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

# AMBASSADOR ALEXANDER F. WATSON

*Interviewed by: Charles Stuart Kennedy*
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## INTERVIEW

*[Note: This interview was not edited by Ambassador Watson.]*

*Q: Today is the 29th of October 1997. This is an interview with Alexander F. Watson. This is being done on behalf of the Association for Diplomatic Studies and Training and I'm Charles Stuart Kennedy. Alex, could you tell me a bit in the first place when and where were you born and could you tell me something about your family?*

WATSON: Sure, I was born in Boston, Massachusetts in 1939, August 8, 1939. At that point my father was a young professor of astronomy at Harvard. My father was the son of a Methodist minister. My father was born in Baltimore and his grandfather had been an evangelist in the south after the Civil War. His father was a Methodist minister and he moved across the country living in Indiana and various places. My father went to high school in California and went to Pomona College and was an undergraduate. He came back to Harvard for graduate school in astronomy where he met my mother. My father's family had been in this country for a very long time. I don't know too much about this, but apparently he had indentured servants or poor farmers on the Eastern Shore of Virginia and Maryland and migrated up into Delaware and the Wilmington area and then in the Baltimore area.

My mother's family was from Reading, Massachusetts. Her father actually was born in

Australia. Her grandfather was an Englishman who ultimately went to Australia. He was kind of a ne'er-do-well I gather.

*Q: A remittance man.*

WATSON: A remittance man. He went there and had one of his several children there and that happened to be my grandfather. He went back to England and then the whole brood of children came to the U.S. Three or four brothers set up a house painting business in Reading, Massachusetts and they married into a nice family, the Converse family of Winchester and Reading. They had been in this country for a long, long time, but they were not wealthy people or anything like that. My mother worked her way through Radcliff and was working around the Harvard Observatory at that time with Dr. Harlow Shapley. He was one of the two or three deans of astronomy in the United States in the '30s and '40s and that's how she met my father.

*Q: What was your mother, her major at Radcliff?*

WATSON: I think it was classics, Latin and Greek. It might have been either Greek or Latin, but I think it was classics. So, then they got married and were living in Cambridge. My father was an assistant professor and then I was born and my brother, four brothers. I'm the oldest, the second was born, then came World War II. My father went into the navy. He became a Lieutenant Commander and worked on LORAN long distance radar, which was a brand new development at that time. He was all over the Pacific helping to establish LORAN stations and coming back from time to time. That's when we moved from Cambridge where I was born to New York City for a while and in Washington, D.C. Then when the war ended we moved back to Belmont, which is right next to Cambridge, and they bought a house. At that point James Bryant Conant, was president of Harvard and he created the Harvard Graduate School of Education. My recollection of this is that he went around and raided the various other faculties for young folks to bring in to the school. My father became their professor of science education and he had an Endowed Chair of Science Education. He was basically working on questions related to teaching people physics. He wrote textbooks and all sorts of other stuff with his colleagues on that subject. He retired from Harvard at age 65, which was I guess probably 1977 and did a variety of things. He continued to work on Harvard physics. He worked in the international baccalaureate program. He went to NYU for a while to fill in for his friend and colleague on physics, Jim Rutherford, who had gone to the National Science Foundation. He ran the science education, so he was running the Science Education Department at NYU I think at that time for a couple of years.

So, that's it. I went to Belmont High School in Belmont, Massachusetts and on to Harvard College.

*Q: By high school had you any feel for foreign affairs or anything?*

WATSON: Not really, no. I was interested in biology and the sciences as much as

anything. It's hard to remember what one is interested in at age 18 besides girls and things like that. Sports, which I was never any good, but I played them all. I went to Harvard really thinking about, sort of a concept that attracted me was in some way study the actual functioning of the brain, the biochemistry of the brain is how I always described it. To understand how it actually physically worked, but a series of advance embellishments lead me sort of away from the hard sciences and into the social sciences and then I majored in government. In government I really focused more on political theory than in the international segment of the government requirement or even the American government, but I did take several international government and history courses.

*Q: I would assume that you'd be looking to the theory of politics as sort of a carryover of what makes the mind work. I mean looking at systems rather than at sort of the process.*

WATSON: It would be nice to think that there was a rational process that lead to this course of action, but if I tried to invent one now it would probably be a mischaracterization. I'm not quite sure how this evolution took place. In those days they had survey courses you had to take at the beginning of your career, in the academic career in Harvard in science and in the social studies and in the humanities. It was required. There were some selections you could choose from, but there was a required category of courses. I became interested in sort of political philosophy and social organization and how to help people organize themselves to make decisions and things like that. In the course of this I became quite interested in Asia.

I got a professor named Schwartz who was good on government as opposed to broader history. So I studied quite a lot about Asia. At that time there was almost nothing taught about Latin America at Harvard except there was some Spanish department where you could study literature and things and the language, but there was virtually nothing else until John Plank gave a course. There was this young graduate student and he talked to us about Cuba. I was sort of intrigued with Latin America and had always been interested even as a little kid mainly because of its wildlife. I remember in the fifth grade which is a fairly easy year for me in school, I had a lot of free time to draw pictures of all the animals I could find in South America. In sort of a strange way I've come almost full circle when I was in this job in the nature conservancy at this point as the executive director of the Latin America program.

