Well, he operated kind of on his own level and in his own way, which was to

sort of speak his mind quickly about things. He, I think, had a rough go, at least initially in central Canada, where there is all these sensitivities about elephants and mouse and stuff. They loved him in western Canada. In fact, when this National Energy Program came along and divided Canada as much as it divided the U.S. and the Canadian governments, Ambassador Robinson didn't get friendly receptions in central Canada, but he got standing ovations all the time in western Canada. In fact, I remember a big audience in Calgary once, and Ambassador Robinson was lambasting the National Energy Program, as only he could do - he certainly wasn't using any of the talking points that I had given him, but there he was - and when he was done he got this stormy applause, and this one leading Calgary citizen stood up and said, "Ambassador, I don't know what you said, but keep on saying it." It was just kind of the perfect expression of Ambassador Robinson's diplomacy.

Q: Well, you left there in... Do you have to go soon? Is this a good place to stop?

TAYLOR: Why don't we finish up this. Are we finished on this portion?

Q: I think we're finished unless there's something else we should cover.

TAYLOR: No, because whatever else we need to cover we can get in '89-92. We're going to come back to Canada.

Q: Were there any other issues that covered energy that I might not have talked about?

TAYLOR: Well, there were some interesting... Again, this was a time when Canada had bet its future on rising prices, and Canada wasn't the only organization or country that had. There were going to be companies that go broke that had thought they could bet on rising prices, and so a lot of things came out of that. They have these huge oil sands projects in northern Alberta which are almost like science fiction in terms of size of the machineries involved and so forth, and those were at the time thought by some to be the wave of the future, even though it cost 40 or 50 bucks a barrel to extract oil from these tar sands, that people thought that with oil prices trending up they would be something of a major future production source. Visiting up there was really an eye-opener for me, and there there is an interesting impact, because I got my first introduction later reinforced elsewhere in Canada, in Quebec, at the impact of these sorts of operations on, I guess we're going to have to call them, Native Canadians. They're Indian tribes that live in Canada. And they were really in quite desperate situation and not profiting very much by all of these high-powered activities going on all around them.

The other thing was that there were interesting projects in the works. Some of them never materialized, like bringing LNG into Canada all the way from Indonesia. It was Dome Petroleum that was going to do it, and I remember sitting in their office in Calgary with the president of the company, and I said, "I just don't understand this. You're sending gas from British Columbia down south, and you're talking about bringing gas into Canada from Indonesia. There's just got to be some disconnect here. I just can't follow the logic. Of course, the question is what makes sense for a company may not make sense for a

country, and if you can get the economics right, you can do a lot of things like that. And then you had Mobil Oil developing what was thought to be a massive - it turned out to be less so, but nonetheless interesting - oil opportunity off the coast of Newfoundland, the Hibernia Oil Field, which was a project of interest then and, of course, then, later turned into this terrible disaster when that rig tipped over and hundreds of Newfoundlanders were lost at sea.

And this was a period in which Canadian gas exports to the United States actually went up, and the embassy played a big role in that, working with some entrepreneurial companies in the United States that really thought they saw a creative niche, to bring Canadian gas into central and eastern United States, and it gets all the way in to Boston and New York now, and that was quite a vision and quite a piece of work to put all of that together. So we were involved in a lot.

Q: Well, on these things, did you find, was there any element that was trying to stop cooperation between the United States and Canada within the Canadian body politic? I mean, extreme nationalists or anything like that?

TAYLOR: Well, the people that wrote the National Energy Program would not have put their intentions in the way you just did, but the consequences of the policies that they advocated and then passed into legislation were such that energy cooperation between the United States and Canada was put in great jeopardy for a while. There were a number of features of the Canadian legislation, particularly a retroactive feature, in which the Canadian government acquired retroactively a 25 percent interest in existing projects and discoveries (that is what led to my characterization of the package of measures - that plus three or four others - as creeping expropriation) that put a chill, not just on government relations and the way we thought of each other and talked to each other, but on private sector investment decisions. If a government like Canada's was going to come in and pass retroactive confiscatory sorts of pieces of legislation, how could you trust it? I mean, could you trust that it wouldn't be 50 percent five years from now or a hundred percent some day. So the consequences of what they did initially with the National Energy Program did put a chill on new initiatives in the region.

Q: Did you at some point after this act came out do an analysis of who were the sort of apparatchiks who drew it up? It sounds to me like this would be coming out of the more virulent anti-American academic world.

TAYLOR: Well, Stu, you must know something about this, because you've sort of hit the nail on the head. There was one person in particular who was really the chief architect of this, and he had three or four others. It was only that small group, centered in the Department of Energy and in the Department of Finance, who, speaking directly with the Prime Minister, put this together and surprised most of the rest of the government, including the Foreign Ministry, with such a bold initiative there in October of 1980. You're absolutely right, there was a small coterie of people whose brilliance brought forth this. And I remember telling the man who was the chief architect -

Q: Who was this?

TAYLOR: Well, Ed Clark was his name. I remember telling him that if he'd written this as a book, I believe it should win a prize, but to put it full blown into practice is a disaster. It's just a horrible disaster. It's one thing to have these theoretical concepts and this kind of nationalistic proposals. It all sounds wonderful as long as you don't *do* it, as long as you're just talking about it. But doing it was monstrous. And there we were.

Q: Well, why don't we stop at this point.

TAYLOR: Okay, sure.

Q: And we'll pick this up, you've left Canada for the first time in 1984, and where did you go?

TAYLOR: I went to the National War College for a year.

Q: So we'll pick it up at the National War College. Shall we cover the War College?

TAYLOR: Sure, we can do the National War College now, and then we'll pick it up on the next assignment.

Q: You're sure? All right. Well, let's do the National War College then. You were there from '84 to '85.

TAYLOR: That's it.

Q: How did you find it? What did you get out of it, and what do you think the War College got out of you?

TAYLOR: Well, I got a lot out of it. It was a great year. I think I only wish that more State Department officers could have that experience. Let me start on a light note. I learned a lot about military culture. You know, they go a lot by protocol and rank and things, so I guess, somehow, I was first among equals in rank, probably by date of promotion, I suppose, things that we don't even know about in the Foreign Service, but mean so much to the military. In my little homeroom of people - you know, there are 160 people in each class; we had it divided down into 20-person homerooms so you can get some socialization and personal networking and relationships established - so here I am and I'm deemed the leader of this 20-person room. And so I say, well, what does that mean? And that means, oh, well, then each of these homerooms has to have an athletic committee, a social committee, a yearbook committee, and I remember thinking to myself, Stu, My God, I'm going to have to do all these things myself. I don't want to do any of them. And so I called the homeroom together, and my heart was just in my stomach, and I said, you now, "I've just been told that each homeroom has to have all of these committees," and sure enough, you know - there were about four or five State Department people in the homeroom, and there were 15 or 16 military people - and sure

enough, the minute I said we were going to have to have these committees and we needed a chairman for each committee and stuff, the State Department people broke eye-contact with me. I was going to have to do it all. But much to my surprise, without any further prompting, the military people immediately raised their hands and said I'll to do the yearbook, I'll to the athletic, I'll do the social, and on and on. They just knew it went with the territory: you had to volunteer. That was a great eye-opener. I was so happy at the end of that. Thank god for that culture of volunteering, because all those State Department people just started looking at the ceiling and the floor the minute I said I needed some volunteers. They weren't going to be one of them.

Q: I would have though that your real knowledge of fuels - because fuels were and continue to be a very important thing - were you able to sort of bring this expertise to the table at the War College?

TAYLOR: A little bit, because it was still a big issue in the curriculum there, and there was a strategy and a Middle East component to it and it was part of almost all war gaming and crisis scenarios - further oil price run-ups or cutoffs or a Qadhafi-type seizing the government of Saudi Arabia and plunging the world oil market into chaos - these were all part of the military thinking about crisis scenarios, so I fit naturally into all of those things, but really, I thought the War College was very effective at trying to develop more strategic thinking on the part of the people that went there. Now some people resisted this. Maybe they didn't like it. I loved it. I thought that was the right step-up for all of us at that point in our career, that we should be moving beyond what we had been doing and starting to put ourselves in the kinds of positions that we hoped and expected to be in in three or four years. That was the real value of this training. It was not preparation for the next job. It was kind of a step-up in the scope of your vision and your ability to comprehend how different levels of leadership have to attack issues and interests and challenges. And I thought the curriculum and the leadership at the War College did a fine job of setting that out and giving us the opportunity to do it. And I really enjoyed meeting so many diverse people who brought so many different perspectives to bear on problems. I mean, the Marine Corps sees an issue differently than the Air Force, differently than the State Department, and yet in a certain sense, we get to the point in our National Security System where all of those viewpoints have to be brought to the table and reconciled into some sensible bottom line for action. And that was a valuable lesson out of the War College.

Q: I'm not sure exactly on the timing, but '84 to '85 we were in the High Reagan Period, but things are changing in the Soviet Union. Were you getting or was your class getting a feel about changes in the world as far as the Soviets were concerned, or was this pretty-

TAYLOR: No, I think it was standard stuff, and you're right, it was High Reagan Period. The military was riding high again. It had recovered from its despair of the late Carter years, and it had been infused now with enough new resources that it was now back on, it was very confident, but still seeing the world, I think, through the same sort of prism that had dominated U.S. strategic thinking throughout the Cold War period. The War College experience did not in any way - it made an effort and succeeded in bringing in a range of

controversial speakers on every subject - I did not try to just push a kind of conventional wisdom line at the students. I made a deliberate effort on every issue to find a full range of speakers and bring them in and let people decide. But I do not remember any speaker, and we had some really interesting ones, who in any way prepared the student body for the breakup of the Soviet Union within -

Q: Or even closer relationships before the breakup with Gorbachev and all that?

TAYLOR: There was a little bit of that sort of thing, that one could imagine a relationship evolving that was closer and less confrontational, less risky. There was some of that. But the notion that during the professional lifetime of the people that were sitting in the class, we would be foreign policy-national security managers and leaders in a world that no longer had the Soviet Union was nowhere on the table.

Q: It certainly wasn't on the table in the Soviet Union staff college, and nobody would say it this way. I mean this makes one think about the prognostications of anything. The academic world certainly wasn't playing with it.

TAYLOR: You remember Mark Twain as well as I do: "Predictions are always dangerous, especially when they're about the future."

Q: Well, why don't we leave at this point, and you're coming out of the War College in 1985 -

TAYLOR: That's correct.

Q: And where did you go?

TAYLOR: I went to London.

Q: All right, and so I'll pick you up going to London.

TAYLOR: That's it.

Q: Great.

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Today is April the 20th, 1998. It's Hitler's birthday, if you didn't know.

TAYLOR: I think I might have forgotten that one.

Q: Larry, you went to London. You were in London from '85 to when?

TAYLOR: To '89.

Q: What were you doing there?

TAYLOR: I did more than one thing. I started out consistent with what I had been doing in Jakarta and then in Ottawa with an energy specialty, viewing the geopolitics of oil and gas from the luxury of London with the myriad of contacts and expertise that was there. It was a great listening post, in addition to being an important oil- and gas-producing country of its own. But then half-way through I became the economic counselor at the embassy, and I also had a several-month TDY in which I was the staff director for the Laird Commission, which had been set up to look into the security situation at embassy Moscow following the discovery that some of the Marine guards had let Russian nationals and probably KGB people into the embassy.

Q: Well, let's start first a little about the embassy's structure. Who was the Ambassador in '85, when you arrived?

TAYLOR: Charlie Price.

Q: And how did he operate, from your perspective?

TAYLOR: He operated from a very lofty position in which he increasingly became effective at the higher levels of British society, including with Prime Minister Thatcher and many others, really did a tremendous job of networking and establishing close relationships and contacts with the people who were running Britain at the time. He was a very friendly and nice person to be around, but he seemed to take very little interest - I think, as appropriate in a mission like that - in the specific management of the embassy and its various offices and functions.

Q: Who was the DCM?

TAYLOR: Ray Seitz was the DCM.

Q: Who later became -

TAYLOR: Who later became ambassador and who had been in Britain earlier, and he was just an unbelievable fountain of information, knowledge, insight, and diplomatic skills with respect to the American relationship with Britain, and he was a real treasure and a real pleasure to work with.

Q: Talk a bit about the Britain you found when you arrived, 1985, particularly economically and its political consequences, too.

TAYLOR: Well, that Britain had just passed over a significant threshold with the breaking of the coal strike and the coal miners' union and the triumph of Mrs. Thatcher through that crisis and, I think, began a period of clear sailing with respect to Thatcherism on the economic side, and so for the four years that I was there, it was a Britain that was continually on the rise economically and equally important in its self-

confidence, so the psychological dimension of what I would deem the heyday of Thatcherism, between, say, ’85 and ’89, was clearly apparent. In fact, by ’89, when I left, it had grown into a type of hubris, in which, at least intellectually and psychologically, they had overreached and thought that they had invented Nirvana.

Q: In your perspective, were we cheering this Thatcherism on?

TAYLOR: Oh, very much so. We were very closely associated with it. President Reagan, Mrs. Thatcher, I think were political and philosophical soulmates. The United States Embassy was very close to the government of the day, not just on the economic side, because that mainly was cheerleading (we didn’t have, you know, a big *government* economic relationship with Britain - we had a big private sector economic relationship with Britain), but on the international issues of the day, how to deal with the Soviet Union, how to deal with terrorism, how to deal with Libya in particular, Mrs. Thatcher and President Reagan were co-leaders in the Western Alliance and in the process of taking the Alliance in a certain direction in policy and strategic terms. So yes, we were very close to that government.

Q: When you talk about Reagan and Thatcher, how about the embassy, the professionals in the Foreign Service? I mean obviously you’ve command, but were they sort of with *the program, too?*

TAYLOR: Well, to a certain extent. On the economic side, I think we all believed that Britain was doing far better than it had been before Mrs. Thatcher took control. I think we all believed that breaking that coal strike and, in particular, breaking the political power of Arthur Scargill and his people was a positive development. On the political side, it is interesting. The embassy did a good job of covering the waterfront, and I think a lot of us found that the Tory politicians of the day, the people who were running the place, were a bit stuffy and arrogant, but we got along with them. We rather enjoyed more personally the Labor politicians, who seemed more down to earth and real people, but the embassy did a good job of covering the entire scene there. It was still a big embassy. This was before the big downsizing that was to come six or seven years later. It was probably overstaffed, but that level of staffing allowed the embassy the luxury of some really excellent coverage of a whole variety of issues.

Q: What about British petroleum? We’re really talking about Scottish oil, aren’t we?

TAYLOR: Right.

Q: North Sea oil. How did we view developments there?

TAYLOR: Well, in what sense do you mean?

Q: Well, you were the fuel attaché, or whatever you want to call it, and you’ve got a lot of fuel coming out of the North Sea. Were we keeping an eye on it?

TAYLOR: Well, we certainly kept an eye on it. It wasn't hard. It's a modern economy with good solid companies, good solid government; and therefore statistics and even policies and policy trends were easily knowable in a timely way. There was a concern still, in 1985, when I first went there, that Britain might be country that would want to go around the margins, fool around with production levels and so forth in order to support a higher oil price. That proved definitely not to be the case, and I think within a year everybody understood that clearly; but there was some interest in that in Washington and some difference of view in Washington when I went out there in '85.

What London was really great for, though, was as a listening post for the world, and this is why we were able to use the position I held in order to do an awful lot of reporting on what we were hearing about policy developments and policy trends in the Middle East, in OPEC as an organization, and in the global energy market. London's just so full of so many people who are high-powered and have access to information on a global basis, that the listening-post aspect of the job, within a year or so, became more important than the purely domestic part of it.

Q: Was there any, while you were there, keeping an eye on Norwegian oil?

TAYLOR: Oh, absolutely, although the embassy in Norway obviously had primary responsibility for that. We were interested in Norway as a producer, but as a big gas producer as well, not just the oil side, and particularly there was concern and interest in Washington that Norway, even more than Britain, was likely to, around the margins, adopt production and export qualities that tried to support the price of oil.

Q: London was much more the center of sort of oil interests than, say, Paris was?

TAYLOR: Oh, yes, oh, yes. Everybody was in London or came to London, and the number of international conferences at the time on these subjects that attracted the global players, for one reason or another, trying to make deals and so forth, and the energy seminars at the time that Robert Mabro held at Oxford on international energy issues, and that Paul Frankel held, just attracted people from all over the world, so it was an endless stream of the key players, ministers and presidents and heads of oil companies, consultant, contractors, everybody under the sun passed through London, and if you worked hard, you could get to know quite a few of them.

Q: What were our particular American concerns, and obviously your job, during this '85-'89 period in the oil field and gas that were of particular concern to the United States? You had mentioned controlled production? Were we looking at a revived OPEC, or what?

TAYLOR: Well, there was still concern. I think at that time there was still concern as to the power of OPEC, although the sense was that it was weak and getting weaker. But the key really happened, as I remember it - I may be wrong, but I think it was right after I got there, in September of '85; there was certainly a long stream of reporting from me on it; maybe I remember it selectively and when people look at it, it won't be as interesting as I

think - there was a conference, one of these big conferences I referred to, and the chairman, the president of the OPEC conference at the time was an Indonesian energy minister, Subroto, whom I knew quite well and I knew from my time in Indonesia and his advisors, and I remember he gave a speech that, in my discussions with the Indonesians and other members of OPEC, I think we correctly reported at the time was an absolute bellwether clear signal that OPEC was going to stop supporting the price and instead go for market share. And that could only mean one thing - that the price was just going to go down very dramatically. And I remember being puzzled for at least two and a half months while the oil price rose very sharply on the international markets, thinking, I must be nuts, I just don't understand what I'm hearing, or maybe they're wrong, maybe they're misleading me. But no, eventually, everybody sort of got on the same wavelength, and in fact, prices collapsed in a period where nobody was willing to restrain production, and the Saudis in particular wanted to go for market share.

So all of that was a very interesting sort of time for us as we sort of had led the information and reporting that OPEC would be moving in this direction and that we thought it had certain consequences for global supply and demand and therefore pricing, and for a couple of months it looked like we were totally and absolutely out to lunch. But then it turned out that that was correct, and the market was flooded with oil, and the price came down dramatically.

Q: What were the concerns - this was a period when Iran and Iraq were going at each other full bore-

TAYLOR: It sure was.

Q: -how did this play into what we were looking at from the London perspective?

TAYLOR: Well, it didn't play directly into what I was looking at. Another luxury we had at the time, and maybe still do to some extent, is that London had a couple of jobs in the Political Section that really were regional reporting jobs. They used London as a listening post, too. One was on Africa, particularly South Africa; the other one was on the Middle East, and particularly Gulf issues. And there was an officer in the Political Section who followed Iran, Iraq, and many of the same countries that I was following, but she followed it from the perspective of the question you were asking, the politics and the security issues associated with the Middle East. And London was a terrific listening post for those as well as for the economic and oil issues.

Q: Well, what about countries like Libya? Was that sort of on your watch list?

TAYLOR: Yes, as well as hers, because the Libyans had an interesting presence in London, and there were a lot of people there talking to them. And so we would occasionally see them at gatherings that we went to, and we would certainly be talking to the people who would be talking to them all the time.

Q: Well, did you feel that the -

TAYLOR: Not an embassy, by the way. They had a commercial presence, but it was a very political commercial thing.

Q: Well, did you feel, at the time, that the Libyans were trying to throw, using the British term, a spanner into the works, or were they out to get money like everyone else?

TAYLOR: Both. I mean, the perfect situation is you throw a spanner into the works and you profit.

Q: Again, from your perspective, how about the French? What sort of role were they playing in the politics of oil, if any?

TAYLOR: I didn't see much of a role, except that they were really heavy, as they've always been, and continue to be, on the commercial side, company and government working hand-in-glove to obtain benefits, either exploration rights or major projects and so forth. I thought French petroleum diplomacy was heavily commercial rather than, sort of, political in its purposes.

Q: Were you there when we conducted the raid on Libya?

TAYLOR: Sure was.

Q: How did that play in the embassy?

TAYLOR: I think it played well in the embassy. I think it played well.

Q: How about the British? How did they react?