At Harvard I did become interested enough in Latin America to start taking Spanish. Like so many kids I had in high school done enough work in French already so that I could pass the exam you have to pass to graduate from college before entering. I didn't have to take any language and it was probably a mistake. I probably should have taken some French in college. That would have really nailed the language down for good, but I didn't. But in my junior year I think it was I started up again taking Spanish, which I found very interesting as well as the Plank course on Latin America. I started to focus more and started to work on an honors thesis, which I never ended up finishing for a whole variety of reasons on the Latin American subject. At that point I was not particularly politically oriented and had not thought about the Foreign Serviced at all and didn't know much

about it. I was just a student who spent more time sort of in these debates that we had in those days of basically centering around Marx and Freud and endless debates psychoanalyzing each other at the height of Freudism. It's hard to recall now what it was like in those days, but we were also all stimulated because in our home town of Belmont was the mental hospital that Boston Mass General called the McLean Mental Hospital which was a hospital set up really by the big Boston merchant families over time for the members of their own families. So, you'd go to McLean and it was like a university campus with Georgian style brick buildings with the same names on them that you'd find in the Harvard campus. A lot of us worked there at one time or another. I worked there after I graduated from college. Other friends of mine worked there as a summer job and so this sort of psychoanalytic activity was important for all.

*Q: Why did sort of Marxism and Freud touch a response or cord in youth at one of our top universities?*

WATSON: Well, I think it didn't touch a response or cord in everybody. I mean it touched the responsive cords in the group of people that I was spending a lot of time with. Remember, it's in the late '50s, it's not that long after World War II. It was at the height of the Cold War. I think there was a certain degree of healthy questioning of the rigidity of American attitudes towards Russia and China and others and it was right after the McCarthy period and everything. There was a desire to understand more about Russia and China and therefore about Marxism in general. We had terrific professors not only the ones that I mentioned earlier, but several experts on the Soviet Union. I took a lot of courses in that as well. The whole theory and practice of totalitarianism was a major academic subject at that point. I thought it was fascinating. It was a culmination of a certain line of political thought to be traced back as far as you want to go. The name totalitarianism indicates that it's sort of the end of a certain road of political thinking and I think it's proved to be that, it's collapsed. In any case I think that's why you get into Marxism. A lot of my friends were in the young socialists club. A guy named Barrington Moore was a person that they listened to a lot as a professor and thought that he was a brilliant integrator of ideas. He was largely a Marxist person. A lot of my friends were captivated by the neatness of Marxist thought. I was always skeptical and therefore a little bit on the outside of this group. I was taking mainline economic courses as well which most of these people weren't. So, I kept asking them questions that derived from Samuelson's book and others that they couldn't really answer in terms of the allocation of resources and decision making. I was always a skeptic and although I was on the fringes of this group I never was really a Marxist or even a socialist although I was intrigued by this.

Freud, I think in those days psychoanalysis was extremely popular. Mental illness was viewed almost exclusively through Freudian views. I can remember after I graduated from college and before I went in the Foreign Service I worked six or seven months at the McLean Hospital and at that point the leading psychological psychiatric exponent for the people in that hospital was a guy named Harry Stack Sullivan who was a Freudian. There was another doctor who was working there on what he believed to be the chemical origins

of certain kinds of a psychotic behavior. If I remember correctly, this has been a long time ago, so I may not have it right, but his work was not quite ridiculed, but he was sort of dismissed by the others. Part of it was I believe his own wife was a patient there and he was doing work on her and that sort of I think undermined his position. In retrospect it appears that he was really on to something and he was a pioneer in where we are now and Freudian psychology has receded.

*Q: Did this have any resonance with your initial interest in the chemistry of the brain while you were there or was this just.*

WATSON: Oh, I think so. I mean it all gets down to why people behave the way they do. Yes, I think. I mean I don't think it was a conscious evolution. I think it just sort of happened, some of things in life. Historians so often try to impose retrospectively patterns on behavior which may actually be accurate but which are not necessarily in the consciousness of the people who are doing the acting at the time it's taking place. Anyhow, I fooled around the first couple of years in college and was playing a lot of cards and drinking and wasting my parents' money. I was a scholarship student and I also had a job. I did summer jobs at college, plus the scholarship plus working the summers, plus my parents putting up some money and I sort of was a waste those first couple of years. I finally woke up in my junior year and started to get better grades on the dean's list and that sort of thing. I ended up with not too bad an average at the end, but I sort of looked back at those first couple of years and said, God, what a waste. I should have gone into the army or something else useful rather than do that, but be that as it may, I guess it's part of the evolutionary process that we must go through.

*Q: While you were looking at Latin America I mean you were beginning to develop an interest, interesting things were happening in Cuba at that time. I was wondering, could you talk about your impression if you can about the impact of Cuba and Castro and all of that?*

WATSON: Absolutely. That was very important. We were all reading Theodore Draper's books; the Fair Play for Cuba Committee was very active. I was not actually really active in that, but I was on the margins of it. I was very interested in it and I was quite sympathetic to Castro and Castro came to the Harvard Law School shortly after he took power in January of '59. I remember that very dramatically. We all went down there and we sat at rapt attention as he gave a long speech of course with an interpreter. I knew Spanish well enough to understand it at that time. That was a huge event when Castro came. This was a galvanizing moment really. We all studied and tried to study, tried to understand what was going on in Cuba. I think we did understand it fairly well. I understood it fairly well at that time. I understood that the myth of the revolution was quite different from the reality in Cuba and that in fact it was a largely a middle class urban revolt against Batista's government that was crucial in bringing down Batista much more so than Castro in the hills with his guys. Although his ability to thwart the forces of Batista contributed to the overthrow. He marched in triumphantly and quickly, as people skilled in these kinds of Marxist organizational techniques can, took control. Other

people that were as important and had gone through the downfall of Batista quickly were marginalized or left the country. He established an authoritarian almost totalitarian regime in Cuba over time. The speculation as to when he developed what ideas and all that sort of thing could go on forever. I think at that time when I was in college, I still certainly was interested in problems of injustice in Latin America. I studied Hirschman books and others and I was even interested in the dependency theory which was just beginning in those days and those sorts of things.