TAYLOR: I think predictably. The government of the day, which was supportive and a participant in the process, was quite strongly in favor, obviously, and the opposition parties, I think, raised sensible and interesting questions and critiques. It was not anything that brought the British public out in demonstrations in large numbers pro and con. The predictable left-wingers held a few smaller ones. But it was something that was consistent with the British government's policy of the day, supported and participated in in a variety of ways by the British government, and which engendered an awful lot, in typical British fashion, I think, of very thoughtful and critical analysis in the media.

Q: Did Nigeria play any particular role, because there had been that time between Britain and Nigeria before on the oil side? Did that get involved?

TAYLOR: Yes, and particularly inasmuch as one of the headquarters of Royal Dutch Shell is in London, there on the South Bank, and the head of Shell at the time had been heavily involved in Nigeria in his own background and history. So yes - it wasn't a really big thing, nor at the time was there much interest in it from Washington, but we did report on it, based on just conversations we would have mainly with Shell.

Q: Was there anything that, being this hub of the oil business there -

TAYLOR: I'm not sure it's the hub of the oil business, but it's probably the hub of information about the oil business - right.

Q: Were you getting anything from your masters back in Washington saying push this or push that?

TAYLOR: I think there was an incessant desire for more and more information. It's hard to believe today how important it seemed that staying on top of the geopolitics of oil and gas was at the time, and on top of OPEC issues. And I had a very strong international- (end of tape)

I talked quite regularly with even the deputy assistant secretary of the State Department in the energy office there and similar levels around town in Treasury and in the CIA.

Q: Were there any developments in the European Economic Union (I guess it was called the EEC then)? There had been this gas line that was supposed to come from the Soviet Union to Western Europe, to which we - I think you've alluded to it before - had taken great exception. Where was that at this point?

TAYLOR: We were busy hammering nails in its coffin, I guess, trying to do that in a variety of ways, although the British and we, again, sort of saw eye to eye on the strategic and security aspects of that, and I think most of the action in that was on the Continent, in Brussels and in Paris and the IEA, in order to build a case that it really wasn't necessary and so forth.

Q: Well, when you became an economic counselor, you were looking at the British economy more.

TAYLOR: Well, what I tried to do, because, again, the section was very big at the time - it's probably much smaller today - what I tried to do was manage the section rather than do the job myself. Now in that sense, everything that was going on in the section I had a responsibility for, but what we tried to do was establish priorities, strategic objectives, and make sure the officers in the section were working to those priorities and toward those objectives. And a lot of that really was to beef up our ability to understand what was happening in Europe, in the EU, on European economic policy, through the insights that the British could give us, rather than to simply manage the embassy as though our job was solely to conduct the bilateral economic relationship between Britain and the United States.

Q: Almost everything in our relationship with Great Britain is really more than bilateral, isn't it? I mean it very quickly takes on not necessarily a partnership but an interest in all sorts of other areas.

TAYLOR: What I found, and maybe France is the same way - I've never served in France, so I'm not sure - but what I found in Britain - and it's the only other country that I know of in which it is true - was a natural desire and ability to think in global terms, much as U.S. foreign policy leadership does, and not to just see things through the prism or a bilateral relationship or a regional relationship but to think in global interests and global objectives and to approach issues through those. Now that gave us an affinity and, again, a common language - those things gave us an ability to have a relationship with the British that I thought was quite unusual, and in the Reagan-Thatcher period it was very much a partnership. For better or worse, that's what it was.

Q: Were there ever times when within the embassy you'd be saying, "Damn it, I wish Margaret Thatcher wouldn't keep jerking our President around," because it sounded like she was sometimes acting like almost the senior partner in the thing, in that she had very fixed ideas and Reagan thought they were good.

TAYLOR: And vice versa. I think they had a real affinity for each other's philosophy, for the direction in which they had managed to take their countries, for the sense that on a global basis the values that they cherished seemed to be in the ascendancy. So I'm not sure that we felt that Mrs. Thatcher was jerking President Reagan's chain, but rather that it was an unusual and strong partnership that seemed to be working very well.

Q: What about the British economy? Were we looking at some of the cracks in the Thatcher system? Particularly, I think of the north as having rather severe unemployment problems, that the south under the old rust and coal industry were having problems, compared to the newer types of industry.

TAYLOR: I think the record is spotty on that basis, frankly. We did recognize those things, that regions were falling behind and were in disrepair, that inner cities were having unusually difficult problems, American-style problems, not British-style problems, that there was an income gap developing that had social and political consequences. I remember starting out a cable once that London was a great place to live if you were rich or a foreign diplomat, because no British person unless they were rich could live in London any more, at least not in a nice section of London. So these things got on the radar screen, but I do have to acknowledge that, taking in the big picture, we were overwhelmingly supportive of the direction the British economy was moving and of Mrs. Thatcher's policies, and in retrospect I think that's right. I think the record shows that that's right, but as a matter of good professional analysis and performance, I probably should have anointed somebody, or played the role myself, as a stronger devil's advocate, to continually challenge that view. Again, I think the record shows the view was right, but we probably should have subjected a more critical pattern over it before just concluding it was.

Q: Were we paying any particular attention to Northern Ireland? I'm thinking from an economic point of view, because the Irish problem, which is certainly looking better as of the last week or so, in 1998, but Northern Ireland had a lot of these industries that were going down, shipbuilding and things of this nature. Were we looking at it, concerned,

trying to do anything about helping?

TAYLOR: Just a little bit. Clearly the peace process there, for what ever it is at the time, the security situation, was the dominant fact of the way we approached Northern Ireland. We recognized what was happening in the economy, and in a few isolated cases where there was an American commercial interest at stake we did advocate it, either as an investment or in some way, but the economic dimension of Northern Ireland, which is really what you're asking about, was not well integrated into the embassy's approach to Northern Ireland. It sort of was like a little dangling participle off to the side.

Q: Was there anything else, sort of occurrences or anything that particularly got you involved?

TAYLOR: Well, there were just so many exciting things going on continuously in London. I think we did do a really good job of evaluating the European single market concept through our access to British thinking and information that we could obtain in London. I think we did a really good job, along with other embassies, but it was right at the beginning, where we really started covering intensely the EEU through the period of the rotating presidency of the EEU. And I think we did set a great example of how to do that during the presidency period. The only other thing that happened to me while I was there that is known - that I mentioned earlier - is that I was pulled out for several months to do this special job.

Q: Could we talk about your time with the Laird-

TAYLOR: Commission.

Q: -Commission about our embassy in Moscow? Could you explain what led up to it and then what you all observed and did?

TAYLOR: Well, you'll recall there appeared in the media as well as in government sources the recognition that something had gone wrong in our security posture at our embassy in Moscow, and it seemed to have a relationship to one or more Marine guards who, for whatever reason, had been letting Russian nationals into the embassy late at night and unsupervised, and that these nationals, at least some of them, had probably been Russian intelligence agents. That became such a big issue that the President appointed a special commission to look into the situation and to make recommendations about the security situation there, a former congressman and Secretary of Defense, Melvin Laird, was named the head of that commission, and I don't know exactly how, but in the cascade of further appointments and so forth, I came to be asked to be the staff director of the commission, of the 10 or 12 staff members who were assembled to research and analyze and write the segments of the report that was in their specialty. I came back from London to do that and did that for several months.

It was a fascinating process, both with respect to learning how these commissions work in Washington but also with respect to the substance of the issue under study, and that is

the security situation in Moscow.

Q: Tell me, what was your impression; here you were with one of these full-blown special commissions. How did it operate, and what was the real purpose of it?

TAYLOR: Well, the real purpose was exactly what was stated, I believe. Of course, all of these commissions serve some sort of purpose of taking the head off the issue of the moment so that the authorities can state they've done their job, they've set up some high-powered process to get on top of it. That certainly was involved. But I think there was a desire to get on top of this one. It was a very sensitive issue. The State Department was sensitive about it. The Marine Corps was sensitive about it. The people involved in our embassy were sensitive about it, and the people involved in Washington were sensitive about it. And I think they all needed a kind of professional and legitimate process in which to channel those concerns and those emotions and in which, I hope, to have some faith that the result would be objective. It was a real experience. Some tried to avoid responsibility. Some tried to pass the buck. Most tried to do the right thing, identifying ways to improve. I remember, though, one person was a real standout, a true leader - Roz Ridgway, who was assistant secretary in EUR.

Q: Well, were we looking beyond whether just these KGB people planted mikes and took pictures of it? I mean there was some concern about overall penetration of the embassy. Were we building the new one at that time?

TAYLOR: Yes, we sure were.

Q: And did that come into your purview?

TAYLOR: Yes, you know, establishing the facts of what happened was, I think, the least important of the Laird Commission's work, and that was largely done through secondary sources, as it had to be anyhow. What the Commission's report focused on was to get behind all of that and look at the systems and process that we had in place for our security and ask where we had missed vulnerabilities and, if we had, why, and to try to derive lessons learned so that, going forward, those vulnerabilities would be eliminated and we would have a stronger security situation.

Q: Was it from this Commission that we decided to do away with Soviet nationals in our embassy?

TAYLOR: I think they'd already been done away with.

Q: Because many of us in the Foreign Service who have served in Communist countries have felt that having foreign nationals, even if they are assigned from the local Communist authorities, still give us a window. They are a handy group of people to have around, and once you know you've got to be careful around them, it's pretty obvious, but when you bring in a bunch of people, sort of working-class Americans, to do things in the embassy, you're opening yourself up to even worse problems. I mean all of us have

experienced that. You tend to have lone males who want to go out and drink at night and that sort of thing.

TAYLOR: Right, yes. Again, I think that decision about the employment of Russian nationals had been made already. It may have been a swing-of-the-pendulum type of decision, but I think the point was, even if that's the case, that the situation in Moscow had been recognized as so risky that it demanded some sort of action, and that fell in the actionable category. Whether it's a long-term solution, that's another story. Whether there aren't minuses as well as pluses to that approach, clearly there are. But there was a more interesting idea at the time, which was to have separate buildings to separate classified and unclassified functions. And one of the difficulties, when you see the structure in Moscow, is how small and cramped the conditions were under which people had to work and how difficult in that overall situation it must have been to maintain the proper separation. If the remedy is to get rid of the Russian nationals is another question, and a number of ideas were presented, that we needed to construct facilities that would be classified and unclassified, only employ the host nationals in these sorts of countries in the unclassified portion of the facility. So one way or another we had to come to grips with a situation that had broken down in Moscow.

Q: Was there any thought of, in some of the more critical areas such as, in those days, the Communist countries, of moving to a different type of system than the Marine guard system, because essentially you're putting men, and sometimes young women, into these sensitive positions where the British and others seem to use sort of retired warrant officers and retired sergeants or something, often family men, which would seem to make more sense.

TAYLOR: There was certainly intellectual consideration of those alternatives. I don't think there was any real political consideration of them. I may be wrong about that, but it seemed to be a more academic discussion than a realistic discussion. But they were all out on the table, and certainly the British model that you mentioned, we clearly went through all of that and saw the advantages to it that you've mentioned. I will say one thing, though, and it's pretty clear, and I don't want to get into the classified portions of the report or anything - it's pretty clear that the Marine security guard situation in Moscow had broken down seriously, and broken down in more ways, more fundamental ways, than just the one or two marines who had been associated with letting Russians into the embassy. It was a situation that was out of control in many respects. But one of the most impressive things that I saw in my time and subsequently on this commission was how the Marine Corps learned the lessons of that and made changes, made positive changes that would eliminate those sorts of situations or greatly reduce them (you can never eliminate them with the people variable there) and greatly strengthen the role of the Marine guard system. It was a wonderful example, in the end - not at the beginning, because I think there was some effort at the beginning, unfortunately, to pass the buck to some State Department people on this that, whatever level of responsibility they had, they didn't have that level of responsibility - but at the end, the Marine Corps got the right message themselves, learned the lessons, and made fundamental changes in their recruiting and their training and their monitoring and supervision of the Marine security

guard system, and I really take my hat off to them for doing that.

Q: Well, then in '89, you left for where?

TAYLOR: I went back to Canada, if you can believe that. How about Ottawa-London-Ottawa for a career pattern? *Déjà vu*, eh?

Q: Did you have to take a language exam to go from one to the other?

TAYLOR: Well, I probably needed one, but I didn't, no.

Q: You were in Canada from '89 to when?

TAYLOR: '92.

Q: As economic counselor, is that right?

TAYLOR: Yes.

Q: What was the job of economic counselor?

TAYLOR: Well, "many" is the answer to that. You've got to manage the economic section; you've got to work within an interagency structure in Ottawa of a number of economic agencies and players to get a cohesive and strategic product and program for the U.S. government; you've got to work closely with the Ambassador and DCM to make sure that they're priorities are integrated into the way your section and the way you operate. And we have a very large number of consulates in Canada - it's a decentralized society and economy - that have very important economic dimensions to their consular districts, and you have to work with the principal officers in all of those consulates on a number of economic issues.

Now, those are all sort of process and relationship answers to your question. There was one overriding task at the time I was there, which was to get a really strong and effective implementation of the recently negotiated U.S.-Canada Free-Trade Agreement, which was still extraordinarily controversial and unpopular in Canada.

Q: Before we move to that, who was the ambassador?

TAYLOR: The Ambassador was Ed Ney, who was the former chairman of Young and Rubicam, a political appointee by President Bush.

Q: N-e-y?

TAYLOR: N-e-y, yes, like Marshall Ney, that's right.

Q: How did he operate?

TAYLOR: He operated first by being an incredibly hard worker at all levels. He worked hard at establishing a relationship with his normal contacts in the Canadian government and Canadian society, and he worked hard at getting on top of the way an embassy functioned and establishing priorities and trying to move the embassy functions in the directions that he believed were the most important. I liked Ambassador Ney very much, and he's a good personal friend today. One of the stories I'll tell you was when we first prepared the Mission Program Plan - you know what that is, a huge document that matches resources and priorities - it went down to him for signature. It was about 23 pages long. It took him about five minutes to stroll out of his office and call us all together and inform us that he'd only been the chairman of a very large private sector organization and that any organization that had its priorities on more than one page simply didn't have any priorities because it had too many and, therefore, it couldn't focus. And he wanted to see the Mission Program Plan on one page.

After a week of heartache, the 23-page Mission telegram had become a 21½-page telegram, and there wasn't going to be any further reduction without violence in the embassy, and that was sent back to him. Well, he couldn't... So he came out and informed us that he would go ahead and write his own Mission Program Plan on one page and called me down about three hours later and showed me his one-page Mission Program Plan. It was very interesting. It was on one page. It had five priorities. They were all completely understandable and actionable. It was not written in good Foreign Service language. I mean, you know, it didn't have all the nuances and the flow and so forth, so I said, let me have a shot at this, and I took it upstairs, and I just took his exact ideas and put them in more fluent Foreign Service language and brought it back down to him, and once he had that he was very happy with it. And he sent it out to Washington in a cable and sent it out to all the principal officers and gave it to every section chief in the embassy and said, "Go ahead now, send in your 21½-page cable because some bureaucrat in Washington might need it, but *this is the real plan*. You guys organize, prioritize, and make this work." And I have to say, if you could find one person in the whole world who remembers anything that was in the 21½-page plan, I'll - give you my house. I'll give it to you. There's also about a score of people who could probably remember all five of the priorities he had on one page, and certainly one or two of them. It was a much better product, in terms of being actionable. It had no bureaucratic value, the way the other thing did, but in terms of what we did in Canada; USIS [U.S. Information Service] redid its whole plan to fit into those five priorities; consulates redid reporting plans and representation plans. It was very good and very actionable, and it taught me a very good lesson.

Q: What were some of the priorities?

TAYLOR: First priority was strong and effective implementation of the U.S.-Canada Free Trade Agreement, just what I thought it should be.

Q: Well, what was the status of the Free Trade Agreement when you arrived in '89?

TAYLOR: It was a done deal, signed, delivered, and ratified, but brand-new and as yet untested and still very controversial in Canada. And that was at a time in the economic cycle where things were not all that robust in the United States, but they were less robust in Canada and would be moving, not dramatically downward, but gradually downward over the next two or three years - I mean the little mini-recession that killed George Bush, in a sense, was even deeper in Canada, and that led the critics of the Canada-U.S. Free Trade Agreement to come out of every bush and from behind every tree to claim that the downturn there was not just associated with but was a result of the U.S.-Canada Free Trade Agreement.

Q: What was sort of the feeling in Canada, as you were monitoring it, about this free trade agreement? Was it a particularly popular one, or was this... It was Mulroney, wasn't it? He was the -

TAYLOR: Yes, Mulroney was the Prime Minister.

Q: Was this felt to be something the Americans put over on the Canadians? I mean, what were you getting?

TAYLOR: Well, it was very controversial, and probably the majority of voters in Canada were critical or suspicious or negative about it. You know, U.S.-Canada free trade has a long history in our relationship, and that idea has been squelched often in the past, usually by Canadian leaders who are symbols of Canadian nationalism and sovereignty standing up and certainly protecting Canada from being swallowed up by this huge economy and social system and culture to the south of it. And so in those portions of the country that subscribe to this sort of view of the United States and this sort of nationalist definition of being Canadian, this agreement was very unpopular. So that included large sections of Ontario, by far the most populous province, but the Free Trade Agreement was popular in Quebec, which just has to be different from Ontario no matter what, and it was popular out west in Alberta as well.

Q: Well, did you find yourself having to go around saying "Gee, this is a great thing?"

TAYLOR: Well Ambassador Ney wanted me to do that, and I kind of resisted that because I felt that I represented the American government, and I didn't mind going around talking about the U.S.-Canada Free Trade Agreement, but it didn't seem to me that my role was to be a cheerleader for Canadian political decisions. I thought Canadian ministers and government officials, my counterpart in the Foreign Ministry and in other ministries, should go around and make that case to the Canadian public and that my job was, frankly, to make sure that it got implemented in a professional and strong and effective way that protected American interests. And I really didn't want to sort of get on the line of trying to say this is a good deal for you. I mean, that's for them to decide. I wanted to make sure it was a good deal for us. It is a win-win deal. It opens markets. It creates new opportunities for players on both sides of the border, reduced bottlenecks and impediments to trade, so both countries should win. And I'm perfectly comfortable explaining that concept and that theory, but I did not want to become a cheerleader for

the Canadian government and particularly for a government that itself was reluctant to step out and defend the agreement.

Q: How did you feel with the various ministers and their subordinates in the Canadian government? Were they looking at this agreement as a political document, or were they looking hard at the economics of it?

TAYLOR: I think both, and they knew that the economy was in a shape that was going to cause criticism for this agreement, but that's cyclical and short-term, so they didn't want too run out and get in the way of that tidal wave. It think the government that negotiated this and signed it fundamentally believed that was in the long-term interests of Canada to do this and that Canada would greatly benefit from entering into this whole new relationship in North America, and these people were content to let time show that that would be the case and not to get caught up in today's newspaper headline or next week's economic statistic, so in a way, I think they adopted a sound strategy for the circumstance of the moment.

Also, they had other priorities. They had just signed this agreement they were confident in the long run would be validated by circumstances and events, but at the time, their country was crumbling apart again. It was the old Quebec-English Canada issue, and I think rather than sort of cheerlead for an agreement he'd already signed, the Prime Minister and the government of the day felt they'd better get on and deal with the Quebec question.

Q: What about the intellectual community?

TAYLOR: Oh, totally against it, totally against it. Again, Quebec would be an exception, but again, the intellectual fountainhead of Canada in Ontario, in the University of Toronto and all of their world-class authors and so on - they were very much against it as a sellout of Canadian identity, Canadian nationalism, Canadian culture.

Q: What about the cultural issue? I mean, this has been something that's gone on for so long, basically the American spillover of its TV, it's magazines, media, and all that into the Canadian thing. Was this a problem for you?

TAYLOR: Oh, it was a big work issue, absolutely, because most of these protective measures we deemed barriers to trade and investment, and so we just came at the same situation from a different perspective. Now, I'll tell you, Stu, I have a lot of sympathy for Canadians' concerns that they have a unique and precious culture and that they want to maintain and even enhance it. The point that I tried to leave them with all the time is they were doing so in what I considered a 19th and early 20th century fashion and what they needed to think about was doing so in some sort of 21st century fashion because all of these border controls and legal restrictions, if they made any sense at all at any time, could make no sense in a period of time when technology was shifting so rapidly that any Canadian citizen in a few years (then - by now it is the case) could go down to Radio Shack and buy a little box, put it no top of their television, and beam in anything they

wanted no matter what they said along the border. No matter if they lined up the Royal Canadian Mounted Police from one end of the country, it's still going to come in.