*Q: Dependency theory being?*

WATSON: The dependency theory is a body of thought of which one of the leading exponents was the current president of Brazil. It was a Marxist interpretation of the world which basically had Latin America as dependent on the center which in this case was the United States and that everything that happened could be viewed from this interpretation. This kind of economic determinism is derived from their economic relationship and this country's dependence on the economy of the United States in a nutshell. The politics and everything flowed from that. A Marxist origin. It did deal with internal dynamics of countries, but it also focused a lot on the external relationships between the United States and Latin America. It was very important in the heyday of Marxism and revolution and leftist insurrection in Latin America. Of course it was fed also by the American reactions to these phenomena, driven not so much by concerns about Latin America, but it was part of the Cold War and we didn't want to have another Cuba and all this kind of stuff. We could get into it a little bit later when I got to the Dominican Republic. I didn't know much about the Foreign Service, but a fellow named Steve Wales who had graduated a year ahead of me had joined the Foreign Service. He was a friend of mine, not an intimate friend, but a good friend. He was part of our group in college.

*Q: On this, had the Kennedy phenomenon hit your group?*

WATSON: I remember seeing Kennedy when he came in the campaign. I graduated in '61. He went to the new Loeb Theater there. I remember being there in the crowd, very close to him and being impressed by his energy and vigor as we all were. I started to become politicized if you will at that time. My parents had not been very political. I think my parents were quite sympathetic to Adlai Stevenson, but I think my father at least and maybe my mother too might have voted for Eisenhower the first time around. I remember finding sort of no third term buttons lying around in my father's dresser. I think that they probably could be considered sort of moderate republicans, but then they moved into the democratic column clearly. I'm virtually certain my mother voted for Stevenson in '56 and my father might have also. Kennedy came along, that's a very complicated phenomenon in Boston, Massachusetts if you're familiar with the ethnic and religious and racial politics there. That's another topic that's worth discussing at some other point perhaps. Whatever hang-ups my mother in particular had about Irish Catholics in Boston vis-à-vis other groups didn't really affect me very much. I was constantly aware of it, but it didn't affect me and my friendships or even in my politics because I was strongly in favor of Kennedy over Nixon although I was not active. The first time I ever voted was in

1960 when I was old enough to vote. I remember voting for Kennedy in Belmont right next to Cambridge, going home and going to the town hall. I remember very clearly going in and marking my little ballot. I wasn't a diehard democrat. I voted for Ed Brooke for senator. He was a republican. I voted for the republican, John Volpe, a couple of times I think for governor in those years. The governorship in Massachusetts was for two years, so I voted for a variety of people.

*Q: Did the Kennedy phenomenon, you know, get out there and do something, government service and all?*

WATSON: There's no doubt that that coupled with my interest in government first of all. My interest, my growing interest in Latin America, that is to say in international government or international relations, coupled with this fellow I mentioned before Steve Wales joined the Foreign Service and going to Hong Kong and writing back how wonderful it was. That was the first I heard about the Foreign Service or even thought about it. I mean like every other kid in my junior year at some point I said, "Wow, I'm going to graduate in a year and I have to do something." In those days going home and living with your parents was not even, it was never considered for anybody.

*Q: Very little of the graduate school.*

WATSON: We had three choices. Go to graduate school, go in the army, get a job. There were no other choices; those were the three choices. The Peace Corps didn't exist yet, to give you another choice. I knew I didn't want to do anymore academics at this point. I was tired of it. I also knew that I was not eager to go into the military, which I could see to be a waste of time. The navy beckoned at that point, they had a six-month program and a whole variety of things. So, the only option left was get a job. I started wandering around looking for jobs and visiting people my father knew and others and going to New York looking for jobs in banks and being basically told you're a nice young kid, but you're no banker and you're not an economist. You haven't gone to business school and you haven't done your military service, so we're going to put you in a training program that lasts a year and we want you to get that out of the way before so you won't be interrupted by the draft. Meanwhile I started taking the Foreign Service exams and passing the written and then the oral and then there are some foreign stories there.

*Q: I like to collect stories of the oral exam because it gives an idea of the attitude of the people.*

WATSON: Let me tell you first about the written exam. This was one vignette that I remember very clearly sitting there in a school somewhere in Brighton, Massachusetts, I'm not quite sure where the exam was, someplace like Brighton, a whole gang of us. I think the exam was given in December. The room was full of people going through the exam. At one point there were people, they were humming in the room. I was going, what the hell is going on. I turned the page and I saw there was a bar, a score of music you had to identify it. Then I realized of course that all of the people that had been humming were

ahead in the exam. I was scared to death, you know, I had to really pick up speed to go forward. Then of course after I got through that the humming was even stronger, so it meant that I was among the leaders and not among the followers in this group. I remember that exactly crystal clear and I remember I passed the exam. I think I did pretty well on the exam.