And really what they had to think about doing was getting away from these anachronistic and antiquated ideas of protectionism and try to help promote and foster a culture that was so good that it was competitive on a global basis, that it didn't need to exist in a 50-mile-long strip along our northern border, it could produce senses of identity and symbols of identity and programs and content that people south or the border and in Europe and Asia would relate to and say, "Isn't that good - it's Canadian." I don't know. Some Canadians thought that was the way to go, to look forward rather than looking back, but there's a lot of inertia there, and it had a deep root, especially in central Canada's identity, that if you open up in one generation we'll all be Americans, and that's something we don't want to do.

Q: Did you have a different set of problems with the people from Quebec? What do you call them, the Québécois or Quebeckers?

TAYLOR: Yes, either one.

Q: Did you have a different focus with them?

TAYLOR: Well, again, we have two consulates, a consulate general in Montreal and one in Quebec City, and the embassy was located right along the river. You drive across the bridge and you're in Quebec. And that is the dominant domestic political issue. So that's something that all the embassy was aware of and worked on, the political section, of course, more than anyone, but we were all involved in it in some way. Now I think it is true that Quebeckers have an affinity for the United States, in part to balance off their sort of tension with Ontario and English Canada. The Quebec energy industry, the hydroelectric industry, is financed and tied to the United States in a number of ways, and there is a kind of booming trade between Quebec and the parts of the United States that are to the south of it. So there's a lot of purely economic and commercial dimensions to it, but they're not abnormal. They're what you would expect, given the geography and the state of development in the region. I think the overriding issue there is the future of Quebec within Canada, and the issue I worked on from the Economic Section most closely was a point of view that came out of Washington which I radically disagreed with. There was an analysis done in Washington, the bottom line of which was that Quebec could not economically afford to be independent, and that is nutty. That is such a nutty point of view. Of course it can afford to be independent if it wishes. There may be costs, but it may wish to pay them. You know, I was ambassador in Estonia, and I can still look at the documents in which the Russians said, "Well, Estonia, Latvia, and Lithuania, they'll never be independent; they're too small to be independent; they can't afford to go it alone." Well, they're doing much better than Russia, thank you very much - much, much better. And Quebec could easily afford to go it alone. So I did an awful lot of work on sort of saying, "I'm not predicting Quebec's going to go it alone, but if you're relying on an argument that economically it can't afford to and therefore will not, you have a flawed argument, and that's not one that we here at the embassy subscribe to."

Q: Was the argument that was coming from the Department basically politically motivated, do you think?

TAYLOR: I thought it was self-serving, and I thought it was people who really didn't understand economics at all reaching for an easy answer to a complicated problem.

Q: You were the economic counselor, so I imagine you were part of the country team.

TAYLOR: Oh, yes.

Q: How were we viewing the Mulroney work on this? Or was this the Lake Accord?

TAYLOR: Meech Lake, yes, it started as Meech Lake, right.

Q: What was our response to this?

TAYLOR: Well we followed it very closely, I mean, incredibly closely, and we have very good contacts, and Canada is an open country, and everybody spoke to us and wanted us to know what was going on. So an immense amount, a steady stream of reporting, very good, accurate reporting, and it was headlines in Canada, it was the be-all and end-all of the six o'clock news for months and so many strange twists and turns, so it was a fascinating story. I think the U.S. position on this issue has always been that we value and support a strong and united Canada, but that Canada's political future is up to Canadians to decide. Now you don't have to be a mind-reader or a genius to know that means we'd like to see Canada stay together because that's just the best possible outcome for the United States, and all of us, therefore, were hoping that things like the Meech Lake Accord would work in satisfying the differing aspirations and expectations of Canada's diverse people, and I think it came close, but through a variety of unbelievable situations - and some fundamental flaws that sat beneath it - it did not pass, and now we sit... You know, it's important to understand - again, people will differ, and I'm not an expert on the Meech Lake Accord, that was for the Political Section to evaluate - in my view the Meech Lake Accord in no way would have solved the fundamental problems of French and English Canada. What it would have done is it would have channeled those tensions and disagreements and conflicts into a legal channel for a generation. It would have provided a new road in which to quarrel and fight, but a road that would have kept Quebec in the system while it did so, and that's what was lost, in my view, a long term process, sort of conflict resolution, that would have prevented, at least for a long time, any sort of movement toward ultimate breakup. It wasn't that Meech Lake would have solved these things; it just would have moved it in a more healthy and more constructive channel than the one that it happened to in. But that opportunity was lost, and so we sit here today now, you know, people talking about another referendum sometime soon.

Q: What was the feeling about Mulroney at the embassy?

TAYLOR: Well, again, he and President Reagan had, I think, a close relationship, shared

a philosophy. I think those of us who followed the system and who knew Canada fairly well - I mean, I'd been there at that point almost seven years toward the end and had a lot of Canadian friends - knew that Mulroney was terribly unpopular in Canada and couldn't win reelection and so forth, but I thought the relationship with the United States was extremely good while he was Prime Minister.

Q: What about the Maritime Provinces? You know, whenever you talk about Quebec breaking away, you've got those provinces out there which are not self-sufficient.

TAYLOR: Yes, you're absolutely right.

Q: And in a way, one can almost, I mean, you have the feeling that everyone in Canada looks sort of towards us and says, well, what are you going to do about them?

TAYLOR: Yes, there is a lot of that. Let me tell you, the point I made earlier about trying to deal with this idea in Washington that Quebec couldn't afford to separate, which I think is absolutely wrong. At the end of my analysis I came to the point you're making - but it's more than the Maritime Provinces - and argued instead, at least for argumentation's sake, not in a conclusive sense, that Canada couldn't survive without Quebec, that if Quebec went, it was not Quebec that was going to fall apart, it was the rest of Canada that would fall apart, and it began in the Maritimes, that they would crumble. So I think your point is an extremely good one, and I think that it's a huge unanswered question what the ripple effects would be in Canada if Quebec were to obtain its sovereignty, and I suspect there would be a movement in some provinces to try to join the United States, bizarre as that may seem to us -

Q: No, I mean the logic of the lines of communication are such that -

TAYLOR: Sure, it already exists, that the people in Nova Scotia feel a lot closer to the people in Boston than they do to people in Vancouver, and vice versa. People in Boston feel closer to people in Nova Scotia than they do in San Diego in many respects. So you remember that book *The Nine Nations of North America*, that has this map on it and says, sure, there's three political nations here, but what you've got is nine social and cultural and economic entities, and North Atlantic North America is one of those, sure.

Still, you know, I don't think they'd be very happy as part of the United States. They think Ottawa is overbearing in this tremendously decentralized system. They have no idea what [laughter] overbearing is really like once they joined the United States!

Q: Yes, I mean it's not as though one were sitting there plotting; in fact, it's like seeing your neighbor's house fall apart and saying, my God, who's going to weed the yard next door? Somebody's got to do it.

TAYLOR: And we've still got a consulate in Halifax, which is interesting.

Q: Were you watching developments in Vancouver and all? I mean, were you beginning

to watch this Asiatic change, money going in.

TAYLOR: Yes, sure.

Q: It's a remarkable thing that's happening. Could you talk about how we saw that?

TAYLOR: Well, I think we just saw it. I'm not sure that we had a judgment about it at the time in terms of what it meant for U.S. interests, except to some extent it was a lot of money - and people - who for one reason or another couldn't locate in the U.S., which might have been their first preference, finding a way to do so in Canada. But we have, still have and had at the time, an extraordinarily effective consul general in Vancouver and one in Calgary as well, and as the economic minister at the embassy, I traveled out there a lot and worked very closely with them on these sorts of things. We saw it as a trend; they saw it in sort of nuts and bolts terms, right where they lived every day in terms of the effects on the economy and immigration and property values and so forth. So that was something we were clearly on top of.

Q: In many ways this continues today. Canada, with all its problems, is an extremely dynamic and changing place, and everything that happens there has some repercussions. Did you find yourself having to sort of monitor our states along the border?

TAYLOR: What an interesting question. When I first went there, back in the early '80s, there was actually a position established, as well as one in Mexico, I believe. The officer worked exclusively- (end of tape)

-to just work on regional relations, state, provincial, and border community relations because so many of the decisions in the U.S.-Canadian relationship are made at that level without any reference to Washington or Ottawa whatsoever, and I thought it was a terrifically innovative idea. It fell victim to budget cuts and priorities. It may be time to bring that back, though, in my view, given the way the economy and social systems are developing. But the state and provincial relationships, regional governors and provincial premier conferences, and so forth are just absolutely critical. Now they're generally covered out of the relevant consulates general now, so that our consuls general in Halifax will go to the Maritime Provincial and New England governors conference and so forth; same thing out on the West Coast. But it's a fascinating thing. In fact, I remember back in the early 1980s, just to regress back into the period of the national energy program, Larry Eagleburger, who at that time was assistant secretary for European affairs, I believe, gave this speech in New York in which he claimed, rightly, that U.S.-Canadian relations were falling into an abyss as a result of the implications of the National Energy Program, and that's sort of what they were. And I remember a senior official in the Canadian Foreign Ministry mention to me at dinner, he said, "Larry, relations between our two countries have never been worse." And my response was then we ought to be ashamed of ourselves because the average Canadian and the average American who cross this border millions of times a week and who have the world's largest commercial relationship don't know that, and somehow we're not meeting the standard they're setting, so why don't we start to get with it? And the point is, I think, what you've just mentioned, that the U.S.

Canadian relationship is a whale of a lot more than the diplomatic and government-to-government relationship, and those of us who work in the government-to-government channel really need to keep that in mind and not think that we're the center of the universe in that relationship.

Q: Was there still the usual thing during this time where the Canadian foreign office, or what do they call it -

TAYLOR: External Affairs.

Q: -External Affairs was sort of going and making a big point of their Canadian-made policy and all this?

TAYLOR: Oh, yes. This was the heyday, this was the last hurrah of it, but boy it had a big bang before it collapsed - the National Energy Program, FIRA (the Foreign Investment Review Agency), everything was made in Canada, "be Canadianized," Canadian ownership - it was Pierre Trudeau's last effort, and if oil prices had gone up, he might have gotten away with it. But they went down, and the whole thing collapsed.

Q: You were saying they'd bet the barn on -

TAYLOR: Rising secular oil prices.

Q: It didn't happen.

TAYLOR: It didn't happen.

Q: Were there any great energy problems? I'm thinking about electric power and things like this. Did this get into your bailiwick?

TAYLOR: Well, it was in my bailiwick in the first period in Canada, '80-84, and by '89-92 it's still in my bailiwick, but it wasn't an issue. Now in the earlier period, thank goodness, that the commercial partners and the regulatory authorities at the National Energy Board in Canada and down here in FERC and ERA at the time, before ERA went out of business, were run by very sensible, pragmatic people who refused to let this political ideology and philosophy get in the way of making sane, sensible decisions. So the on-the-ground practical cooperation in the pipeline business and in the cable or transmission business and so forth was not affected by these sort of big policy and political disputes.

Q: When you were at your desk, you open up what would be The Toronto Mail *or the -*

TAYLOR: *[The Toronto] Globe and Mail*, sure.

Q: -[The Toronto] Globe and Mail or something. Would this be something that represented sort of an Ottawa establishment, of blasting you? How did you set your

agenda?

TAYLOR: Well, first, at least while I was there, and it's just a personal style, I have a very aggressive outreach to the media. I try to know all the key reporters in the area for which I'm responsible and make sure I have good relationships with them. Now some of them have their own agenda, and it's not going to work. But most of them are delighted, and I have to say that in both '80 to 84 and in '89 to 92, our position on the issues for which I was responsible were continuously and fairly represented in the mainstream Canadian media. I thought that went with my job, to be sure that that happened. Now editorializing on big things like the Free Trade Agreement, that was always going to be sensitive and touchy, but I tried to make sure that it was balanced somewhat by sort of talking with us at the embassy and getting our view.

Q: What was your feeling as you looked at the Free Trade Agreement? Obviously you were monitoring it and all. Did it seem to be on track?

TAYLOR: Yes, it was on track. It had some teething problems in some of its mechanisms, but that's to be expected. You just work them out. You work them out together, and make the thing work and go forward. There were no real problems with the Free Trade Agreement. It can't solve everything. Some issues are too big to be solved by it or too sensitive, but what it did was it opened up opportunities in trade and investment that didn't exist before, to entrepreneurs and companies on both sides of the border and established dispute resolution mechanisms that were mutually agreed, that while they didn't cover 100 percent of the issues, and couldn't, covered an awful lot of them and provided for a professional, mutually recognized way of coming to a bottom line about how to proceed in areas where we couldn't do that previously.

Q: Well, were you looking around for business opportunities for Americans in Canada? Were the Canadians or their equivalent doing the same for Canadians? Or were you sort of letting gravity take care of that situation?

TAYLOR: Well, more the latter. I do remember that when Larry Eagleburger, I think, was deputy secretary - I think this was '89-92, he sent out a worldwide cable from him to ambassadors saying get in there and promote American goods. That's at the top of your agenda and make sure it's done. I remember Ambassador Ney called me down and he showed me this cable, and he said, "What am I going to do? Politicians here don't make decisions about American goods." I said give me this, I wrote him a nice thing to send back. Of course we had a much stronger argument - we didn't live in a country where you had to go in and twist arms on a project-by-project, trade-by-trade agenda. We lived were in a country where we liberalized the whole damn economy through the [North American] Free Trade Agreement [NAFTA] and through its effective implementation. We didn't just get one deal or this trade deal, we got billions and billions of dollars and thousands and thousands of new deals through changing the rules of the game, and that's a much more ambitious and a much stronger way to approach these things when you're in a country that's willing to do that. Now if you're in Indonesia at the time, or something like that, you've got to go in and twist arms on a deal-by-deal basis. Yes, we tried to

affect the rules of the game in ways then that the weight of gravity gave American companies then many, many more opportunities than they could have had previously. And I think the embassy there, in the period I was there and the previous period, just did a tremendously successful job of that, and then toward the end of my time, Ambassador Ney made quite a strong point, and I think it was very effective, when President Bush announced there would be a free-trade agreement between - you can go back and read President Bush's announcement on the free trade agreement with Mexico. It was announced as a bilateral agreement. And I think Ed Ney was one of the first - of course, it became a bandwagon, but he was one of the first - to go in and say no, Mr. President, we need a NAFTA, It's got to be Canada, U.S., and Mexico, and so taking the Canada-U.S. agreement, not just as a great achievement (which is was) but then as a stepping-stone to the NAFTA, was sort of what dominated the last eight months or so of my time there, and Ambassador Ney was extremely effective in working with Washington in promoting that.

Q: What was sort of the initial reaction when Mexico was sort of raised on your part and maybe other people and within Canadian -

TAYLOR: It was ho-hum.

Q: Really?

TAYLOR: Yes, because there's so little trade between Canada and Mexico, they did not immediately see they needed to be in this, which was a little disconcerting for Ambassador Ney's and the embassy's argument that this should be a three-way agreement, when one of the parties was a little slow to get out of the starting blocks. But again, it was just a question of timing. After a little while, as soon as the idea started to percolate around, the leadership there grabbed on real quick. They'd better be in on this or they were going to get left out-

Q: Right.

TAYLOR: And that what would happen is there would be a hub-and-spoke system in which the United States would be the hub and there would just be a series of bilateral agreements.

Q: Were there any particular industries or corporations or anything else that were particularly problems either way that you recall during this?

TAYLOR: Listen, sure, this is one of the big educational things, and again, I thought it was handled beautifully. It is a model. In the negotiations for the free trade agreement and then for the NAFTA, USTR and the whole establishment, USTR as the lead -

Q: The U.S. Trade Representative.

TAYLOR: Yes, and you know, it was Carla Hills back in the days when I was there - but really set up a whole process of engaging American industry and American workers to

give them an avenue to make their views known and the bring them along. If we hadn't done that, these things couldn't have... I mean, they may have been good ideas economically; they would have been dead politically. It was an absolute political prerequisite. I thought it was done beautifully. And so these industry consuls and advisory groups and participation were all a part of the process, and an essential part of the process.

Q: Well, were you watching with a certain amount of trepidation that concerned that we might be too successful in getting American business into Canada? You know, it had to be pretty sure that Canadian businesses got into the United States; otherwise we'd have a real problem.

TAYLOR: No, again, I think here what you do is you open opportunities, and then you let the chips fall where they may. Once you start to be worried about how the chips are falling, that's a degree of micro-management that I would be uncomfortable with in a relationship like the U.S. and Canada. If Canada isn't strong enough and big enough to be able to play under the new rules, then it shouldn't agree to them. That's why I didn't want to go out and defend the agreement in Canada as good from Canada's point of view. It creates reciprocal and equal opportunities, but they have to be taken advantage of, and I think experience has shown that the Canadians have been able to step up to the plate and handle those opportunities.

Q: Well, was there any concern that the Canadians might have been used to a too cozy relationship and that this might have dulled their competitiveness when they had to come in and play games in the United States?

TAYLOR: They had been too used to a cozy relationship, but I think, fortunately, they developed a vision of Canada at just the right time, a Canada that, if it was going to be competitive, looking ahead into the 21st century, had to set sail, had to have the courage and the confidence to move away from its sheltered shores and take on some bigger risks for the sake of the bigger opportunities. If you look at the way the global economy has accelerated in the last 10 years, if Canada had rejected the U.S.-Canada Free Trade Agreement, it would have condemned itself to a degree of second-class performance in the world economy that was unnecessary.

Q: What about Cuba? Was that a burr under our saddle?

TAYLOR: Always, always up in Canada.

Q: Any problems, particular problems, during the time you were on the country team there?

TAYLOR: Always, because of the differences that the two governments have in their approach to Cuba and then because there's American investment or ownership in some Canadian companies, but companies located in and operating out of Canada, which laws are they supposed to follow? But it never exploded to the point where it became a crisis.

It's just one of these burrs under the saddles that rubs you the wrong way when, on occasion, you have to deal with it and move on. So that's still - I just saw in the news the other night that senior U.S. officials were briefing the media about their unhappiness that the Canadian Prime Minister is going to Cuba soon. Maybe he's there already, I don't know. So that's still an irritant.

Q: What was our analysis at that time? Was Cuba really an issue, or was this one place where you showed that, by God, you were Canadian and had a different policy? Or were the Canadians really interested?

TAYLOR: No, they were interested, and it was both. There was a lot in intellectual circles and in Canadian nationalist circles. There was some sympathy for some guy in Cuba that would stand up and poke American culture and the American economy and the American political system in the eye, but some of it was just occasionally "We're Canadians - we've got to have a different position on something than the American do, and we've got to be able to get away with it occasionally, too." So that dimension was in there as well.

Q: Well, Larry, was there anything else we should cover, do you think, on Canada?

TAYLOR: No, it's a great country. You never hear about it when you're down here south of the border, but when you're up there you've got a lot of nice people, a unique culture, and a lot of interesting issues. And I think I mentioned in the first period that it was probably the nicest family community, from middle-class American values and standards, that we've ever had the pleasure of living in. We've still got a lot of friends up there, and I certainly enjoyed my time there, and I think I was lucky that I got to work on two big issues, the National Energy Program and FIRA and Trudeau's last gasp of social federalism in Canada in the earlier period, and then the U.S.-Canada Free Trade Agreement and the NAFTA in the second period. So it was a good experience.

Q: Okay, well, we'll pick this up the next time when in '92 you came over to - I don't know what one calls this - "Naftac" or-

TAYLOR: Well, actually, I was appointed the director of the Foreign Service Institute. When I took over the Foreign Service Institute, this was just a hole in the ground. We were still down in Rosslyn, and I was lucky enough to be the director at a time to build this place and inaugurate it and get it started, so I came 18 months before the inauguration and I stayed 18 months after the inauguration. I got to play that transitional role, building on the good work my predecessors had done, and then handed the baton on to my successors. But when I came, this wasn't here. We were still down in Rosslyn.