*Q: This was the written exam.*

WATSON: The written exam. I don't remember it too clearly, but I did pass the exam. In those days then what happened is you had to go for an oral exam. I went to an oral exam. There I was, what was I, 20 or something? 21? A bunch of distinguished people in a little room in the Parker House Hotel in Boston. We sat around there and they started asking the questions. I didn't know most of the answers because I didn't read newspapers. I didn't know what was going on in the world. I was a beatnik and was trying to get squared away to find a job and I knew something about Latin America and political history of the world, but I wasn't up on current events. I remember feeling that I was not doing at all well on this exam. Then I detected I made a mistake and I detected something that I thought was crucial. They asked me what were the member countries of CENTO, which was a sort of a NATO defense pact, that John Foster Dulles had set up. I did not know the answer to that. The next question was what are the capitals of the countries in the CENTO alliance? I said, now wait a second to myself. I don't know the countries, how do I know the capitals? They're not asking questions to get the answers. They're asking me questions they know I can't answer to see how I behave. Once I figured that out I did better in the oral exam because I realized they were watching how I dealt with adversity in a difficult situation. At one point they asked me a question about the Organization of American States or something. As soon as I started to answer they cut me off. I said, "Wait a second. Don't you want to hear about this? I can tell you about this!" They all laughed. They did because that was a confirmation that my initial perception was basically correct. They were not looking for knowledge in the oral exam in those days. They were looking for personal demeanor, how you handle difficult situations. Anyhow I ended up, eventually came the security exam to sit down with a security officer and go over the security stuff. I don't know if you want to talk about this.

*Q: Oh, yes, it captures the attitudes.*

WATSON: Obviously my memory is selective, I may even be exaggerating things, I may not be 100% accurate, but I think it's accurate. I can see this like it was yesterday. I was also in a room in a building in downtown Boston; I don't remember which one. It had Venetian blinds on the windows and they were crooked and the light was coming through. A guy without a jacket on in a short sleeved white shirt with a tie was sitting across the table from me and asking me questions. I was virtually certain that they were going to focus on my sort of fringed association with the Young Socialist Club, fringed association with Fair Play for Cuba. You have to remember this was not long after the McCarthy time, so that was weighing on your mind. They were going to sort of go after me on political counts. Imagine my surprise when they didn't do any of that, but they

went to sexual questions. They asked questions like have you ever participated in group sexual acts? I said no. The guy said, "How do you satisfy your sexual desire?" I didn't know what to say, so I went, "Not very well." Just a total schmuck at this point. He said, "No, I mean you know, with boys or with girls?" I said, "With girls." "Well, name some girls," he said. I was really getting; I didn't like this at all. I'd never been in a situation like this. So, I named some girls, coward that I was, including the person that now is my wife. It was kind of a funny thing. All I could think of in retrospect was I had had a pretty close friend in high school who had gone on to Yale and who had discovered while he was there, unfortunately he has since passed away, that he was a homosexual. This was tearing him up, really tearing him up. He would sometimes come to my room in college in my sophomore year. There were three of us rooming together. He had sort of dropped out of Yale and he would come in and sort of unburden himself about this terrible quandary he found himself in that he realized he was a homosexual. He would fall and he'd lie on my floor and cry and I would try to encourage him. I didn't know what to say. It was a time where the variety of sexual behavior had sort of become apparent for the first time in most cases. I didn't know anything about homosexuals or anything like that. I would spend some time with Bob and try to help him through this period. I thought, well, maybe he somehow knew that Bob had come three or four times to our room and I talked to him. Maybe they thought that I was a homosexual, I don't know what was in their minds. That's all I could think of. It must have been other questions, but those are the ones that I recall.

*Q: Also, I have a very distinct feeling a little earlier, but still, that the security office is heavily dominated, here we move into, I was at BU, by Irish Catholics. I remember in fact going down the hall where the security officers were at the State Department around '60 or something and almost every other office had the name Frances X something which usually was the sign of Frances Xavier which is one of the keys in this problem and this was not a tolerant period as far as the Catholic Church was concerned.*

WATSON: Well, I don't recall anything about the identity of the fellow across from me. I just presumed he was sort of doing his job. I was a 21 year old kid. I had never encountered anything like this. It was sort of like these blinds going crooked, the light coming through in this bare room and this guy in his shirtsleeves asking me questions about sexuality. I just wanted to get out of there without screwing up not knowing quite what the right answers were to any of this stuff. But anyhow, I got through that period. One of the funny ironies of this is that my wife's, my wife to be, we knew each other, but we were friends, but not that close, mother did not like me at all. I was dating this girl and her mother thought I was a communist sex maniac she told her daughter. First of all a communist because I went to the 'Kremlin on the Charles,' that's Harvard University in those days and a sex maniac because I sent her daughter D.H. Lawrence novels that were highly interesting. I rode around on a red motorcycle and I had a big old fur coat on. A big guy on a motorcycle, I was completely inoffensive. She saw me as something really dangerous, pernicious so they wouldn't let me in the house and all that stuff. We got married anyway. The funny thing is the Foreign Service folks called my wife to be and as I say we were just sort of dating casually at that point as a reference I guess for the

security check and she wasn't there, she was a nurse at Children's Hospital in Boston, but her mother was there and her mother answered the phone call. The mother told these people that I was the best guy she ever met for overseas duty. That would be spectacular and fabulous. When Judy came home from work and her mother told her this story just as smug as a Cheshire cat, how clever she'd been to get rid of me, you know, little did she know I would actually marry her daughter and take her overseas, too. This is what happened, but those were the very early '60s.