Q: All right. Well, we'll pick it up then.

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Today is the 23rd of April, 1998. Larry, let's call it the FSI. I don't feel comfortable with

these other names, but those who want to call it the National Foreign Affairs Training Center [NFATC], you might talk about the name change and what was behind it. But before we get to that, what prompted them to pick you, because often it had gone to somebody who had the rank of ambassador - sometimes you had the feeling it was, you know, an honorific for somebody - and others took it, it had a couple of directors who really took it and ran with it, Steve Low, particularly, and Brandon Grove later, but how come you?

TAYLOR: Well, I'll answer that question, and then I'd like to go back to the name issue, because I think there is some interesting discussion there. In terms of why me, you'd really have to ask the people that chose me because I would agree that, given my rank and my situation in the Foreign Service at that time, it would be surprising that I would even be considered for the position of director of the Foreign Service Institute. That being said, however, for whatever reason, I was interviewed, and I knew when I had the interview that I would be selected. Sometimes there's just a chemistry. There's a spark. And why that is at sometimes, and not at others and with some people and not others is a bit of a mystery, but I knew, when the under secretary of Management of the day interviewed me about the job, that at the end of that interview I would be offered the job.

Q: Who was the under secretary?

TAYLOR: John Rogers. Let me say something about the name, though.

Q: Before we get to that, let's go back to this; then we'll go to the name. But did you have somebody who was looking after you and said, "How about this guy?" Because somebody had to come up with the name.

TAYLOR: The answer is I don't know if that is the case, but as I understand it - and again, I'm not the best-positioned person to answer the question; John Rogers would be. I don't know how he got my name in the first place, but I do know that, however he got it in the first place, he called a few of the ambassadors that I had worked for, including the one that I was currently working for at the time, Ed Ney (they told me that), and I know that they gave me glowing recommendations, so I suppose that led to the interview. But what I would take away from the interview and infer - but maybe wrongly because only John Rogers knows the answer - is that for whatever reason, right or wrong, he had lost confidence in the Foreign Service Institute, and he was searching around for new ideas, new directions, and kind of out-of-the-box thinking. Now those who know me in the Foreign Service, and maybe a lot didn't at the time, know that that's kind of my specialty. I like that approach, and it seemed that that was part of the chemistry and the connection in the interview, because when we discussed, for example, the new training center, I never discussed it in terms of buildings or geography or logistics; I discussed it in terms of new ideas, of new approaches to training, and upgrading the role of professional development in the entire system. So for me the whole notion of a new training center had precious little to do with new bricks and mortar and everything to do with what we could lever out of new bricks and mortar in terms of upgrading our training, new ideas, and making the profession more relevant to the world we were operating in. And I think

that's exactly what he wanted, for whatever reason, and he probably didn't get that from many of the interviews that he had. But again, you've got to talk to him about it.

Q: I know, I understand that, but I mean, I could have understood it more if you had been kind of a Washington special assistant type and all, because these are usually the guys people think about because they're around, and they're bright young people and not so young people who've been running around doing errands, and when the top people choose, they usually look at somebody who's essentially a Washington operator or somebody who's had a couple of series of ambassadorships and its his time or something like that.

TAYLOR: Right, and of course I didn't fit either of those molds. But what I did fit and what was perfect, I think, Stu, is that, given the fact that he and perhaps some around him, for whatever reason, had lost confidence in the training institution, I was almost the perfect solution to that problem, because there's probably nobody in the Foreign Service, just fortuitously, who was as strong an advocate and believer in the role of professional development than I am and had as strong a commitment to the Foreign Service Institute and to its potential for the future as I did. And now with the under secretary picking me, I was his person, and we had restored the loop of confidence with the leadership of the Department. And so in the final analysis, I guess on a bottom line, because he made the choice and because he made it for his own set of reasons, I was in an immensely stronger position than the directors that came before me with respect to the under secretary of Management. We had his confidence; we had his support at a critical time, when we did have to complete the building of this new center, move out here, and start to use it more effectively.

Q: Well, go back to the name. How did that develop?

TAYLOR: Well, that name had been, I think, put in the legislation, and maybe Steve Low would actually be a better person to explain how it developed. But I think it's important. Now clearly it does not have a catchy acronym, and that's a drawback. We all saw it immediately, and we tried to play with NFATC and give it a variety of "infatcy," "naftac," but none of them - none of them - worked the way FSI did or the way another acronym might. And that's a drawback because you like a little zip, a little class, a little panache in the acronym so it sinks and has a message, and this one didn't. But you know, if you think about the literal words: Foreign, Service, Institute; and then you think about the literal words: National, Foreign, Affairs, Training, Center; you can grasp very quickly that the latter name, although more complicated and less catchy, is a much broader and richer concept. And I thought, and I still think, that one of the potentials of this new training center is to fill up the full potential of that meaning. I don't think we've done it yet. I tried to, and I wasn't successful enough, in my view. But I think we've moved in that direction. But this should be the premier comprehensive training center for all U.S. government employees going overseas and working in the foreign affairs field. And although it has a different function and a different mission than, say, West Point or Annapolis or the National War College or the Naval War College or the Army War College, we should be able to build it to a level of such prestige and excellence that it is

recognized in the same way those names are recognized in their professions. And a little helper along that way, if we wish to use it, is that broad, all-inclusive, labeling: National Foreign Affairs Training Center.

Q: Was there any talk about using the term Arlington Hall?

TAYLOR: There certainly was.

Q: Because that has a nice ring to it.

TAYLOR: It has a very nice ring to it. It has no mission ring to it, but it has a very nice ring to it.

Q: I was just thinking, you have the U.S. Naval Academy, but which is "Annapolis."

TAYLOR: And also, Arlington Hall, for insiders, not for people outside the beltway, of course, has a long tradition because there were important government activities here stemming back into the early 1940s, and so that name resonates among foreign policy insiders and intelligence insiders and so forth. And I do think that we ought to find a way of using both, as you pointed out in the case of the Naval Academy, because of just the sweetness of the sound of Arlington Hall, plus building on the strength of its history.

Q: Well, in the first place, you were here from when to when?

TAYLOR: From '92 to '95.

Q: When you took over, you said you had some ideas, but I take it you had an agenda when you came. Could you describe what your personal agenda was and also what was the agenda of Rogers, or where was he pointing?

TAYLOR: What he wanted was someone with new ideas, and for better or worse, I had ideas that seemed new to him and maybe to some others in the system which he approved and gave me the green light. And so literally the week I arrived, we did set out for the senior leadership what was called "an agenda for change," and it was written down on paper. Remember in an earlier interview I told you about Ed Ney saying if you couldn't write it down on one page, you don't have it. And I wrote it down on one page, and I gave it out, because this place does a lot of things, but I didn't want my agenda to be a description of all the things we were doing. I wanted it to be a direction for the future and the way we were going to set priorities and move strategically, and I could fit that on one page - barely.

Q: Could you give us some of it?

TAYLOR: Sure, the notion here was really basically that we wanted to energize this entire institution, and that meant the State Department and the foreign affairs agencies as a whole, but particularly every person at the Foreign Service Institute, who actually

worked there and was associated on a regular basis with the institute, to think of this move as an opportunity, not just for a physical relocation but for a qualitative change in our mission, in our focus, and in our performance, so that the notion of a move became more than taking your effects from your old office to your new office and then going into the classroom and doing precisely what you had done in Rosslyn, only in nicer surroundings. It was really an invitation and an encouragement to step up several notches qualitatively and to engage everybody here in thinking about what that meant.

Now we set out four themes that I wanted people to think about that were drawn from listening to the Secretary, the Deputy Secretary, the President and others talk about foreign affairs, and those themes were to introduce here in stronger and innovative ways a program or an approach which I called in the first instance "Diplomacy for Global Competitiveness," which in essence was to recognize that in the post-Cold War world, and with a rapidly globalizing economy and culture, our missions and our foreign policy had new roles and new opportunities to increase American prosperity and to help create high-quality jobs at home in a variety of ways, ranging from assisting particular American businesses about particular projects all the way to opening new markets through comprehensive free trade agreements, through intellectual property protection agreements, and this sort of thing. Then the second theme was to introduce in stronger and more effective ways our performance on the so-called "global issues" - international environment, crime, terrorism, science, and technology questions - the issues which don't respect borders. A country can say, "This is my border," and international pollution rolls right on through. Now in the Cold War period those issues were present, but they were clearly marginal to the core foreign policy focus of prevailing in the Cold War. At the end of the Cold War, we had an effort, particularly in the State Department with the introduction of an under secretary for Global Affairs, the appointment of Tim Wirth, to give these issues a higher meaning in our foreign policy, and I wanted training to help do that. And so that was the second thing.

Then the third thing was to develop a technology strategy. Technology was changing so rapidly, and I thought we needed a stronger, more focused approach, not just to training our people in using the new technologies, but to incorporating technology in our training itself. For example, one of the themes that we tried to promote was taking training to the workplace, instead of always bringing workers to the training place, and concepts like just-in-time training, where certain training module, instead of being taught in a summer, for people who are passing through and maybe the information isn't used for two years or 18 months until they run into the problem, at which time they've forgotten even the best training, that we would develop CD-ROMs and other forms of computer assisted learning and training that could put that information on their desk the morning the needed it. So you're going to hire an FSN? Well, you don't have to remember what they told you about all the rules that affect that 18 months ago in a course in Washington. You can just with a couple of flicks of your finger have the FAM -

Q: FAM is the Foreign Affairs Manual.

TAYLOR: -and all of the regulations and any sort of advice and counsel that the

management of the Department has about this at the moment flash up an hour before you do that, so you've got it right when you need it. Anyhow, the technology, incorporating a technology strategy, both with respect to stronger training in the uses of new technology but also using technology in the training process, was the third theme.

And then the fourth was to increasingly see our profession - the foreign affairs profession - as a leadership profession, that we weren't just analysts and we weren't just reporters but in this vast U.S. government bureaucracy of foreign affairs agencies, increasingly present in missions and posts all over the world, that the Foreign Service of the United States also had a leadership role, to step out and not just be one of many, being a round peg in a round hole while other people were square pegs in square holes, but actually had a role of leading and managing the foreign affairs process, particularly at embassies abroad. We wanted to create a new school of leadership at the NFATC.

So those were the four themes, the diplomacy for global competitiveness, the global issues agenda, a technology strategy, and a stronger focus on leadership in the foreign affairs profession, that constituted the agenda for change when I started.

Q: When you arrived at the FSI and you were not really a creature of the FSI, what FSI experience did you have before?

TAYLOR: Well, I'd had language training at FSI. I'd had the Spanish. I'd had Serbo-Croatian. I'd had Indonesian.

Q: Can you describe kind of the culture you found of the FSI? When you arrived, was it a different world than the one you'd been dealing with, because I would think it's always difficult to get an institution of any kind to turn around, particularly people who are academics. You know, they have their own way of doing it and if people come in to change it they're usually chewed up and spat out, but I was wondering how you found this one.

TAYLOR: Well, I found a culture that I loved. I didn't find it all that foreign. It was about what I expected, and it's a complex and diverse culture. In fact, FSI is one of the most diverse and complex institutions in the U.S. government, something that's often overlooked, in large part due to the large language school, with so many female professors and teachers coming from such a variety of cultural and linguistic and ethnic backgrounds. And then there are portions of it that are very academic, where everybody who teaches - like in Area Studies - usually has a Ph. D. and has taught at a university or maybe still is and is brought here on contract just to teach a course. But the School of Professional Studies is very different than that, heavily staffed by government employees and focusing on government sorts of professional work. The Overseas Briefing Center, totally different, wonderful group of people skilled in sort of the "soft sciences" approach to relationships, families going overseas and preparing oneself for successful cross-cultural adaptation. So there wasn't one culture; there was a variety of cultures here. I thought they were wonderful; I still think they're wonderful. I found them surprisingly responsive to change. Sure there was a lot of resistance - there always is - but given the

kinds of changes that we're talking about and the cultural barriers to change that you refer to in your question, I thought there was an awful lot of eagerness for this sort of thing, particularly because we weren't imposing (and I made sure we didn't) specific programs or classes or exercises from the top down. I was setting forth these broad themes, but I was asking the people here to say what that would mean specifically in their areas of expertise. The senior leadership of deans and associate deans, the executive director and the deputy executive director were management partners and colleagues and the two deputies, John Sprott and Doug Larson, were superb. So we had a real team effort. And there were a lot of people here, Stu, who had never been asked to do anything like that and who were hungry for that.

Let me tell you a little story. One of the first things I did when I was director of FSI was I walked through the whole institution. It took me a whole day (it was down at Rosslyn), and I tried to meet every employee. I went to the warehouse. I didn't care what they were doing, whether they were janitors in the warehouse, whether they were teaching in any - I didn't care. I wanted to meet every employee, let them see me. I went into one of the language teachers' offices and shook his hand and it was almost embarrassing. He started to cry. He said he'd been working at FSI for almost 50 years, since the '40s, since it started, and that no director had ever spoken to him, much less asked him what he thought.

Q: Good God!

TAYLOR: There was a hunger here, among many, to be involved in making these sorts of decisions, and they responded, and that was a real source of energy for me and, I think, of forward momentum for the institution. So change is always a mixed bag and a mixed picture, but there is a bunch of great people here, and I think anybody change, whether it was the one I was trying to bring about or we're talking about others in the future, the key to it is empowering and involving the staff here and not trying to dictate specific things from the top down. People need guidance, they need direction, they need empowerment, they need a framework, they need a strategy, but then let them fill it out and show how to do it.

Q: You not only straddled the move, but you also straddled administrations.

TAYLOR: Right.

Q: And you had James Baker as Secretary of State and then Warren Christopher.

TAYLOR: That's right.

Q: Neither of these men I would put at the top or near the top of any list about being overly interested in institutional development. I mean they're basically lawyers dealing with the problems at hand. This is not to knock them; I mean, they dealt with very earth-shaking things. But we all look back to George Shultz. I mean, we all acknowledge the fact that this is why the Institute is here, and we hope some day something will happen so

there will be an acknowledgment of Shultz's role. But you have two distant Secretaries of State and you had John Rogers, who was, you know, you were selected by him, but what happened, did you find you were continuing to get the support? How did this come out?

TAYLOR: Well, quite naturally. I mean it's a good question, and I think the answer is the obvious one, that there was a new administration, there was a new set of leadership, and we all had to find our way again. But the completion of the new training center was never in question. Shultz had provided the impetus and my predecessors had taken to project beyond the point of no return. We had to establish new relationships, adjust to new priorities, and try to move forward in that new context. For me personally, and for this institution, we did not have as strong a voice and as strong a support in the new situation as we'd had from Under Secretary Rogers. But that's just natural. I had been selected by Under Secretary Rogers, he had endorsed the agenda for change and the new strategies that I talked about, he was supporting them, and then we had a brand-new administration who had nothing to do with that and so had to take a look at it and had to fine-tune or, even more than that, had to adjust courses based on their priorities and their sense of the directions that they wanted to take.

Q: I would have thought that under both these administrations your major problem would be time because we were going through, particularly in the Christopher period, an attitude from the President and by Congress of downsizing, fewer people to do more things. And for many in the Foreign Service, training is considered an indulgence, even with languages. How did you deal with that?

TAYLOR: Well, first, during my tenure as director, FSI itself was not in any way downsized. In fact, we continued to grow based on the notion that this new training center was a wise and fine investment, not a consumption cost, and we were able to use that thought, and I think it is a reality, but we were able to use that at the time to continue to strengthen FSI, and it was not, even though all the other bureaus at the time were pressured to downsize, we were not. Now nonetheless, we exist to serve the wider system. Now in my view, we should exist to serve the entire national foreign affairs community. That's the main issue that we discussed already. We certainly in practical terms every day exist to service the Department of State directly, and when that institution is downsizing and unable to send as many people to training, then that affects us in a variety of ways, and so your questions are right on target. What I can say is that that issue, there was a time lag on that issue, and my successors had to deal with a diminishing of the flow of employees here for training in ways that I did not. Our numbers were still very high when I left. But we had foresight. We could see this coming. It was in the pipeline, and so adjustments then had to be made. They're better to talk about how they made them and why they made them in the ways that they did, but as you know, subsequently FSI itself went through a period of retrenchment because we didn't need nearly as many language instructors and others for a dwindling student base as we had in earlier period.

Q: When you first started, what were some of the hard rocks that you had to deal with?

TAYLOR: There weren't many hard ones. We had a great group of people here, and no matter what they may have thought about these new directions and these new ideas, and clearly some of them liked them and some of them liked them less, and that's fair enough - you wouldn't expect anything more - but I tried to run an institute and a management that was open, that was flexible, that listened. And I took on board critical comment and evaluated it, and if I thought it was right, made some adjustments as a result of it. I thought that was healthy, and it was certainly consistent with the notion of empowering people to step forward and say, How are we going to do these things, and what makes sense where your responsibilities are and where you're teaching and where you're holding classes? I mean, one of the things I did regularly was hold three or four town meetings every year. We held three or four a year, and it was a good way of connecting with a very wide audience of employees and people here who were studying. In addition to that, I tried to get around the Institute on a regular basis, to staff meetings, and agreed to meet with employees individually and in groups. I probably talked personally at some length over my three years with 90 percent or more of the people who work here and tried to listen to their concerns and explain how those concerns fit into what we were doing and many times was sensitized to issues that I hadn't understood, and we were able to take, I think, actions that constitute progress, if not perfect solutions. So all of that was, I think, part of the approach that I took, keeping in touch with employees and being open and inviting critical comment to what we were doing. Now there was one cultural thing, but we solved it very quickly, and it took an outsider, and it was an advantage to be an outsider in this way. I think one of the reasons the under secretary had lost confidence in the institution is that his office and the institution had gotten into a kind of a negative cycle of self-fulfilling prophesies in which the institution felt it wasn't being supported properly and, therefore, bad things were happening, and he felt that the institution was constantly whining and complaining and, therefore, wasn't reliable, was just a chronic complainer. And FSI prepared a briefing book for me, and it included papers that it had sent to the under secretary and to others on the Seventh Floor, and when I looked at that, I could see what the problem was. There was one beautiful paper that FSI was very proud of. It was divided in half. On the top portion of the page it had listed all the budget cuts and problems and resource constraints that were bedeviling the institution, and on the bottom of the page it had then listed all of the retrenchments, the lower quality, the less training, the diminished effort it could give as a result of what it listed on the top of the page. And the minute I looked at that, I said, you know, I see the problem here immediately: we're going to have to put this page in thirds. Sure, point out what the cuts are, sure point out the consequences of the cuts, but then we're going to have to have a section that says what we're doing about that, because we're not just going to sit here and say we can't do our job because they're cutting us. We're going to have to show some creativity, an ability to establish priorities and make them work, team players have to roll with those punches and still get the job done the Department wants. So let's add a section that says how we're managing under pressure and how we're still going to get our job done. That was kind of the missing link in that cycle of communication that had gone wrong between the institutions and the under secretary's office And once we started to do that, the resources all came back.

And I'll tell you a story why about that, too. In the Ambassadorial Seminar we had a

governor, former governor, going overseas as ambassador, and one of the things in the Ambassadorial Seminar, as you know, is you get all the assistant secretaries coming through explaining what they do, especially the M assistant secretaries, what they do to support an embassy and the Department. And every one at the time, legitimately, was complaining about budget cuts and downsizing and so forth, but when I gave my presentation, I gave a little bit of an elaboration on the agenda for change. I didn't talk about budgets at all, and at the end, this former governor raised his hand and said, "You know, the only part of this institution - I'm speaking as a governor now - the only part of this institution that I would give any money to is FSI, because all these other people came in here and whined and complained about not having enough money, but I don't have enough money. I can't do anything about that. There's only one part that came in here and said it had new ideas and was going to do bold new things. Now I have a limited amount of money. I think I'll invest it on new ideas and bold new approaches." And once we got that kind of cycle working with the Seventh Floor, we got, as I mentioned earlier, a kind of support that allowed us to sail through, for almost three years, a situation in which the rest of the Department was being crunched on a downsizing but we were being well supported along the lines that this was a necessary and important investment in the future. I think that is what George Shultz had in mind when he insisted on the importance of a new training center, investing in our most important resource - our people.