I graduated then from college, I passed all this stuff and on the waiting list to come into the Foreign Service not knowing quite what to do. I then went to work at McLean Mental Hospital, which I mentioned which was one of the most important experiences in my life. I say this and I sometimes say it in a way that sounds jocular. It was the best preparation for the Foreign Service and people laugh and I say it with that intent, but it's also serious. Why do I say that? I say, first of all, I had a kind of phobia, despite all this attention, the psychoanalysis and reading Freud and everybody I could get my hands on. I had a phobia of violently mentally ill people. I'd never really seen one, but I thought of the Psycho movie type. Remember the movie Psycho? Tony Perkins and all that stuff? That kind of a psychopathic murdering person sort of lived in my mind as kind of the ultimate scary creature. So, the first thing I did was to know more about what mentally ill people were really like and overcome that, a hysterical fear on my part. Secondly, I learned to become much more tolerant of a variety of styles and behavior and much more willing to watch carefully how people behave and try to figure out how I best could connect with them. Up to that point I was totally an arrogant Harvard kid; we knew everything. We were the Freudians. We could understand you just like that. You didn't know yourself, we understood you. You know how people were in those days. It's sort of like Marxist style. The workers don't understand their own interests, but I do and I'll tell you, that kind of stuff. You combine all this, I'm exaggerating a little bit, but still I learned. I also am much more tolerant and am able to discern and analyze peoples' behavior and discern how I could connect with them. My job was to take care of three patients at this hospital and to connect with them on how they were doing to draw them out and report back to the doctors who had been doing the therapy. The third thing I learned was that the difference between sanity and insanity is very vague. All of us, everyday, are a little bit insane and what distinguishes us from those who are truly insane is that we can get back across the line. Do we even know when we're behaving insanely, that we are and we can get back across at the end of the day? We're on one side of the line and these people are on the other. I worked really closely.

I remember my first moment on the floor. Besides I was taking a course there taught by an excellent psychiatric nurse. There were three of us psychiatric attendants in this course with this excellent woman, so we were learning a lot in the academic standpoint as well as the experiential. I told you what this hospital was like, like the Harvard dorms. Mahogany frames and carpeted floors and curtains on the windows and really nice. We had big brass keys two or three inches long with which we locked the doors. So, you'd come in and you'd come up the stairs and you'd go to the door. You'd open the door with your key, come inside and then lock the door with your key. I was on the admissions

ward. The first person I saw was a guy who had been at Harvard a year ahead of me, who I knew, playing an imaginary game of tennis. I'm not going to mention his name because there's no point in that. I just had my socks knocked off. The last of those three lessons: there but for the grace of God go I. This is a guy, this was a normal guy, a student I knew him a while ago and here he is in a world that is impenetrable. He thought he was playing tennis and it was really serious. He was swinging an imaginary racket and all. My time there, spending time including with a couple of sociopaths, people without any conscience, who are usually very smart, highly manipulative, especially of other patients, people that take advantage, they could discern very quickly peoples' weaknesses and exploit them. People who were virtually catatonic. I remember one guy and every now and then he'd come out and he was a brilliant young guy. He had been an MIT student who was suicidal. I remember once very dramatically, he tried to, he got a coat hanger that he shouldn't have had. He tried to hang himself from a curtain rod in his room and the whole thing collapsed. He then became much more normal if you will, communicative. He had almost never said a word to anybody. They sent me to him. He wasn't one of my patients, but they sent me to him because I was about the same age. I talked with him at great length. He was sort of an astronomical physicist. He was talking to me about stars. I knew a little bit about this because my father was an astronomer so we had this conversation and we even played a little checkers. We got along and then you could just see the gates closing. The catharsis caused by the attempt that he had failed to kill himself had opened him up dramatically for a short period. In a matter of days those doors closed back up and he was back to his totally withdrawn self. I learned after I left that hospital that tragically he did kill himself when he went into town accompanied by an attendant. They went to a movie and got into the movie theater in Boston and he ran upstairs and threw himself out a window and died. Anyhow, I have a million stories from McLean Hospital. To me it was an extremely important experience.

*Q: Well, I think this is, I have done many of these interviews and for most our people, most of us who come into the Foreign Service by the exam we're bright. We've come out of good schools or whatever kind of schools and we've done well, and we've passed the exam and so there's a chance to be arrogant as all hell. For most the learning experience is the military particularly someone who was an enlisted man like myself, but for you, this I mean you know, these things are quite essential for most of us to come up against something other than ourselves.*

WATSON: Absolutely. You wouldn't really call this the real world, but it was a set of experiences which in many ways synthesized and concentrated in an extraordinarily powerful way. Some of the lessons that you have to learn. I really always think I was extremely fortunate to have been at McLean. I used to say if there was some way that I could have stayed in that life without on the one hand going to all the schools you had to go to to be a psychiatrist. In those days the idea that psychologists, that is non-medical people, just simply academic people if you will, to treat patients was just beginning. At that time to treat a patient you really had to be a psychiatrist. You had to go all the way through medical school and you had to get all the psychiatric training. If you want to be psychoanalysis training. I didn't want to do that. As I said earlier I was fed up with

academics and didn't want to do that. But I also did not see any great future in being a psychiatric attendant as interesting as that work was and as rewarding as it was in many ways, to have the ability to establish contact with people and help the doctors diagnose what was going on and I could talk about this forever. All this stuff, those three lessons, tolerance of understanding the fine line if you will or the vague line if you will between sanity and insanity and with coming to grips of my own sort of rational fear of mental illness, it put me, it was very valuable to work in the Foreign Service. The lessons are obvious.

*Q: Before you came into the Foreign Service, were you doing any sort of self-briefing to find out what the hell this business is about?*

WATSON: No. I was doing what I've just said. Then they said come in on January 1st, 1962. So, I got on a plane on New Year's Day, 1962. I'd never been away from home before. I didn't know summers in Europe or anything like that. I'd been to Mexico with my parents when I was 11 and 12. I had been to Northern Mexico and I'd been to Canada a little bit, but essentially no experience away from home. Going to Harvard when you live in Belmont. I could take my laundry home on my red motorcycle and got it done there. I got on a plane and off I went and came down here to Washington and started in the A-100 course.

*Q: Could you tell me a bit about your experiences and also the people in the A-100 because you must have been sort of the baby in the course or one of them.*

WATSON: There were two or three of us who were right out of undergraduate school, but remember in those days there was some limit on the age of incoming Foreign Service. It was like 30 and a half, something strange, 31, some strange number. So, now the average age of incoming Foreign Service officers is higher than the upper limit in our time. It must have been a rather large class, probably about 50 people. Probably had 10 or some number like that of people who were just out of undergraduate school. I know I wasn't the youngest. Somebody was a little younger. Then there were several people who had been a couple years at graduate school and then some had been in the armed forces, Bob Montgomery, my dear friend. We ended up going to the Dominican Republic together. He has since passed away from cancer, had been in the navy. He was close to the upper limit, almost a decade older than I was, so you had a great variety of people. You had men; you had women, not much ethnic diversity. We had quite a few women. We had USIA officers as well as State Department officers. David Aaron was in the class who became Deputy National Security Advisor in the Carter administration having left and gone to work for Fritz Mondale when he was a senator on the Hill. Perhaps the most sophisticated person in our class, in a Foreign Service and Washington sense, was Frank Wisner. Frank is, is he still ambassador to India?

*Q: He was. I think he may still be.*

WATSON: Frank, he had been part of the Washington set. His father had been one of the

OSS guys who formed the CIA. Anyhow, he had been around town. He had been to graduate school a couple of years at Princeton, a couple of years ahead of us, but much more sophisticated. He knew a lot of people in Washington already. It was an interesting group. Some stayed with the Foreign Service, some left. Our two teachers were a guy named Thomas Jefferson Dutfield and a guy named Beaman, I don't quite remember his first name. I think it may have been Charles, but that may not be right. They gave us a lot of lectures on life in the Foreign Service.

*Q: Were you picking up some things as you now were in this new profession of what you wanted to do and whither and all that? I mean were you at least looking towards what you might want?*

WATSON: Well, a lot of funny things happened. I came to Washington. I first went to stay with some friends of my parents. Quite an intriguing story. I was 22 at this point. Every night the husband who worked at the Defense Department went to bed and the wife stayed up talking to me at great length. I can't remember exactly when the movie The Graduate came out. I don't know whether it had come out already or it came out shortly thereafter, but at least in retrospect I now associate this with The Graduate.

*Q: Mrs. Robinson.*

WATSON: Yes, with Mrs. Robinson. Even if the movie hadn't come out yet, I finally after about a week started to get a funny feeling and I had to get out of there. So, I got my little apartment. That was the first time I'd ever lived alone except in my senior year in college I lived by myself. That's quite a different atmosphere. I was learning how to live by myself. There are some funny stories there, too. I was learning a lot in the Foreign Service courses, sure. I had never been out of an academic situation in my life except for summer jobs and the time when I was at McLean Hospital so meeting all these different people with all these different backgrounds. It was fascinating. That was something I'll never forget. I guess some of the trips we took. I haven't thought about this for a long time so my memory is not very fresh on this. After the A-100 course we had a consular course. We had a language course. I remember the Spanish language course quite clearly. There were just a handful of us in the class, six of us. Our first teacher was Isabella. She was the wife of a young guy who was working at the American Development Bank who eventually was an ambassador and was murdered up here.

*Q: Yes, oh, yes. The case from Chile.*

WATSON: Absolutely.

*Q: Why were you taking Spanish?*

WATSON: Well, because when I was in the A-100 course I remember this quite clearly. They asked where you wanted to go in your first assignment. In those days they divided up what they called over complement. We were over complement program. Whatever,

there's another more sophisticated list that may have been named that, but it was rotational personnel. We were going into embassies theoretically not to fill real slots. Of course that's boloney. Somebody can show up and they can invent a real slot. You had to go two years at each of two posts overseas and two years in Washington. It was the first six-year period. It was understood that virtually everybody would go overseas on their first assignment. So, where did you want to go? Somewhat to my own surprise, I think the amount of time I spent studying Asia and a little I had on Latin America. Clearly Latin America was more interesting to me. I think I put down Montevideo, Buenos Aires and Mexico City. Three cities in which I never served in my 34 year career by the way. At some point the decision was made that I was going to go to Mexico City and Bob Montgomery who I mentioned earlier was going to go to Monterrey in Mexico to do consular work. During this nine months in the Foreign Service Institute from January 1st through September 9th or so, 8th or 9th taking the A-100 course, the consular course, language skills, I got married to the same woman whose mother said I would be terrific at this. By the way I should go back a little bit. The result of the oral exam was that I probably was not cut out to be an economic or political officer, but I could probably serve as a reasonably effective administrative officer. That was the conclusion. In those days everybody wanted to be a political officer.