Q: How did you find the Foreign Service as an institution dealt with the FSI, because I think of some of my colleagues who have gone on to bigger and better things, and there's a tendency to look upon training as being a waste of time because they want to get out there in the corridors of power and do whatever one does in the corridors of power. And language is accepted, but almost reluctantly, but almost anything else - I'm talking about the high achievers in the Foreign Service - is felt to be not conducive to a good career. Did you find yourself up against this?

TAYLOR: Oh, absolutely, and I think the system is still up against it, because that is a clash of cultural values that remains unresolved. Certainly the traditional cultural value in the Foreign Service is really to promote the high-flyer, the really brilliant, eccentric, exceptional individual who can do marvelous things, and in that context, taking time out for training, is a negative. It's a liability. And everyone sort of buys into that value. It is the dominant and traditional value in the system. There are some of us who think that the world has gotten too complicated and too important in its complications for U.S. interests for a profession to rely on talented amateurs in order to prevail time after time through an indefinite future, and that there is a systemic need to strengthen professional development, and that includes education and training, and to connect it to career advancement. So that participating in the professional development system, which includes FSI, works in tandem with the career advancement system, assignments and promotion, rather than in opposition to it, as the dominant cultural value now sees it. We haven't been able to do that. We've talked about it. I certainly talked about it a lot with the Director General when I was the director of FSI. I've talked a lot about it with the current Director General and with the under secretaries of management. It's, I think, a work in progress, but a very slow one, and there has yet not been the leadership that would strengthen that connection to the point where these two parts of the system,

professional development and career advancement, work in tandem. And unless and until that happens, we will remain a culture of talented amateur high fliers, which I have to admit, when you see the individuals who are used as examples, are wonderful; but it is not prudent - it's not even smart - to manage an entire system that includes thousands and thousands of diverse people on the basis of what a few can do. That's crazy. And that's what we're doing.

Q: And of course, the issues are such that they are issues becoming more complex, and you can't deal with this out of your hip pocket. Well, a couple of questions. Were you able to see any change in how we dealt with our junior incoming officers, called the A-100 class? Were you able to make any progress there?

TAYLOR: In what sense?

Q: Well, to me, I don't know, you're talking about changes, but one of the things that's disturbed me, and in fact, it's one of the prime reasons why we're sitting here, is to build up a history of those that have gone before, but in order tell the people that they have a long tradition and they're part of a long tradition. The military uses this. Other groups use this. We hire elite people, but we are very reluctant to say you're special, but we need special effort on your part to continue to be special, but we seem to bring them in and then sort of throw them to the wolves and no feeling about what they're entering.

TAYLOR: Well, there is probably insufficient attention paid to that. You know, I think the answer to that is no. The junior officer, the A-100 course that you're referring to, had undergone a revision shortly before I became director of FSI. I paid very close attention to that course. I met with that course several times. I always had brown-bag lunches with the members of each course, by myself, so that we could have some really candid discussion - and some of it was extremely useful and candid. I still don't think we're doing that right. There's a lot of potential for totally redoing that course. I think one of the problems is that we've sort of accepted the basic model, and when we've made evaluations and changes, we've sort of tinkered around the edges, and probably those have been marginal improvement. But what we really need is perhaps a paradigm shift and to go back to zero-base thinking and ask some of the questions you've started to, but some others as well.

Remember earlier we had mentioned the importance of connecting professional development to career advancement throughout the life of a professional career. That should begin at the A-100 class, and it should be powerful in the A-100 class. The personnel system, managed by the Director General, and the training system, managed by the director of FSI, at the A-100 level should be so powerful and so excellent that a person participating should think it is a seamless experience - not trapped in the personnel system, not trapped at FSI, but existing in a product produced by both that is a real synergy. But we haven't been able to get a priority focus on that. It would take both a Director General and a director of FSI who could legitimately make that one of their highest priorities in order to effect a change like that. And given everything else that's on their plates, it's very unlikely ever to get to that level, and that's based on my experience

as director. This is something I've always wanted to do. The Director General of the Foreign Service at that time, as you may remember, was also a rather surprising appointment to the Foreign Service, and she and I were very close friends, and we worked very closely together on these issues and she paid a lot of attention to the A-100 course. So in terms of the disposition at the top of the two institutions, it couldn't have been better, and yet neither of us legitimately could have made that such a high priority. But you are right, the A-100 course should be a benchmark of professional excellence.

Q: You're talking about Genta Hawkins.

TAYLOR: Yes, Genta Hawkins Holmes.

Q: One of the things - and I can speak without having any examples in mind because I don't know - but if you're looking at an institution, I mean, we are what we ingest. In other words, we are what we recruit and what at the officer corps come into the A-100 course. This would seem to be the place where for two years you could get the premier mid-grade officers - maybe they would come out of a dangerous post - but inspiring officers, who would run the A-100 course... I mean, this should be a place to really grab a mid-grade officer who'd say, "My God, I'm going to get in and they're going to be my boys or my boys and girls." But I don't have the feeling of that. The A-100 course director sounds like a routine assignment.

TAYLOR: No, I don't think it is a routine assignment, but it isn't what you've said, either, although there have been some examples like that. For example, the current Director General was in charge of the A-100 course, and he did it at the time, many years ago, precisely for the reasons that you've just described, so it does happen. Now although the A-100 experience does not get to the top of either the Director General or the Director of FSI's agenda, it is not off the radar screen, and I can tell you that both systems, the personnel system and the training system, pay a great deal of attention to who is assigned to those jobs. And what we have tried to do, because in general we have not gotten the type of person that you have described (and that would be the perfect sort of solution if we could institutionalize that, not necessarily by regulation but simply by values, that those sorts of people begged and fought to get that job), what we have been able to do and always have been able to do - I think always have been able to do - has been to have very excellent officers who are committed to the A-100 process, to the junior officers, and to making that experience as strong and as positive as possible. They are very caring officers. You know, I was just the mentor for this last A-100 class; it was kind of a unique thing for a retired officer to do that. But it was, again, a wonderful experience, and something I felt very natural having been out here as director and been association with all the A-100 classes for three years. And one of the things that I mentioned in my first day is that in their entire life in the Foreign Service, for some of them it will be 30 or 35 or more years, they will never again be in a situation that is so caring about them than the one they are about to enter, and that is a tribute, in large part, to the people who staff that orientation division and who lead and manage the A-100 process.

But you know, we've got to find a way, I think, to get to he point that you described

earlier. That would be the perfect situation. It may be that we need to think about establishing some incentives.

Q: It just occurred to me that you might have something the equivalent to, you have to apply for this specially, and before a committee of distinguished people, and this is an imprimatur *that, by God, we think it's important, you've got it, and so you're tapped for bigger and better things if you do a good job.*

TAYLOR: I needed you to be on the staff when I was director. If you'd ever talked to me that way in a staff meeting, we would have done that.

Q: When you think about it, it makes perfect sense.

TAYLOR: Makes wonderful sense. It's just, you know...

Q: What about training people to be political officers? Consular training I think - I come from the consular ranks - I think they're doing a very solid job on this. They sort of started the innovation of the things, but what's your impression of this?

TAYLOR: Well, let's take a step back. We've talked about some of the deficiencies of training: the lack of connectivity between professional development and career development, career advancement. Where is Foreign Service training really good? And it is, so let's talk about some of those things. It is good at preparation for your next job, by and large. If you're going to be a budget and fiscal officer in Mexico City, we will give you Spanish, darned good Spanish training, we will give you darned good budget and fiscal training, we will give you darned good training on computers and the systems that you need to be a budget and fiscal officer, and we'll give you darned good area studies and cultural training, all designed to make you more effective in your next job. And by and large, next job training in this system is extraordinarily good, and it's not that we don't need to constantly improve it - we do - but it operates at a very, very high level already.

One of the reasons for some disparity, relative disparity, though, among functions or specialties - you mentioned consular training as very good - is because there are certain senior people in the Department who manage bureaus who care a lot about training their people. Now Mary Ryan in the Consular Bureau is one of those. Pat Kennedy in the Admin side is another, and an awful lot of the training that happens here is because they're out here on a regular basis. You don't see many assistant secretaries out here on a regular basis, but you see those two, and they are thinking and always working with the director of FSI and the leadership of FSI to upgrade the training for those professionals and to keep that on the cutting edge. And that's why, in the consular and admin areas, the training evolves in such a creative and timely way. You don't have a corresponding kind of godfather figure for training on the political and economic side, and so you get spurts here, either as the system recognizes that there are such changes that we simply have to accommodate it in the political system, or you get personalities like the ones I've mentioned but who are only around for a short time who innovate and create themselves

and then leave a legacy as they move on. But there is not an institutionalized interest and connection in the political and economic training to the same degree that there is on the consular and admin side. Now one of the suggestions I had while I was director, another one of the many things that I did not get done right - but I still think it's a good idea - was to create what I, just to make an effect, called a "school board," and you can put it in quotes, to establish a distinguished group that would include the Seventh Floor and some of the Sixth Floor leadership of the Department but also others who were interested - deans or presidents of Georgetown and G.W. and American and Howard and things like this, and Hopkins, and also some from across the country, if they were interested - who could give guidance to the curriculum of the Foreign Service Institute, because the way things are right now, there is not institutionalized way of setting priorities. Remember the agenda for change that we talked about? Well, those are my ideas, based on listening to the Secretary and others talk about foreign policy priorities, but there is no other system, or we could have had no ideas and run on inertia, because there is no system that is there, professionally institutionalized, to on a regular basis assess the relevance and strength of the curriculum and give guidance for new directions. It's all very personalized at the moment. And I thought some sort of board like that, prestigious board, could both perform that function but also add a little luster to the institutions.

Q: A Board of Visitors, the Naval Academy has it and other places have it.

TAYLOR: Exactly.

Q: Absolutely appropriate. What about in language training? I was just interviewing Dick Jackson this morning, and he mentioned that he always wanted Japanese language training and he took Japanese for two years at the age of 43, and he said, you know, Personnel shouldn't have done it. He'd just learned Thai, but was assigned to two years in Okinawa, but felt he was just too old to really move ahead in Japanese, and then he was assigned to Thailand again right after. There doesn't seem to be much of a connect between age, language ability - I mean, there really is something to how old you are what language you can learn and to have, let's say, the linguistic input into Personnel.

TAYLOR: Well, the issue you're raising has so many interesting dimensions. First of all, of course Personnel shouldn't have permitted that assignment, much less made it, which is what they did. FSI shouldn't have allowed Personnel to make it, either. This is one of the important arguments why FSI should be independent from the personnel system and not a part of the personnel system. There needs to be a healthy tension between the director of FSI and the Director General, in which the training director has the power to say no to a Director General. And these are the kinds of things that it's worth looking at and perhaps saying no to under certain circumstances. So that's one thing.

A second thing is that we're back to the era of talented amateurism again. When I arrived at FSI, somebody came and saw me and said how wonderful FSI was, that they had learned six languages there and they rattled them off. And my response was - I'll paraphrase it because I can't remember it exactly - that's a great tribute to yourself, but it's a damning indictment of our personnel and training system. We don't have time to

train you in six languages, a big waste. So we're back also to the lack of connection between professional development and sensible career development and career advancement. On the one hand, some people can skyrocket to the top, or try to, at least, and never get any training at all, and other people can wallow around and spend half of their life in training that isn't productively used. I mean, this is an indictment of that lack of connection and perspective between the professional development and the career advancement systems.

Now beyond that, it also raises other interesting issues, one of which is, shouldn't we be recruiting at the entry level people who are skilled in at least certain hard languages. It's true that somebody who is 43 or older may have a hard time learning Japanese or Arabic or Korean or Chinese - these very, very difficult languages. It's also true that somebody who's 25 is going to have a hard time learning them. It's already too late, in the sense of the skills we really want for most people. Again, there can be exceptions, but for most people it's already too late. And why this profession should assume that we can just train anybody whose assigned into one of these super-hard languages to be fluent, whether they're 25 or 43, needs to be examined as well. We do need fluent speakers, looking ahead, in Japanese, in Chinese, in Arabic, in Russian, and maybe the professional thing to do is to take account of those who are already fluent when they're applying for entry, and not to assume that's an irrelevancy. So that's another question that you've opened up.

And then finally, there is the issue of the training itself, which was something that we did try to directly affect during my time at FSI. You know, a lot of our language training, if you look at it closely, appears to be training directed at the FSO political officer. The FSO political officer, though, is about 18 percent of the people who go to language classes. Why the whole curriculum and whole course should be geared to that level, that niche, was a bit of mystery, and so one of the innovations that we tried - and I don't know if we got critical mass on this or not, but it looked like we might, but maybe it's not around any more - was to develop on a pilot basis, to see if it would work, a new approach to the language learning, in which, for the first 12 weeks, all new students would be together, building the grammatical linguistic base. And then we developed specialty tracks, so that there was a political track, there was an economic track, there was a public diplomacy track, there was a secretarial (now office management specialist) track, there was a security and law-enforcement track, there was an administrative track, there was a consular track - so that after that time people would have several weeks, about eight weeks, in which they were progressing in the language but they were using vocabulary and situations that they would actually find in their workplace, not the political officer's workplace, as the current curriculum sort of appeared.

So there's a lot of things that we can do on that. And then we tried to build in more overseas study at a certain point. Again, I'm not a specialist in this area, but I certainly tried to talk to all the ones I knew, and I tried to observe with an objective mind. I don't know how much fluency one can really build when the study is all in a classroom. It seems to me - and I heard a lot of advice - that it's a lot better if at some point you get thrown into an environment where that's it, and so we pioneered some overseas study, in Hungarian and in others, which I thought the results were dramatically positive. So your

question opens up just a Pandora's box of potential to approach language needs in ways different than, kind of, the admittedly excellent language training that we have traditionally offered here at the Foreign Service Institute. We need to try new approaches, show greater flexibility, and open up to competition. All that would make us stronger.

Q: Well, did you find that, particularly the language training overseas - this always made a great deal of sense - put somebody with a family in Budapest or something like that - I mean, we used to do that back in the '20s in Russia-

TAYLOR: Right.

Q: -and Estonia and Latvia, but a lot of the problem was Congress and with Jesse Helms and the chairman of the Foreign Relations Committee and all that, did you find that you had problems with Congress on trying to move anywhere?

TAYLOR: I'll tell you the truth, Stu, and it's a bitter truth. Congress was always very supportive in my experience, and it was always more difficult to deal with the Administration. Now that was because the Administration has a responsibility to prioritize among a vast galaxy of competing needs, all of which are important and all of which are nice. And so your need or my need in that galaxy may be way down in the middle. And that's understandable. But these ideas that were able to emerge out of the Administration's kind of pipeline always were received favorably at Congress. Now we paid a lot of attention here, especially in the building of the new facility, to Congressional attitudes. I brought out the Congressmen from the district, and we gave them tours and had briefings. When we were done and up and running here we invited staffers and Congressmen more broadly interested in foreign affairs out here. Among those who know about the facility and the ideas and strategies that we were pursuing, we had near universal support, and that included from Senator Helms's office.

Q: Back to the language, and you were talking about recruiting from people who spoke a hard language, you know, initially - well, not initially, but when I came in, in 1955, and a little before that, but certainly since - part of the philosophy was that most Americans don't take languages in universities and you're going to end up with a bunch of East Coast elitists if you have this, and to get a real touch of mainstream America - when I came in it was called mainstream America - you can't have this language requirement. The other one was a security consideration, that if you had somebody who spoke fluent Korean, they're going to be Korean, and -

TAYLOR: Well, if they're Korean, they can't come in the United States Foreign Service. If you mean they're Korean-American, then they're Americans.

Q: Well, Korean-American, but the problem is -

TAYLOR: Sounds like antiquated thinking to me.

Q: Well, a Korean-American, having been consul general in Korea, there was a problem

of putting a Korean in a first tour there. The Koreans would be all over that person to get visas and all this, and it's unfair. But I mean, there is this part of the thing: one, it would be too elitist, or two, it would be too ethnic-based, and in talking to the Director General, did this come up?

TAYLOR: The elitist concern is still there, but I think that does not fit the reality of America today. It probably did in the '40s and '50s.

Q: In my day it did.

TAYLOR: I think it probably did. But if you look now at the broad spectrum of Americans who travel abroad, in the Peace Corps, and live abroad, they aren't elitists from the East Coast universities; they're a broadly diversified base of American society. So I don't think that concern is applicable today. The second concern sounds, again, a little bit antiquated to me. An American citizen is an American citizen, period, and I hope the personnel system would be wise enough not to put a Korean American in that position on the first tour, but later on, no problem at all being the political officer, economic, the ambassador - it'll work wonderfully. So again, that second concern seems to me to be slightly misplaced today and something that's easily manageable by a sensible personnel system.

Q: What about diversity? Did this cause problems for you ever? We're really talking about, well, I suppose by the time you take over, the male-female thing was pretty much in balance.

TAYLOR: Yes it was. In the incoming classes there was already quite a balance on the male-female thing.

Q: But we're really talking about African-Americans and their assimilation into this.

TAYLOR: And Hispanics, people of color generally, that's right, yes. Well, that was while I was director, and my sense is, it still is, kind of a flavor of the month in the system, and we haven't resolved it. The class that I'm the mentor to had 50 officers in it right now, and there are two African-Americans in it, so we're clearly not meeting our own recruiting rolls. Now I'll just parenthetically say that last fall I was asked by the inspector general to do an inspection of the Director General's office and our personnel system, which I did. And we did an unusual inspection. That's why she asked me - because I like to do unusual things. We benefit from taking a fresh approach to our assessments. We didn't so it by organization; we did it by core mission. We asked ourselves why does the personnel system exist, not how is it organized, and then said, "How are we doing in fulfilling those core mission?" and backed into the organization as we answered that question. Are we organized to do that? And are we successful? We looked at recruitment and particularly the diversity issue as part of that examination of core missions, and we made quite a controversial recommendation in that report, because right now we are allocating our entire recruiting effort and our recruiting budget in trying - unsuccessfully, I might add - to up the number of people of color in entry classes, in A-

100 classes. And I think, you know, we're going to have to take a different approach if we're going to be successful in meeting those goals. Now if someone wants to change the goals, then maybe we don't have to take a different approach, but we've had enough evidence now - it goes back over a decade - of trying to say that is one of our primary objectives, targeting a huge amount of resources after that objective, and in failing to meet it. Now something's got to give. Either that's not the right objective or we're not doing it right, and so I think the time's come where the system has to rethink that because we're just chasing our tail around on that at the moment.

Q: What about the Senior Seminar? Was this under scrutiny?

TAYLOR: It sure was when I took over.

Q: You can explain what the Senior Seminar is as of today.

TAYLOR: Well, it's the seniormost training program at the Foreign Service Institute and perhaps, arguably, in the entire U.S. government for the foreign affairs community. It's a seminar that has about - I don't even remember any more - 25, 30 people in it, max. About four or five or six U.S. government agencies are represented in it. It's not just a State Department seminar. And it is targeted at the level of people who are going to go on to be the most senior managers in the system. It was meant to a high-fliers last big training jolt before they achieved their maximum potential in the system. It's a wonderful program. It's a 10-month program, and it's an effort to connect - reconnect in some cases - these people to what's going on in America and to understand that American foreign policy is intimately connected to Main Street and to our farms and to our inner cities. And it's, I think, one of the best things that we do. I'm only sorry that more people don't have a chance to take it. Now in the time I became director of the Foreign Service Institute, that particular program was under critical questioning. It seemed to take some very senior people out of the system for a long time in a period where we were downsizing, and the Seventh Floor of the Department, particularly the under secretary of Management, was quite critically questioning as to whether this was a sensible thing to do. In fact, I do remember one time in which it appeared that I might be being encouraged to end the Senior Seminar as we know it and replying that I knew the under secretary, from listening to him for over a year now, was critical that our training didn't focus more on leadership, wasn't interagency enough, and seemed unconnected to Main Street, and yet he was suggesting that I dismantle the only program we had that did all three. I understand that after I left here it was put under a magnifying glass again. Fortunately, I find it's still intact. I think it's a wonderful program. Now it does suffer, as all of our programs do, from the reality that, no matter what we say in words and theory, we don't have a professional development system that is adequately connected to career advancement, assignment, and promotion. The senior seminar would be far better and far stronger if the people who were selected for it were as a part of that selection process, naturally in some way promoted and assigned to our top jobs. Right now that connection doesn't exist the way, for example, it does exist in the military. When you're selected for certain training, that is the absolute prerequisite to moving into the top jobs, and you treat the training selection as a sure indicator that you're getting a great job or a promotion

afterwards. Here there is this total chasm between the two.