*Q: Oh, absolutely.*

WATSON: Anyhow, off I was going to Mexico City as a consular officer. Got married in June of that year and Judy had come down here to my bizarre apartment over there on the highest crime rate in the nation preceding Washington, DC, at that point on the corner of 10th and K in a building I'll never forget. It's still there. My brother had come up from Quantico. He graduated from Cornell and was in the marine corps pilot training. He come up and climbed up the fire escape into our window and escaped from Quantico. Anyhow, we were assigned to Mexico and I studied away. A few weeks before we were due to go I had borrowed money to buy the stuff she needed for Mexico including temperate climate clothes, things like that. The ambassador to the Dominican Republic, John Bartlow Martin who had been a speech writer for Adlai Stevenson and then for John Kennedy came back and after Trujillo had been assassinated on May 30th, 1961. I was still an undergraduate when he was assassinated. The Dominican Republic was a hot item. The Kennedy administration was going to make this a showcase for democracy and not let it become a second Cuba. It put tremendous pressure on this for all kinds of assumptions that were false. That is to say that somehow if you have a dead dictator you have a clean slate and you can forget that the dictatorship has deep profound cultural roots that either existed before it or which it established during its time and you don't change a society that has been living under a dictatorship for 30 years into something else overnight. Anyhow, so John Bartlow Martin came back and he went to see President Kennedy and he said, I've got to have a plane load of vice consuls, because under Trujillo nobody could travel without paying I think it was $1,000 into the hands of the regime or, and I know this is true, horrible things like letting Trujillo's sons have access to your daughters. Once the dictatorship fell and he was blown away that one night on the highway going to Santa Domingo out to his house, by a gang of civilians and military people with weapons

that were probably shipped in sides of beef coming to the super market by an American agent. All this has been chronicled in many, many books. Everybody wanted to travel. Puerto Rico was so close you could travel, if I remember correctly, for $25. Everybody wanted to go there or New York. The pressure was enormous. The consulate was downtown. There had been a rumor racing through Santo Domingo that Jacqueline Kennedy had declared a day of grace. Anybody who wanted a visa could have one. They stormed the place. They had to be driven out with tear gas and stuff like that. They then moved the consulate from downtown to these fair grounds that were just slightly southwest edge of the city where Trujillo had built a kind of world's fair. His daughter was of course crowned at the fair. In any case, the planeload of vice consuls, a guy named Ralph Walsh, who of course just passed away, was already heading there. Now, my wife had been a pediatric cardiac surgical nurse in Boston Children's Hospital, working with a guy named Dr. Gross, who was the pioneer in this. Dr. Gross and an Italian immigrant guy whose name I forget – worked as a maintenance man, was extremely clever with his hands in just sort of the mechanical sense – and they built the first heart lung machines for the little babies. Judy was right there on the forefront. Most of the kids used to die, now virtually all of them live. She was just on the cutting edge of very exciting stuff. She had worked with a couple of young Mexico physicians that had come up to learn. Dr. Randolph, these guys were now famous and in Houston and elsewhere. These were the young guys working with Gross. Judy – at that time Foreign Service spouses couldn't work for any salary – but she had lined up in Mexico City, she was going to work on a volunteer basis with these new Mexican doctors helping them and helping train their nursing staff to do what she was doing in Boston. This was very exciting for her. It was going to be great. I had read every book on Mexico. I'm ready to go. The desk said no, you're not going there, you're going to this place called Santo Domingo. Where the hell is that? It was tropics. I had to go into storage and buy a refrigerator. We didn't have anything. Off we went to the Dominican Republic and arrived there in September of 1962.

*Q: You were in the Dominican Republic from '62 to?*

WATSON: To '64.

*Q: '64.*

WATSON: September '62 to September '64.

*Q: What was the political situation there at that time when you arrived?*

WATSON: Formally, what you had was a council of state headed by a guy named Rafael Bonnelly which was a group and I don't remember all the members of this council. It was a group of people, businessmen and others who were sort of a de facto city council or country council. Bonnelly was the president of that and therefore he was the president of the country. They had no democratic political legitimacy. They emerged from the actions of the Trujillo regime. Underlying that you still had all of the three decades of the residue

of the dictatorship. The prisons. You had fear such that you would be sitting with somebody on their front porch in these Dominican rocking chairs like Kennedy had one of and you would hear without even consciously hearing, you would become aware of the sound of a Volkswagen engine. Now the Volkswagen engine had a unique sound. The reason they detected it is because the SIM, which was the secret police, drove around in black Volkswagens. People believed that they had microphones in those Volkswagens and they could hear everything you said on your porch. Those microphones probably didn't even exist then. They now do, they sell them on the side of the football field and you can hear what people are saying in the middle of the field. That's what people feared so they would stop talking. It wouldn't even be a conscious intellectual process, just detect that sound and stop. You had that kind of stuff.

You had the country preparing for elections. The elections took place. Maybe we got there in August rather than September. I thought it was September, but I think the elections took place if I remember correctly in October of '62. You had a furious campaign. Two leading candidates. Juan Bosch who if I recall correctly was a physician and a businessman who stayed in the Dominican Republic throughout the Trujillo time, but who led opposition to him. He had been there opposed to _____ too much, he didn't last. Trujillo was assassinated and _____ had been murdered. I remember walking through. Viriato Fiallo was opposition and a pretty good guy. Then you had the other candidate who was _____ who was a social democrat from the growing and quite strong social democratic movement in Latin America. _____, Venezuela was a _____ figure of this. _____ in Costa Rica, etc., a whole bunch of people. There was a guy named _____ who was an Eastern European extraction who ran a kind of institute in Costa Rica whose name now slips my mind now, but you could ask Harry Shlaudeman here and a guy who was a brilliant young political section chief at the time. He knows all this much better than any vice consul or ____ would know. _____ had _____ on its faculty there. The whole thing was supported by the CIA we all discovered afterwards. We didn't know that at the time. Juan Bosch came in there as a social democrat, left democrat candidate. He won the election and had strong support from the United States. I don't know whether we in those days, I don't think we were supporting him over _____. I think his win was acceptable, but once again I don't know all that at that point I was a vice consul. There are other stories there. We'll get into it at some point, maybe not today, but later on. That was another formative experience. It was almost as powerful as working in the mental hospital. Bosch won the election. There was great euphoria. There was this democratic guy, but he was of the left, so he couldn't be accused of being a right wing military goon or anything like that. There was a huge inauguration. All sorts of people came from all over the hemisphere. Anyhow, all these democratic elected types were coming in. Lyndon Johnson who was the Vice President of our delegation and Hubert Humphrey and Jacob Javits, and the head of the democratic party in Dade County, Florida. You had a congressman, the head of the democratic party and I think it was Iowa. Remember this was not long after, this was February of '63. February of '63. I remember all those people. The president of Morgan State University. It was my job to take care of him. He had a large entourage for the inauguration in 1963. I don't know how much longer we can go, but it was quite an inauguration. Lyndon Johnson took over the whole hotel, a good