Q: Back in '75, when I came out of the senior seminar, we're more or less told, well, I hope you guys can find a job in the State Department. I mean, "Good luck!" you know. It was very obvious. Also the thing, again, my experience goes back 20 years, but the military really weren't sending their top people up there. I mean, these are going to the War College, because it was part of the department, so we were getting very nice colonels and captains but who probably were going to remain colonels and captains.

TAYLOR: That had changed by the time, I think, I was director, although that's something that has to be reviewed every year. The military can be convinced to do a lot of things, but you do have to stay in touch with what they're doing and then talk to them about how to do better if you feel there's a deficiency. The Senior Seminar *should be* for military officers who've already had the War College. It should not be an alternative to the War College. And if we're talking to the military, I'm sure we can convince them of that, but if we're not talking to them, they might make the mistake of thinking that it's an alternative, in which case it would suffer from the problem that you've just mentioned.

Q: What about technology? I mean, we're talking in an era now where if we go back 10 years computers were in their infancy, and now obviously we're just at the birth of an exploding thing, and God knows what will happen in the next decade even. But how did you find technology? You say part of your emphasis was on using technology.

TAYLOR: Right, training people in the use of our technology better, but also using technology better in our training process - those were the two things that we wanted to do. Part of it is connecting the dots. We did have momentary flashes of leadership in the Department where people would decide that new hardware and new software had to be purchased, and I was the "people-ware" guy, because every time somebody got up and said we're going to buy this and we're going to buy that, I would stand up and say, well, let's make sure that we have a budget component in there and a personnel float in there to allow us to train our people on this software and hardware; otherwise, it's going to sit in a closet or in a corner and not be used. So I was the "live ware" guy. I'd always say, yes, hardware and software is great but it doesn't work without the live ware. I saw an example of this when I came to FSI. It was a micro-example. Down in Rosslyn- (end of tape)

I stumbled onto this wonderful computer assisted learning program in French. It was magnificent, and they sat me down and explained it, and I watched it, and it just had a power of gravitation: you wanted to use this system, it was so much fun to learn using this system. So I said, "But, you know, why is it back here? Why isn't it in the French language classrooms?" Well, that's an interesting question. There were two or three people who knew how to use it, and it was back there, but it wasn't in use to teach French. Well, in the end the answer was that our French teachers are afraid of it. They aren't computer literate; they see it as a threat to themselves; and they also think they'll be embarrassed in front of the students by not knowing. What is the answer to that? It's not to keep it back in the corner; it's to train the teachers, it's to orient them on this. And

eventually we did. The person who wrote it, who developed the program, was at MIT. We brought her down here for a week and took all of our French teachers, and for five straight days it was explained - the reasoning behind the program, how to work it, what it could do, and so forth. But there's a lot of challenges in introducing technology. It isn't just the manipulation of equipment. It is attitudes; it is fears; it is misunderstandings. All of that has to be addressed in some strategic way to get it done right.

We had another idea which I'm sure still hasn't been implemented because there was very fierce resistance to this, but I didn't see why, and that is "just in time" training and "real time" links between FSI and our people on the job, here and overseas. In Area Studies, for example, we couldn't have a component in which people could interact directly between FSI and the post. They didn't have to come back here in the classroom. The instructor and people could type e-mails to each other, and we could even, in some big posts, hook up interactive video conferencing, and that way the Area Studies could be more than a series of important lectures. We could still do that here. It could deal with real questions of the moment, and whether there was any counsel or advice or insight through a knowledge of the history and culture and political systems that might be immediately relevant or currently relevant. But I think most of the Area Studies instructors like to give lectures in classrooms and did not think they should be on-line, interactive in dealing with real people at post. Still, I think maybe in the future we might move in that direction. Probably some have already. The e-mail system just lends itself to that if they have any sort of personal relationship, you know, between the teacher and the officer at post. But it's a good example about how a technology strategy is a lot more than hardware and software.

Q: Well, now, did you find a problem, particularly when you get away from, you might say, the language teaching and into area studies and all, between the academics and, for want of a better word, the professionals in the field?

TAYLOR: I didn't see an unsurmountable problem with ideas like "just in time" training and "taking training to the workplace" through technology and real time connectivity were new and to system needs to understand them. But we still may be behind the curve on them when we should be on the cutting edge in designing and delivering this type of training. They're certainly very different approaches, and I think a management challenge. And I thought the people who were managing Area Studies at the time were excellent, but it's a chronic cultural issue that has to be managed sensibly. It can't be eliminated. You find ways to move forward and make it work for you because there are strengths in both approaches. And it isn't one or the other; it's how to use the right one at the right time and make them work together when you can. And sure, the professionals are more interested in practical things and in current events and so forth, and the academics are kind of more interested in textbook things and lectures and not so much questions and dealing with practical situations and trying to explain them in ways that might be actionable rather than... You know, the academics want it to be *understandable*, whereas the Foreign Service officers are kind of interested in its being actionable: "What am I going to do about that? Can I do anything about that?"

But I thought Area Studies, though a small unit, was a strong unit, and I think it had terrific potential I mean, I would have handled it differently than it was subsequently handled. I don't think we have maximized the utility of Area Studies at this point. We also have in Area Studies, our gaming and simulation program, which I thought was magnificent and which I saved. As director I was instructed to end those people and to terminate their employment, and I didn't. I moved them from where they were into Area Studies in order to save them because I thought their function was potentially so valuable to the system. And yet they're still just a small, little shop, and we're not using their... I mean, they do wonderful things, but they could be doing so much more. So there's a lot of potential in Area Studies. One thing that did bother me, but I think we got it right in the end, although you never know whether it reached critical mass or slipped back after I left. I did have some Area Studies instructors come to see me early on and sort of say, well, we hope you don't mind, but we sort of specialize in explaining to the students going overseas why American policy isn't very popular in the country they're going to. You know, I said, "I don't mind that at all. That sounds like a sensible thing to do, but I'd like you to take it one step further. After you've explained why it isn't popular, you help them understand how they can use a knowledge of the language and culture in the country they're going to to make a more persuasive case, because we're not here just to understand why they don't like us; we're here to shape and influence that disposition and try to move it more in our direction, and there must be some utility in using the language, using cultural symbols and myths, tapping certain traditions, in making a more convincing case for American policy." Well, they were astounded by that notion, but I hope that they continued to do that because it seemed to me to be the right follow-on to the point.

Q: Well, you were talking about gaming. The military uses gaming to a fare-thee-well, and if nothing else, they've got the game "Diplomacy," which is a classic. But I would think that gaming had reached its time by this point.

TAYLOR: Well, it has in most places, but not in our system, and we have such high-quality - it's small but it's very high-quality - people in our Gaming and Simulation Unit, and it lends itself to thinking ahead, to contingency planning. More than that, in this post-Cold War world that we're living in, there are more and more situations such as in Bosnia or in Africa that we've seen recently in which it is an interagency response that is required, and people skilled in foreign policy, military people, disaster relief people, foreign affairs specialists of all kinds have to be pulled together in order to deal with the situations. It's not just a question of sending in the Marines or sending in the diplomats. You're going to send in both, and they're going to do things differently than they've done in the past in order to deal with this situation. That cries out for using gaming and simulation to build these interagency teams and an awareness in all agencies of the strengths of each other and how you can work together in these situations. And I think the military, which has developed the art of gaming to a fare-thee-well, as you have pointed out, would really welcome a much broader and stronger participation by the State Department in these situations, because whether you're talking about evacuations or POLADs in Bosnia and so forth, most of the military recognize that these gray, ambiguous situations, where force is there but it's not used, is not the primary implement

of America's will, are situations that cry out for State Department and political leadership. But if we're not in the process of recognizing that and of building communication awareness and these teams, through the gaming process, I think we lose a real opportunity. So I think there's a whole world to be conquered here through the State Department's increasing, strengthening its connection with the military, with our military, looking at these sorts of ambiguous situations, political conflict situations in which we're engaged, and using the gaming process as the way of doing that, of the connection. But only time will tell if that's a good idea or not, I think it is.

Q: Well, there does seem to be a major problem, and what we're talking about is that here we are, part of one of the world's oldest activities, diplomacy, and yet there doesn't seem to be, within the corporate body of the State Department, a sense of professionalism. In other words, you know, for example, I have never seen in my 30 years in the Foreign Service, a reading list of books, these books you really should know and maybe have dialogues on them or something like this. I mean, it goes on and on and on.

TAYLOR: Yes, I agree with that, and the time to start it is in the A-100 class, as you inferred earlier, but it is a real lack in the profession. Not only don't we have those reading lists, but we don't have an awareness. We don't have a corporate history. We don't have a professional tradition. We reinvent the wheel constantly. We don't know about ambassadorial styles and approaches based on a professional assessment of our history. Every military officer is well schooled in military history and in the philosophy and thinking of military strategy and operations and tactics, because they can't advance in their professions without having them. We don't ask that; we don't provide it; and we don't have it, period.

Now there was one idea I did have. It should just be part of a system, but begins in the A-100 class, so I recognize that it's out of context and sitting there like a dangling participle. When I was director of FSI, I did get to go to the Aspen Institute Seminar out in Aspen, Colorado. It was terrific experience, but one thing I took away from there is that we should have a two-week seminar like that for Foreign Service officers that focuses on the readings and traditions and legacies of diplomacy and wrestle with those around the... Everybody should not only read them but they should be critically challenged and wrestle with them and in some active way deal with an awareness of that past and what it means, moving forward. I still think that would be a good idea, but it would be a better idea in the context of a system that was institutionalized and that began with the A-100 class.

Q: We're just within the first decade of this program, this oral history program, but we're building up something which, I hope can be - it has to be - used somehow to professionalize our Service. I was thinking at some point that each new officer might pick one of these oral histories and go through it and analyze it and talk about what was done what wasn't done and question methods and policy.

TAYLOR: That's an interesting idea.

Q: You know, it's there, or you could do it by country or something like that. This is part of our agenda, but it really hasn't started yet. Well, probably this might be a good place to stop.

TAYLOR: Well, let me just end FSI, and then maybe we'll save Estonia for another time, or we could do it now. But let me just say one more thing about FSI, because, again, if we see this new training center as having the potential for qualitative investment in our profession - we're hoping to professionalize the people but also to step them up several notches in terms of their performance, not just in individual jobs but over a career. Then there was another innovation that we tried that I think is still hanging around the edges and might be worth pursuing, and that is to allow, by legislation, and then to wisely use in practice this institution to train, under certain circumstances, people from the private sector. Now let me give you just one example. There could be many, and it's not all a slam-dunk one way or another. You have to use critical judgment about when this is appropriate and when it isn't. But take the Overseas Briefing Center, which is several floors below us, where we're sitting right now. It's a wonderful group of people providing a wonderful service. Their product is information, awareness, sensitivity, and assistance to families moving in cross-cultural situations so the spouses and children and the family unit can be successful in that transition and stay together and grow and prosper and have opportunities, and not suffer from culture shock and a sense of alienation and sort of diminish themselves and their opportunities, a very important need. If you go down to that center, it operates today the way it did when I came into the Foreign Service. There are big file cabinets with a lot of papers in folders that are appropriately organized and labeled, many of which are totally out of date and some of which are more current.

Now when I became director, I approached several companies, technology companies, the biggest and best ones in the country, because the need to adapt to cross-cultural transition is as real in the private sector as it is in the Foreign Service. And their families were facing the same challenges, and they don't have a professional system like this, and I put on the table for them a deal. I said, we will train your families. We will share our information and our training courses about cross-cultural transition and adaptation with your families, and in return, you technologize the Overseas Briefing Center. We've got all these papers in folders in file cabinets. You put in modern hardware and software and training for our OBC staff so that this stuff, we can draw on a variety of information and not just those papers, and so we can be linked real-time, where the links exist, to the posts, the cities where these people are going, so instead of going down there now and reading a report that was written a year and a half ago about what the international school is like in Estonia, we can be connected right now, real-time, to the embassy and to the school in Estonia and you can ask questions and get real-time answers back. Now these companies were eager to do that, because we asked for very little - that's a very small thing - they wouldn't even know they'd missed the systems, and we were giving them something they desperately needed and had no idea how to get. But we didn't get the approval to go ahead and do that. Now that's the kind of thing that we should still do and that we should still pursue. It's there to be done, and it's always the right time to do the right thing, and we should still be pursuing it.

Q: Well, I have my own personal dream, and that is to have the equivalent to a Rhodes Scholarship for diplomats of other countries, who would come here, because I've been involved in Kyrgyzstan and in the Federated States of Micronesia and others, but the idea of maybe for three months bringing top fliers from other places, maybe of the sort of upper junior kind, so we're singing out of the same hymn book.

TAYLOR: Stu, we're still here. When I became director, Deputy Secretary Eagleburger and Under Secretary Rogers had a few months previously traveled to Bulgaria and Albania and had given a commitment to the presidents of those countries that the United States government would train their fledgling diplomatic services, their fledgling democratic diplomatic services, in order to get them started. Now we had no capacity to do that, but the commitment was on the table. Now what had happened was that Under Secretary Rogers was scrambling for a way now to fulfill his and Larry Eagleburger's commitment, and we did that here in my first year. We brought these young diplomats from Bulgaria and Albania and trained them at the Foreign Service Institute, not in classes that we were already giving to Americans, but we created a whole new curriculum for people in their situation. Now it was, in my view, a terrific success, and one that we should have built on because here was the opportunity to train, here in the United States, and that meant to know personally at a very young age the entire diplomatic services of these newly emerging democracies and to forge an orientation and awareness and personal relationships that then would last a lifetime.

Q: 30 years.

TAYLOR: 30 years, so that when we're negotiating about nuclear weapons or trade agreements or the international environment 20 years from now, we're looking across the table at somebody we used to drink beer with in Rosslyn. This is an enormous advantage, but we threw it away. Again, this is one of these things that's not to late to do it. It's never too late to do the right thing. We ought to be back in this business.

Q: Well, we'll put this on paper some day. Is there anything else about the FSI?

TAYLOR: Jeez, we've covered so much of it, I think that's got a good flavor.

Q: Okay, so we're at 1995. Larry, whither?

TAYLOR: Off to Estonia.

Q: How did that appointment come about?

TAYLOR: Well, I had expected to go out as ambassador to another country at the time, but then again, I may not be the best person to explain all these ins and outs because I wasn't the prime mover or the key decision maker, but in any case, there was a reshuffling of several ambassadorships. I was not the immediate cause, but I was one of the domino effects, and I landed in Estonia. The person who had been scheduled to go to

Estonia [decided to stay where he was], so that job had come open.

Q: So just to get this, you were in Estonia from '95 to-

TAYLOR: '97.

Q: I would have thought that particularly the Baltic countries, because there are a good number of Baltic people whose family came from there, this would be one of those domains like Ireland your name has to be Kennedy or O'Brien to get it. Was this a consideration or was this part of the political process? Did you sort of fall through the cracks?

TAYLOR: No, you know it may turn out that the Baltic States become that in the future, but they're certainly not that now, and the Estonian-American community at least, and I don't want to speak for Latvian- or Lithuanian-Americans, but the Estonian-American community very much wants a professional, a career officer in Estonia because they know that the freedom of Estonia is a fragile thing. It's not something to be taken for granted, and the job of building and shaping a future in that region in which Estonia and the others can prosper and remain free and remain independent of Russia is something that they think is best served at this time by a succession of career ambassadors.

Q: I think they're right in this case, because political ambassadors, particularly at that level, often are essentially lightweights, and it's a bone thrown out to them and it doesn't carry the weight and probably doesn't let them understand what the situation is.

TAYLOR: Well, I think that's right, and there's another angle, too, and that is it's important to remember in Estonia that the American presence six years ago was one person, a hotel room, a phone, and a fax. And so we're dealing with creating and shaping an American presence as well as American policy in the region, and that means everything is being done from the grassroots in a society in which not everything is available. And frankly, the conditions, although they are getting much, much better, as a result of both Estonia's progress and the hard work of the American employees who have been out there and of our Estonian counterparts, our FSN's who are out there - the conditions in which an Ambassador lives and operates do not approximate those in Western Europe, and I think a great many political appointees would not feel that they are living in the style in which an ambassador should. That all has to be created and done, and they have to do it. You know, you don't ring a bell and staff runs in to take care of your every whim. You have to build the bell. You have to find the staff. It all takes a lot of time.

Q: Well, did you have any problem, or how was your confirmation for this?

TAYLOR: It was easy. It was a very easy confirmation.

Q: Before you went out there, what were American interests in Estonia, and what did you see as being sort of your priorities, your one-page list of priorities?

TAYLOR: Well, you got it right. It is my style to have an agenda and then to work toward that agenda, and I have to be flexible, both with regard to your expectations of progress and with respect to the priorities on the agenda, in case you got it wrong or changing circumstances throw up new ones. But when I arrived in Estonia, I did create an agenda that I worked toward. And part of it was institution-building at the Embassy. When I arrived there, there were about 10 American employees. When I left there were in the mid-20s. So we were in a process of growing, and I thought of it in terms of a child, you know, back at conception (when there was one person, a hotel room, a phone, and a fax) and moving toward a fully mature American platform, an embassy capable of achieving America's interests in the country and in the region. I was a part of that. I was there after the conception, and there's certainly a long way to go, so we're not a fully mature adult presence yet. And I thought, just as you take a child through various stages, it's very important to instill the right precedents, the right principles, the right operating structures in this growth process, so I paid a lot of attention to having the Embassy configured in a way that represented American interests looking toward the 21st century and trying to be sure that we did not have an embassy structured to win the Cold War because we'd already done that. But the inertia of Washington tends to want to produce a Cold-War type embassy in a location like that. We didn't need that; we needed one that was pointed to the future. So I worked very closely with the interagency process to see which agencies would come and even in the selection process of the people they sent, to make sure that we had the right kind of people to work together as a team in that embassy.

Q: How would you compare and contrast a Cold-War embassy with the new-style post-Cold-War embassy in the microcosm that you were dealing with?

TAYLOR: Well, I think the key thing is that form should fit function, and that our objectives, our functions, in Estonia and in the Baltic States now related to building security, to helping them integrate in to the Western community of nations, building democracy, building a society based on rule of law, and it related very little to learning about and competing with a Soviet monolith that was bent on our own destruction. And so the kinds of people and agencies and programs and activities that we wanted at the Embassy were those capable of contributing effectively and efficiently to these very different objectives and functions.

Q: When you arrived in '95, describe Estonia as you saw it.

TAYLOR: Well, it's a small country, and you know that going in, but it's a fascinating country. Now you start with the fact that one of my objectives when I arrived was to travel everywhere in the country as quickly as possible. I wanted to do that for a variety of reasons. I wanted to do it because I wanted to learn about the country. I wanted to do it because I wanted all parts of the country and small towns everywhere to see, symbolically, that America cared about them and that we weren't just in the capital. I wanted the people at the Embassy to see that, that our job was to get out of the capital, that it was my job and their job to represent the United States throughout Estonia. So

when you say, “What was the impression of Estonia?” I’m talking about an impression of a whole country.

But of course, you land in the capital. That’s where you start, and I had been prepared by briefings that Tallinn, the capital, was an extraordinarily beautiful medieval city, but I was still struck by it. It is one of the gems of Europe, and increasingly now being recognized and discovered by tourists and CODELs and so forth.

Q: CODELs being Congressional delegations.

TAYLOR: Congressional delegations. People are beginning to understand that something really nice is there in Estonia, but the country is kind of enchanting. It is small, basically flat, except in southern Estonia there are rolling hills. It is heavily forested, and when you start to put together the geography and the history and the culture of what has gone on on that piece of land, you really do get a sense of history in the making - not just in the past. You are working in a place and with people who have something that is almost a miracle, and that is a second chance at life. They’re getting a second chance by a miracle of history. And they and we have a special role now in building a totally new future and inventing a new history and in shaping a new reality, and so I think that spirit infuses almost every American - not just official Americans, the business community and the NGO community as well - who goes to Estonia. You come away with almost a magical feeling that you’re not just witnessing something special; you’re participating in it and helping to shape it. And it’s that spirit, more than anything else - more than the geography, more than the architecture - which remains my first and last impression of Estonia, that we didn’t just have a nice job in an interesting and beautiful country and city, we had a unique opportunity to shape a totally different future.

Q: What were Estonia’s sort of things that keep it going, natural resources and all?

TAYLOR: Everybody asks that question and then everybody says just what you said, “natural resources and all.” Back in the days when I occasionally taught development economics, in my very first lecture I used to give an example of two hypothetical, isolated island countries (so you can’t connect it to anything else; they’re by themselves), and one had oil and gas and coal and gold and forests and just everything you could imagine, and the other had nothing - it was a barren rock. But of course, one was Japan - it was the barren rock - and the other was Indonesia. One was rich, and one was poor, but it wasn’t the one you think when you ask about natural resources. Now what counts, in my view, is people and leadership, and the natural resources of Estonia are its people and its leadership. Now they do have forestry. They do have oil shale. They do have an economic structure that has been built up on its natural resource base and over time, but if you look to the future, Estonia’s future is in trying to become - and I think it has the potential, not the certainty, of becoming a Hong Kong or Singapore of the Baltic. And when you think of it in that way, it will be education, it will be leadership, it will be the people skills that spell the difference between success or less than success.

Q: And of course, it has a port and its very strategic position.

TAYLOR: It has its port, and again, from an economic point of view, this should be a service-based economy, a high-technology economy, and *entrepôt* for the big Petersburg and Moscow hinterland that sits behind it. It's not a market that should be defined by its very small borders but seen as a stepping stone into the huge market to the east. Estonia, I think, has a lot going for it, but the least of it is kind of its traditional natural resource base.

Q: What about the people, particularly the high proportion of Russians versus native Estonians and all that? How does that work out?

TAYLOR: Well, Estonians are surprisingly introverted and almost passive, which is a bit of a shame because inside they have so much beauty and grace and skill but they hide it, and it's a little bit off-putting to people who don't understand that it is there and it is being hidden for cultural reasons. About 30 percent of the country is ethnic Russian. You pointed that out in your question. That constitutes one of the really critical issues in the region, not just within Estonia, because how that situation is dealt with in social, economic, political, and cultural terms could be critical to the evolution of the entire region, and there are a great many problems in all of those areas that need stronger leadership and more involvement by Estonia. But I also want to mention that it is more than a national issue; it is an international issue, in the sense that - in my view, although I want to flag that it is not the view of all my colleagues in Washington, but it is my view - portions of the society in Russia try to use and to manipulate the presence of ethnic colleagues in Estonia and Latvia for their own foreign policy purposes in much the same way that the Germans did in the 1930s with the Sudeten Germans and the Danzig Corridor and so forth. That is, they care not a whit about the actual conditions or trying to ameliorate or improve them; they simply want to use the fact of their presence in order to try to justify and legitimize a reach into Estonian sovereignty, both to pressure Estonian authorities on other issues (basically security and foreign policy issues) and also to confuse the West about whether Estonia and Latvia are countries that you can really trust. Are these the kind of countries that you really want to bring in to your clubs and organizations? Or aren't they a little risky? Aren't they a little problematic? Aren't they human rights abusers? And so the foreign policy dimension of this issue was one of the things that I worked most consistently on during my time in Tallinn, and of course, the Embassy, and myself included, traveled extensively to the areas where the ethnic Russians live in greatest numbers, both to stay on top of developments, but also to establish networks of contacts with them and their communities and organizations, and to be sure that they understood that we represented the United States to them as well. One of the things that I insisted on as ambassador, for example, was that agencies that have programs whose purpose was to operate in Estonia, had to operate in the ethnic Russian areas of Estonia, too. I insisted we have Peace Corps volunteers in Narva and in Sillamäe and in Kohtla-Järve and in these northeast cities and villages and communities, because we weren't just going to have those programs for Estonians. They were operating in Estonia, and we were going to have them for all the people that lived in Estonia.

Q: Were you having problems with the Estonian community in the United States on this?

TAYLOR: No, not at all. The Estonian community in the United States greatly supported my efforts on this. That's what they wanted to see. What bothers the Estonian community in the United States is that sometimes they feel that Washington believes what Moscow is saying about the treatment of ethnic colleagues, and that's their concern, that somehow, out of either ignorance or out of a desire to get along with Russia, Washington will turn a blind eye to the reality of the situation in Estonia and Latvia and sort of will let Russia get away with using these ethnic colleagues as a foreign policy lever on the Baltic States.

Q: In the first place, did you have Russian-speaking officers?

TAYLOR: In the Embassy?

Q: At the Embassy.

TAYLOR: Yes, we did.

Q: Since this is one of the major issues, what was your impression during the time that you were there of the treatment of the Russians, and did you take any active part in representing the problem to the government there?

TAYLOR: Oh, golly, yes. This was a big part of our job and our presence in Estonia. First of all, just remember, I did insist U.S. programs operate in those areas. In terms of discretionary programmatic support from the Embassy, we had the Democracy Small Grant Fund and so forth. Right at the top of that list were programs that built cultural connectivity and ethnic relations and community relations between Estonians and ethnic Russians. We did that to give them support but also to indicate our priorities to Estonian authorities. I worked personally very closely with the President of Estonia, the Prime Minister of Estonia, the Foreign Minister of Estonia on the need for Estonia to give a stronger focus to this issue and to undertake common-sense initiatives - within their legal structure, which was fully consistent with Western norms - to go beyond the bare minimum and to take common-sense initiatives that made it easier for these communities to relate to each other and made it easier for Russians to live with some sense of contentment and satisfaction in Estonia. But there's a real historical legacy here. It's not going to happen in a year or two, but it can happen in a generation. I think it's too late for people in their 50s and 60s. You know, you have to put yourself in the position of the ethnic Russians. They weren't, for the most part, born in Estonia. They were transported there by Stalin after World War II to man or to be the labor for these huge Soviet-style industrial and chemical projects built on the base of Estonian oil shale. They came to Estonia at the height of the Soviet empire. They never learned a word of Estonian. They expected Estonians to speak Russian to them, even though they were in Estonia. They were the top dogs. The Communist Party organizations ran everything, decided everything. They were on top of the world, at least the world that existed in that little region. Now all of a sudden that's all gone, and there's a new world and they're not on top any more. The Communist Party means nothing; in fact, it's discredited. If you speak Russian, that's fine, but no Estonian is going to speak it to you. Why don't you speak

Estonian? You've lived here for 40 years, but you haven't learned it. That generation isn't going to make the adjustment. Nothing in their life experience - not their education, not at home, not in the community - has ever prepared them to live in a democratic, market-oriented Estonia. These are words that are mind-boggling to them, yet we think democratic, market-oriented, independent Estonia are positive words, but for them they're frightening words. So psychologically the older generation is just going to have to be allowed, in some reasonable comfort, to fade off the scene, but there's no reason why their children and grandchildren can't be fully integrated into all of the rights and opportunities of an Estonia that is growing very rapidly and that is moving toward membership in the European Union. So that's where the targeting, in our view, should be, and we worked very hard with Estonian authorities to get them to try to do a lot more to strengthen the process of integration and to ease the kind of bureaucratic and legal barriers to integration in Estonia.

Q: How about schools?

TAYLOR: Each community has their own schools.

Q: At least are the Russian schools teaching Estonian?

TAYLOR: No, they should be, and this is the point, how you solve it in a generation, because knowledge of the Estonian language is a citizenship requirement. The older generation is never going to be able to. They haven's learned anything in 40 years, and they're too old to learn it. But the younger generation can pick up a reasonable level immediately. They can't pick it up on the streets because the Russians all live together, so the street language where they live is Russian, as well as at home and in the school. So they need to pick it up in the school, and this is where we worked again with the Estonian authorities to try to make them understand the importance of training and motivating a sufficient number of Estonian teachers to staff all of those schools. This was in the self-interest of everybody looking out a generation, that we remove this problem of language proficiency in terms of citizenship, so these were the kinds of things that the Embassy was extremely active in.

Q: Did you get anywhere with getting this very basic thing of promoting the teaching of Estonian in Russian schools?

TAYLOR: Sure, but again, this is a situation in which the Estonians are going to have to understand- (end of tape)

Q: Here, Estonia, in one way or another, has been around considerably longer than the United States of America -

TAYLOR: Well, not as a country, but as a culture it has been thousands and thousands of years on that ground.

Q: When the Taylors were painting themselves blue...

TAYLOR: That's right.

Q: So I would think it would be awkward for essentially a very sophisticated people to be telling them how to manage their own country, that it would be very apparent to an American, would it not?

TAYLOR: One of the things we tried to do was not to tell them how to manage their own country. I mean, the approach that we took in this area was not to tell them how to manage their own country and not to do it for them, but to resist the temptation to pile in an international presence in these areas that was doing this, but rather to find those Estonians, those leaders, those organizations and those communities who themselves had come to understand the importance of this and to work with them to give them more strength, so that when we saw leadership, we followed it, and when we saw organizations that said, "We want to do this on the ground," we supported it, trying to help them build critical mass for success. Now again, it's a situation in which there are a lot of priorities and limited resources, and these groups and these leaders have to be successful in balancing all of them off and keeping their own authority and their own credibility. I think on the margin we certainly made a lot of good progress by supporting their leadership, by strengthening their organizations and institutions that were trying to do the right thing, but it is a very difficult and long-term process.

Q: You're saying that the Estonians, at least on the outside, were a rather introverted group, but how about on the Russian side? Were there leaders that were developing out of that who understood the situation? Was there a beginning of a mating process?

TAYLOR: There were some good Russian leaders who did step forward, but again, the critical element is the youth, and I think the youth, frankly, is still up for grabs. But there still is one overriding advantage that Estonia has in that, and that is that every Russian, whether they're 65 or whether they're 15, knows that conditions in Estonia are so much better for them than conditions in Russia, that even if they feel discriminated against or second-class in Estonia, they are living better and they have many more opportunities by living in Estonia. And particularly the young people know that one aspect of this is enormously important and you don't want to rock this boat too hard, and that is Estonia is on its way to Brussels, in a figurative, metaphorical sense. It is becoming - it will become in the lifetime of these young Russians - fully European, a member of the European Community, and that means that those young Russians will be European. Across the River, across the Narva river in Russia, their *grandchildren* won't be European. This is a huge advantage that accrues to everybody who lives there, and it's one of the reasons the younger Russians, even though they don't care much for Estonians and Estonia... And I still have a question mark. If that was all it is, I think it would be very much up for grabs, but they know they can ride Estonia to Brussels and they can become fully European. This is a tremendous advantage in terms of encouraging young people not to rock the boat too much.

Q: Well, were there Estonian nationalists who were pounding the drums trying to create

divisions as some of the politicians in Russia were doing?

TAYLOR: Not too much any more. They were more vocal in the early days, sort of seeking some sort of accounting for the past and I think hoping, sometimes openly, that maybe all the Russians could be deported or something and Estonia could be purely Estonian. You know, that's just unrealistic, and their day, if it had ever come, had come and gone by the time I got there. They're still around, but they're widely regarded as way off on the fringe, and they don't exercise much political power in Estonia now. But I think this issue is manageable in a positive way if the Estonians will only give a little bit more leadership to make it a little higher priority and if Russia does not - either because it does not want to or because the international community does not allow it - if Russia does not manipulate and stir up that situation to cause problems that otherwise would not exist.

Q: I would have thought that this would have been a country where particularly the Swedes and the Finns and perhaps the Germans, too, would have been really interested in working on development roles.

TAYLOR: The Germans are obsessed with East Germany and Central Europe, and have been quite a disappointment to the Estonians, because given the Baltic German heritage there, historically I think they had hoped and expected for a stronger degree of interest from Germany, but you can bet your bottom dollar the Swedes, Finns, and Danes are extraordinarily active there in terms of promoting development. In fact, Estonians deserve credit for their own success, and they've been the shining star, not just of the Baltic States, but of all of the societies that have emerged now reconstituted and independent from the Rubble of the Soviet empire. But some of that success is connected to the tremendous amount of support and continuing support that comes from Sweden, Finland, and Denmark to Estonia in particular, especially Finland!

Q: Well, were you working in harness, more or less, with the Swedes, Finns, and Danes about directing this? I mean, did they have the same feeling about, say, the Russian minority and making sure that it rose along with the Estonians?

TAYLOR: Oh, yes. That was a common theme in the international community. You mentioned earlier that I had an agenda. I'll just tell you what it was. The first I mentioned, which was helping to build and to shape a rapidly growing U.S. presence into one that was a 21st-century embassy and not a Cold-War embassy. The second was to phase out our foreign assistance to Estonia in a way that allowed both sides to feel good about the program and to treat it not as a close-out, as it had been described when I was appointed (that decision had already been made and I couldn't do much about that), but rather as a graduation, and to feel good in the sense that we had contributed to their ability to graduate and they could feel good that they had graduated, they had made it. The third was to reorient Estonian foreign policy in a way that would give them a greater chance of reaching a border settlement and a normalization with Russia. And the fourth was to reorient Estonian foreign policy in a way that would help them understand that they were unlikely to be in the first round of NATO enlargement and that they shouldn't be disappointed by that but, rather, seek further opportunities to strengthen their

integration into Western political and security institutions and that NATO membership, important as they might think it is, was only one means to a much broader end. And then the last one was sort of a micro-, but it was very important to me, and that was to try to obtain a suitable residence for the American ambassador. You know, we all began six years ago. Every Western country coming into a newly independent Estonia began in a hotel room. But six years have gone by, and when I arrived there, virtually every other Western embassy had an ambassadorial residence that was truly that and that said something symbolically to Americans, but particularly to the region, to Estonians and others, that this country was here to stay and they thought Estonia was a real country. We did not. For some reason, we were at the tail end, and there's no reason for the most important country to Estonia to be sending a signal that maybe the Ambassador is living in a transit billet while the United States decides whether to stay or go. And so I thought for a lot of very good reasons, ranging from - frankly - my own comfort and ability to do my job in a representational and a promotional sense, but all the way to the symbolic importance of the statement we made by having a residence, that I had to take that on as a priority as well.

So there it was: building an embassy; phasing out the aid program in a kind of unique, creative, positive way; trying to help Estonia turn its foreign policy with Russia into constructive engagement instead of the kind of hostile confrontation it was when I arrived; and trying to help Estonia understand that NATO membership, important as it might seem, was only a means to an end and that they shouldn't be so disappointed that they failed to try to build new opportunities to integrate into the West; and then finally to focus on obtaining a residence that was appropriate for an American ambassador.

Q: What about the borders of Estonia with Latvia and Russia? Are these pretty well established?

TAYLOR: With Latvia it was very well established. With Russia it's still not. Trying to nurture a border agreement between Estonia and Russia was part of one of these priorities, this reorientation toward positive engagement. When I arrived there the Estonian negotiating position was that Russia must recognize that the Estonian state began with the Treaty of Tartu in the 1920s, as part of the border settlement. They weren't interested in changing the actual physical border, but they wanted the agreement to contain a legitimization of their birth certificate in the 1920s. The Russians were unwilling to do that. The Russians still argue that the incorporation of the Baltic States into the Soviet Union in the 1940s was a legitimate act and not an illegitimate act, and they did not want to date the legitimacy of the current political systems from the 1920s. Now over time, and with the encouragement of the United States government, the Estonians dropped their demand about the Treaty of Tartu, but that proved to be insufficient to bring Russia to signing the agreement, even though Russia had been saying all along that that was the reason that they would not sign. But the Estonians got to the point where they simply surrendered. They surprisingly went to a meeting, surprisingly to the Russians (they had worked it out with us), and said we agree to all your positions, so let's sign. It wasn't good enough; it still hasn't been signed. The Russians decided there were other problems.

Q: What about the cooperation between your embassy and that in Moscow? Was there pretty much on the same wavelength, or localitis took over?

TAYLOR: Well, I'm sure they thought I had localitis, and I was sure they did. I would say when Tom Pickering was there it was very good. Tom was excellent on the big issues and always handled issues with professional excellence. But I'll tell you, in my view - and you'll get a different view from my colleagues in Moscow and in the Department who worked on Russia - but in my view, American interests in the Baltic States are threatened mainly by two things. The first is that we lose sight of them. They're so small, and we have other priorities, and so we sort of forget about them until it's too late. And the second is that we don't understand that our own bureaucratic system that has five hundred people working on Russia for every one working on Estonia has a certain bureaucratic weight and momentum to it that can sideswipe our policies in the Baltics. And what I found was that there were too many people, in Washington as well as in Moscow in our embassy, who would be aware of what the Estonians said about an issue - for example, the treatment of ethnic Russians in Estonia - and they'd be aware of what the Russians said about it, and then they would wring their hands and say, well, we don't know, so we'll split the difference. This is splitting the difference between a truth and a lie, and it's not a good basis for American foreign policy, at least for a successful policy. And they would ignore the fact that we weren't splitting the difference. We lived in Estonia. We didn't accept what the Estonians told us. We went and saw. We worked with the Russians, and so did every other Western embassy, and so did the OSCE [Organization for Security and Cooperation in Europe], which has a presence in Estonia. And so did a variety of NGOs [non-governmental organizations], who were working on these issues in those localities every day. And all of us who did that saw it the same way. So we felt that splitting the difference, when you have an embassy and when you have an international presence, when you have an OSCE presence, that splitting the difference between what the Estonians said and what the Russians said was really not an appropriate basis for making American foreign policy. I should say things did change. There were some leadership changes in Washington and events in Russia in 1998 introduced more realism into our regional policy. We have it right now, but it was rocky for a while.

Q: I would have thought, looking at this, that the big city there would be St. Petersburg.

TAYLOR: Oh, it is. It's huge.

Q: I mean, were there solid lines of communication? I mean, was this where people would go?

TAYLOR: Oh, no. I mean, you have to understand that when you go to the... And this is interesting in a number of ways, because it is one of the threats to stability in the region that needs to be come to grips with by international policy, in my view, but when you cross the border from Estonia into Russia - you know, it takes a few yards to cross a border; there is a line, and on one side of it there is Estonia and on the other side there is Russia - when you cross that border, you are in every way - *in every way* - literally

transforming, moving, from the late 20th century to the late 19th century. One of the great problems with the "oldthink" in American foreign policy is that the Baltic States have always existed in the shadow of great powers - of Sweden, of Poland, of Germany, for the last several hundred years of Russia - and that people who have worked on especially Russia in our system for a long time have that natural perspective on them. But with the end of the Cold War and with the dramatic changes that have occurred, both in the Baltic States and in Russia, the truth is that the Baltic States, and especially Estonia, have become the light-giving source, small as they are, and the policy job is to extend that light of market reform and market success, of political reform and political success, of social reform and social success, from the Baltic States east, and to try to help transform, by doing so, those adjacent sections of Russia and perhaps reach all the way to Petersburg. Anything that Petersburg sends to the Baltics now is something that the Baltics don't need. It has to go the other way. Now if you look 50 years out, of course there's a natural size and density issue here that should reassert itself, but in this transitional phase, it is really policies that try to move the success of the Baltic States east that are likely to be most successful in life.

Q: Was there any spillover of the massive breakdown of society, of industry, corruption, gangs, the whole thing in Russia? Did that spill over into Estonia?

TAYLOR: It certainly spilled over into Estonia in the early years, especially in terms of organized criminal activity and *Mafioso* groups and so forth. Estonia's gotten it under better control in the last few years. One of the agencies that I did bring in to the Embassy and I think has been very useful is the FBI, which now has a regional office in our Embassy in Tallinn. Now although the Estonians argue that they have eliminated these Russian groups and these major criminal organizations, I have to tell you I don't buy that. I hope it's true, but I think what's happened is that criminality in Estonia has developed as Estonia has developed, and in the rough-and-tumble early days, you could see the *Mafioso* types with their cars and their guns and behaving like they did in Chicago in the 20s and 30s. Estonia is moving very rapidly into a modern economy, and I think the criminal groups still exist; I think they're wearing coats and ties and they're at their computers. They have just stepped up several notches as Estonia has stepped up several notches. So that's something we need to keep our eye on, in my view, because part of the success of Estonia really is associated with this banking sector and service sector, and we do need to be careful that this doesn't become a major center of international money-laundering and illegal transfers and so forth. Even while people say there's no more criminal activity here, just look around.

Q: Well, in the Baltic States, what's the pecking order between Lithuania, Latvia, and Estonia as far as success and all, and be objective?

TAYLOR: Well, you know, these are three very different countries, and that is an issue in and of itself because we call them the Baltic States, and I think politically in the United States they're more powerful when they go under that umbrella, but in reality, they are three different languages, three different cultures, different religions, different histories, different values. They don't have very much in common except geography. Now I don't

think there's any doubt that Estonia is significantly ahead on the economic front, and its selection as potential first-wave entry into EU enlargement is an indication that that judgment is widely shared. Estonian leadership "seized the moment" in 1992-1993 and made remarkable policy reforms and initiatives on the economic front. Beyond that, I wouldn't know how to rate them. I suspect that, in a military sense, for example, Estonia might be the least of those three capable of contributing significantly to, say, NATO or an international security system. So there's a lot of different standards and different measures, but in the kind of the classical economic measures, I think it's pretty clear that Estonia has gone out ahead. But Latvia and Lithuania are catching up now.

Q: What about the Holocaust? I used to be a refugee relief officer and dealt with people coming out of camps around, and if I recall, the Estonians were actually - all the Baltic States - the ethnic ones there ran some of the nastiest camps, particularly against the Jews but with others. Was this something that you got involved in?

TAYLOR: Sure. As you can see by recent news accounts of developments in Latvia, history weighs heavily on all of these societies, and the World War II experience is something that weighs extremely heavily. People try to reinvent it; they try to forget it; they try to distort it. The best that can be said is that of a lot of Estonians, they will legitimately say that history dealt them a cruel hand, that if you wanted to fight for Estonia, you either had to fight for Stalin or you had to fight for Hitler. There wasn't any other choice. Or you could run away and not fight, but that was your choice, and once you did that you were trapped in a system that was doing a lot of other things that may or may not have been to your liking. The worst that can be said is just what you said: that there were an awful lot of willing accomplices to the worst aspects of both the Soviet and the Nazi systems. Now Estonia had a very small pre-war Jewish population, unlike Lithuania and Latvia. There were only about 10,000 Jews in Estonia prior to the war, and they were relatively well integrated by standards, but they were exterminated, either there in Estonia or sent somewhere else. There were, then, a couple of camps. The Nazis established a couple of camps in Estonia in which Jews from other parts of Europe were brought in and exterminated. The Russians built a monument out near Paldiski, about 40 minutes outside of Tallinn, at one of those camps, and a new monument was raised in 1994-95 by the newly independent Estonian government to the same thing. There's still a small Jewish community in Estonia now, a few hundred people. We had good relations with it, and we had good relations with international American Jewish groups who were concerned about the legacy of World War II and how countries were treating issues associated with restitution and property and so forth. But there's no doubt that horrible things happened in Estonia as they happened elsewhere and that, although people would like to forget it and blame it all on Nazis or Germans, Nazis and Germans had a lot of willing collaborators in Estonia as elsewhere.

Q: Could you describe the government you're dealing with, some of the personalities and how one dealt with the Estonian government?

TAYLOR: Well, it was a very easy government to deal with at a certain level, because you could divide (for convenience's sake - they would never divide themselves that way),

but it was easy for an outsider like myself to divide Estonian leadership into those that had a world view and had a world awareness and those who thought the world began and ended in Estonia. And the latter group was very hard to deal with on anything, frankly. It was a real problem. The former group, though, was extraordinarily easy to deal with. They all spoke four or five languages; they all had traveled extensively; they all had advanced degrees by Western standards; and they were all determined to reintegrate Estonia into the Western democratic community of nations. And so the Western embassies - and foremost among them the United States Embassy - were natural contacts for them as much as they were for us, and they were as interested in facilitating, nurturing and developing the relationship as we were. So it was with many of the key Estonian leaders. I would get a call at midnight or so for the President to come on over to the palace or to the house, and off I would go, and they would show up at my home, and it was just sort of like being almost friends in a local community here in the United States. That was the ease of the contact and the relationship.

Q: Were there any major issues during this time. I mean, were you hit? What was it?

TAYLOR: Well, some of the ones I mentioned were the Russia, the NATO, types of things, the situation of ethnic Russians living in Estonia - all these things were chronic, major things that were worked on over a long period of time. But right away, when I arrived, we were hit, both myself personally as well as many others, but also Estonia - we were all traumatized by the tragic death of Bob Frazier. Bob had been the first ambassador in Estonia; I was the second. And I thought the world of Bob, as did many other people who knew him, and of course, Estonia had a special place in its heart for Bob as the first American ambassador.

Q: Can you explain what happened?

TAYLOR: Yes, Bob was tragically killed in an automobile accident on a winding road in Bosnia, and dealing with that, the feelings that the country had, that we all had, that the FSN's had, that the Estonian leadership had was something that we just had to take on right away and do right, and I think we did. It sounds very personalized and small in a way, but it was quite a shock to us all and an emotional thing for us all and something that we had to handle in an appropriate and sensitive way if we were going to be proud of ourselves, all of us as we moved forward. And it think we did.

Q: What was the Estonian view of events in Bosnia, because this was the whole development in the area, break up different ethnic groups and all that, and they must have taken a much harder look at it than, say, one of the Western countries?

TAYLOR: The Estonian view of the events in Bosnia really boils down to something much more basic. Estonia wants strong U.S. leadership. Estonia sees its own future associated with that more than anything else, and Estonia wants it and will always support it, regardless of how it might differ analytically about events on the ground. And so Estonia welcomed the more assertive U.S. role that emerged in the mid-1990s and immediately volunteered to do whatever it could to support us.

Q: Well, did you find, when you first went out there, the Clinton Administration was beginning to find its feet, and I can't remember exactly how you would time it, but maybe by '95 it wasn't looking too "ept" in the field of foreign affairs. I mean Clinton obviously was not focused on doing things in the foreign affairs field, and did you notice that, and did you notice a change when we decided to say "the hell with this" in Bosnia and also in Haiti and we put troops in and we started doing things?

TAYLOR: Well, absolutely. Again, the Estonians want that U.S. leadership and they're not going to second-guess it. They just want strong U.S. leadership. They're going to support it - for selfish reasons, because they believe, they're whole history and geography tells them that regardless of circumstances today, there will come a time again when push comes to shove in that part of the region, and their whole freedom will be put under a cloud. And when that happens, as they think it will, some day in some way, people in Moscow are not going to care what people in Helsinki or Bonn or London or Oslo think. They're only going to care what people in Washington think. So that is something the Estonians have fixed very clearly. That is why the Estonians want in NATO, frankly, and not in WEU [Western European Union]. They want a Transatlantic security relationship; they do not want a European security relationship alone.

Now that being said, let me also say that, while I agree in general about your characterization of the first years of the Clinton Administration as more or less finding their ways in foreign policy and maybe in other things as well, that was, with respect to the Baltics (as opposed to Bosnia or Somalia or somewhere else) not the case. The President had already established quite a positive involvement and legacy in the Baltics. He had visited Riga in 1994, was a smashing success, a smashing symbolic and substantive success. The Baltic States achieved their independence in '91 and '92, but Russian troops did not leave until '94, and there was a question all the way up to the day they left as to whether they would really leave. And I think the Baltic leaders rightly understand that without President Clinton's personal involvement in that question, the Russians probably would not have left. So we have that. Vice President Gore had gone to the region. Vice President Gore was in Estonia in March or April, I forget which, of 1995, so he had personally taken a role out there. So American foreign policy in this part of the world was actually seen as a success at that point. It was not finding its legs; it was on sound ground.

Q: Did you have any conversations with the Estonian leadership concerning sort of the Western European economic union and the United States with NATO? I mean, were you being told sort of face to face, well, Western Europe hasn't really gotten its act together, it really is not a force that we can depend on, where the United States? Did you get that from them?

TAYLOR: From the Estonians?

Q: Yes.

TAYLOR: Not so directly. They didn't say it in those terms. But I think the job that I tried to do was to take whatever they were saying, and it certainly came from the same sentiments you just talked about, and try to build on it and enlarge it and help them understand that their security was part of a broad and long-term process of reconnecting to Western institutions, big and small, across a full spectrum of economic, political, security, military, social, cultural, educational relationships. It was not one issue. It was not NATO, much as they had hoped that it would be and could be. But the fact that it wouldn't be NATO, at least in the first round, in no way jeopardized this wider process of reintegration and reconnecting. And if they pursued that, they would be building their security in important ways. And I think we were successful over time in helping them see their security as a process rather than as an event. When I went there they saw it as an event, the date they got in NATO. And I think now, as a result of some time and some thinking and a lot of intervening developments, they do see it as a process by which they continue over time to strengthen their connection across this full spectrum of relationships.

Q: What about country ties with the United States? Were Estonian students headed off to the United States to go to MIT and Chicago and other places for academic training?

TAYLOR: Yes, Estonians do come to the United States as well as to other Western countries for training and for education. Again, that was a big priority for me at the Embassy, to find ways to strengthen, and to create where there didn't exist, new training and new educational links between our two countries because in a country the size of Estonia, there will always be an elite of a few hundred people who run the country - that's inevitable. It would be different people, depending on the system, you know, but that's an inevitability. And I was sure that if we had an aggressive training and educational development in our relationship that we could actually train and educate the next generation of Estonian leadership and that this would work to our advantage as well as to theirs, but certainly to our advantage over the generation ahead. So we did an awful lot to encourage that training and that education, and in the areas in which we had more influence, such as admission to our service academies, for example, the Estonians have the best per capita (they're a very small country) ratio of attendance of any foreign country in U.S. service academies. That's not by accident. We worked very hard to make sure the Estonians are getting into all of these school.

Q: With the arrows in your particular quiver, were you able to get schools like MIT and, you know, the major schools in the United States to look favorably on Estonia, or was money a problem?

TAYLOR: Well, money is always a problem with Estonians, you know, for all their economic success, and it has been dramatic, certainly on a relative basis, the per capita income in Estonia is still about $300 a month. So, you know, we're starting from a very low base. Now the past few years, given the fluidity and flexibility of these transitional situations, there have been some families that have become millionaires and more literally overnight. Now they, of course, can afford what they wish, but for most Estonians there really does need to be some sort of financial assistance and support

mechanism. But they are a culture that has always valued education. You know, in the 1890s, Estonians had literally a literacy rate in the 90 percent, at a time when the United States had not half that probably. And so it is a culture that expects to make sacrifices and has a commitment to education, almost just naturally, and Estonia is also a country where the leadership has a keen awareness that, given its size and given its location, its role is as part of the global system. It cannot be an island unto itself. And so there is a commitment to learning foreign languages, and there is a commitment to travel and studying abroad. There are conflicting forces bearing on the ability of Estonians, how fast and how many can move into the U.S. or any foreign educational system, but given all of those things, I think it's remarkable how well they're doing.

Q: Did you find as we talk about this in the 1990s we're going through a tremendous revolution, and we're talking about the Internet communications and that sort of thing which will be old hat when somebody reads this a couple of years from now. But we're really talking about being at the very beginning of this. Did you see a sort of willingness and interest in turning to this new form of communication so that you were part of the global -

TAYLOR: Estonia has one of, if not the highest per capita utilization of the Internet in Europe - an extraordinary thing of a society that's been where it has for the last 50 years that has a per capita income of about $300 a month and in which the ownership of individual computers is very limited. So its commitment to education, looking historically, has been to the sciences, and it is a society that is very skilled in sciences and takes almost naturally to technology changes. And it's a society that has a very good capability in software programming already, for example. And then there's leadership for that. I came back with the President of Estonia and met with Vice President Gore in October of 1995, in which the Estonian President asked for the Vice President's assistance in encouraging American industry to place the Internet in every Estonian classroom, and that project has gone forward. It's called the "Tiger's Leap" in Estonia, and it is very successful. The Vice President, in turn, encouraged Estonia to become part of the Globe system, and the Estonians immediately agreed and have now signed their schools on to the Globe system. And so yes, in every way, this is an extraordinary commitment to using the new technology and being part of the new technology as a subset of their broader reintegration into the West, their commitment to free market principles and their commitment to being economically successful.

Q: When you say Estonians, what about - in the Internet, school systems, and so forth - what about the Russians? Are they part of that?

TAYLOR: The schools are part of it, right. The Russian schools in Estonia are part of it, because it was "every school in Estonia."

Q: Did you find the Russians, the younger generation, were they a new breed?

TAYLOR: They certainly are a new breed, and they're also computer-literate; they're also looking west as well as east, because they have families in the east the way the

Estonians do not, but they have a whole new attitude from, again, they weren't part of the communist system; they didn't depend on it the way their fathers and grandfathers and grandmothers did, and so yes, they're a totally new breed.

Q: What about the Embassy as far as one of your priorities was to make it a post-Cold-War embassy? By the time you left, how was it structured that might be different than sort of a traditional embassy?

TAYLOR: Well, again, I think the answer to that question lies less in organizational names than it does in understanding the activities and the programs and the purposes of the mission as a whole, and what we tried to do - and you can do it in a small embassy that's brand new, where you don't inherit a traditional modus operandi and all of the baggage that comes with that that's decades and decades old - everybody who gets off the plane is brand new there and has sort of got to move forward without necessarily having anything to build on - and so I spent a lot of effort trying to build a real embassy team, to have in practice what we talk about back here as being the theory of an embassy, and that meant, and in a small embassy we could do it, that I sat with the leaders of all the agencies and sometimes all the staff, and we sat there together as America's team and tried to use the skills and- (end of tape)

Q: You were saying that the country team-

TAYLOR: Yes, to try to function as one team using the skills and abilities of each of the people and the agencies they represented to strengthen the programs and the activities of the Embassy that were focused on these post-Cold-War, 21st-century-agenda items. And that, I think, is the distinguishing feature of what we tried to do in differentiating ourselves from a Cold-War embassy.

Q: Did you find yourself dealing with the other great power, the European Bureau [EUR]? Did you find you were kind of far down in the feeding order and in a way you could almost do your own thing?

TAYLOR: Yes, I think the Department has been through such a series of resource cutbacks and had so many other priorities. At that time the European Bureau, for example, had Bosnia on its plate. But the leadership had precious little time for much else, and certainly not much time for us. So we did work a lot on our own, and there were a lot of advantages to that, as you can imagine. There were some disadvantages because in a situation where you are new and growing and in which you are on the front lines, sometimes you need a little bit of help in Washington in order to get things done. So yes, I think you hit the nail on the head.

Q: Did you have visits from overly enthusiastic or maybe just plain enthusiastic Estonian-Americans who wanted to go in and change everything and turn it into another America or something like that?

TAYLOR: Well, that period was largely over. We did have a lot of visits from Estonian-

Americans. In the first couple of years of Estonian independence, the Estonian diaspora - not just from the U.S. but from all over the world - flooded back in there, some of them to try to make a difference, some of them to try to make a fast buck, some of them to try to remake Estonia in the image that they had in their minds but which was impossible. But a lot of sorting out had gone on already, and some of the crazies and the ones that weren't going to be successful had departed, and the Estonians who had been there throughout the Soviet period had kind of reasserted themselves, with a few of the better-qualified and really committed representatives of the diaspora scattered around in important positions, but clearly not remaking the country in their image, rather working for the country's leadership.

Now we also had a lot of official visitors, and I'll tell you, although some of my staff occasionally grew restive, I encouraged and welcomed all visitors because I saw each one as an opportunity to make a new friend for what we were doing there and building an understanding of our role and our importance. And I wanted to make sure that every American who came to the Embassy and came to Estonia in some capacity that we dealt with left with that higher understanding and a supporter of the American government's role in the region and in the country. So I saw each of these visits as a unique opportunity to help build the future we were all working toward, and not as kind of the nuisance and problem that, if you saw it from a different perspective, it might appear.

Q: Well, if you're in Paris or something, you know they're interested in shopping and that sort of thing, and it's a pain in the ass. But if you're in a small place, this is your unique good time to get them and corral them and put them in a corner and tell them what you're doing.

TAYLOR: Right. And take them around the country and show them. Right. A lot of the support that we got in the future came from people who had been there and seen it and understood it for themselves.

Q: Was there the equivalent of a Baltic League of American ambassadors with the Latvian, Lithuanian men or women in those places? Did you get together much?

TAYLOR: Yes, the three of us got together about three times a year, and then a wider ring, including our colleagues from Finland, Sweden, Norway, and Denmark, got together about once a year.

Q: Did you find this useful?

TAYLOR: It's essential. In fact, we should have done more of it. In part, I'll tell you - again, I don't want to be overly critical - but this sort of thing helped compensate for the lack of interest and leadership from Washington on these issues. You just had to have somebody occasionally at that level to talk to and to sort through some of these issues, especially issues that were regional and international in their effects. And so these meetings were very helpful, and then particularly with my colleague, the U.S. ambassador in Latvia, but also in Lithuania, we were on the phone an awful lot to each

other discussing things, and there were some issues that were of such importance, we thought, that we would draft one cable and send it in from all three of us - it would come from all three of us - in an effort to give it greater weight and greater power in the system.

Q: I assume - I think I've heard it - a sizable number of Estonians during the Stalin times were sent off to Siberia and never came back. Did this poison the well a lot?

TAYLOR: Well, it's a legacy that Estonians remember. There is a Remembrance Day for, I guess it was, the 1948 evacuation of Estonians to Siberia, but you know, there is a legacy here. This is one of the most difficult things to deal with looking forward, to understand that there are legacies that need to be taken into consideration in making judgments about how to move forward and at what pace and in what ways. Some of the legacies are political; some are economic; some are environmental; many are psychological. And you've got to think carefully through them. Virtually every Estonian family - it's a small country - virtually every Estonian family has some recent family member who was either just taken out and summarily shot or who was taken out and then shipped to Siberia. Sometimes whole families and whole villages disappeared, literally overnight. Now that all plays a role, but I'll tell you, the Estonian character and the Estonian culture is not one that seeks revenge. It doesn't forget this - it remembers it; it has ceremonies about it and so forth - but I never encountered in Estonia a hatred of Russians. I did encounter a hatred of Russia. I never encountered fear of Russians. I did encounter fear of Russia. They do not personalize these things to people who had nothing to do with them. And it relates also to this so-called ethnic conflict in Estonia. There are no - and I'm not talking about a few; I'm talking about *no* - there are no ethnic crimes in Estonia. There are no instances of Estonians killing Russians because they're Russians or *vice versa* or fighting with them or bullying them. This doesn't occur. It's not in the system. So yes, there are these legacies. Part of it is that it's a legacy of Communism. Yes, there are these legacies. Part of it is Russia. But I have never found it to be personalized against others, you know, individuals, in my experience, which is quite remarkable-

Q: It really is.

TAYLOR: -because in our system, you can imagine, in our culture, if we were dealing now, being on top for the first time in 50 years with groups of people who had taken my mom and dad out and shot them, I mean, I'm sorry, but we'd have more of a problem here than they seem to have there.

Q: And we're both veterans of service in Yugoslavia. We don't have to say any more about that.

TAYLOR: It's totally different in the Baltics and we need to keep it that way. If that genie gets out of the bottle in the Baltics, it would threaten the security of all Europe and not just these three small countries.

Q: Well, was there anything else that we should cover, do you think, on this before you

left?

TAYLOR: I don't think so. I think we could go into greater depth if you wanted, but I think we've hit the highlights of the thing.

Q: Well, you'll get this, and you can certainly expand on anything you want to.

TAYLOR: Okay.

Q: Well, why don't we stop at this point and call it quits.

TAYLOR: Good, that's a deal.

Q: You retired in '97 from your post.

TAYLOR: I did. Somehow I'm floating around doing odd jobs for the Department again. That's not quite what I intended, but here I am.

Q: Good.

End of Interview