portion of it; he lived there for a long time when we first got there. That's another story I haven't really talked about. Our acclimatization to the Dominion Republic. You asked about the political context and that was what it was. The most important person as far as anybody was concerned there was not Lyndon Johnson, but was from Venezuela. I remember that there was a reception I think there was a reception the first evening by the outgoing government of Bonnelly and the council of state. If I remember this correctly. I think it got postponed for an hour or two. No one told Lyndon Johnson, so the American entourage went to the palace and was told to go home, back to the hotel and wait. This did not sit well with the Vice President of the United States. He then decided, well, we'll show them. We'll arrive late. By the time we actually did arrive, Bosch had come, the whole receiving line had broken up and there was really no one there to greet the Vice President of the United States.

I remember Ladybird Johnson making the best of it. She was always very charming, very astute, very charming, going around and ooing and ahhing the rather repulsive statuary as she called it, these naked carativs on the top of the columns in the various rooms in the outlandish baroque that Dominicans seemed to think was elegant. I remember Lyndon Johnson, my what an impressive guy. When he talked to you you knew you were being talked to and you had the feeling that you were the only person on earth for him and he remembered your name right away. I mean, very, I'd never been around major political figures before and I'll never forget. I was around Javits and Humphrey, also very impressive.

*Q: During the election, did they use you as a vice consul or were you just busy issuing visas?*

WATSON: I was busy issuing visas. My sort of information as to what was going on was sort of my visa line take. I was the only married one of these. We had John Spillane, Hannah Woods who unfortunately passed away.

*Q: Yes, she was killed.*

WATSON: She was killed in an automobile accident.

*Q: She was in Belgrade just before that.*

WATSON: That's where she died. She was Arkansas and her family owned a newspaper there.

Joe Fandino had become the personal aid to John Bartlow Martin. Joe was fluent in Spanish. The ambassador didn't speak any Spanish at all. So, Joe became his sidekick, but also his interpreter. I would learn sort of what was going on from Ralph and John who was living with Joe because in the visa line we talked. That's all I knew and a little bit from people like Harry Shlaudeman and Carol Shlaudeman his wife who was always really wonderful to us and still are good friends. They were remote because the consular

section was a mile or a mile and a half away from the embassy. We didn't have that much contact. We made a lot of friends with non-embassy people much more so than most of the other juniors. People at Chase Manhattan Bank that we met in the hotel. The cost of the hotel and the room itself was more than the allowance I got. People forget what the Foreign Service was like. There was no one to help you find a house. You were given an allowance and you had to go out and find something and that was it. There were no CLOs (community liaison officers). There was no office that had housing listings. There was no one who took you around to houses. You just did this on your own and you had to figure out how to survive. So, we could not even really and I had no money at all. Whatever I had I borrowed from the credit union twice to go to Mexico and then to go to Santa Domingo? We couldn't really afford breakfast, but the Chase people, Jim and his wife, got three full breakfasts every day paid for by Chase who had plenty of money. One of them was a baby in your arms, months old, so Judy and I would share their third breakfast. That's how it was in those days. We left the hotel and we owed the hotel money. The government was not paying for the place where they put us. In any case, we made friends with them and remain friends with them. These were all people who were older than we were, but we became good friends with them and with friends of the Dominicans as well. So, in a way we were fortunate because if someone else was married they were doing different things than we were doing. We were sort of forced in a way to have other sets of friends, which was helpful. Not that I wasn't friends with all the vice consuls, just that they were leading a different lifestyle. I mean they would go out and target shoot in the backyard and they were sort of living as wild vicariously thrilling of sort of being people who – not Bob Montgomery so much, but the others were sort of caught up in this wildness of the adventure of the chaotic country. Guns going off and stuff like that. We were not particularly attracted to that. The first time, we never done any hunting. If a handgun went off, it was an incredibly chaotic place where a bottle of ketchup costs $7.00. It was like all of the vultures of the world were descending on this place. Bobby Baker who was the sidekick of Lyndon Johnson was down there cutting deals. The Cincinnati branch of the mafia was down there. A guy who used to be an all American hockey player at Michigan Tech was running guns in the _____ Bay, for God knows who, running around in his sneakers drunk all the time. I can't remember his name. AID (Agency for International Development ) was coming in there with chicken farmers from Arkansas and Iowa in their big Stetson hats and their cowboy boots wandering around this hotel surrounded by these mafia guys and Bobby Baker. It was unbelievable, like out of a Fellini movie. The bar scene in Star Wars was probably modeled on the bar of this hotel. It was that kind of a variety and species there. The casinos there were playing. I remember a woman as part of a tour group from Cincinnati tore off her clothes and dove into the water at the Vesuvius Restaurant. It was all very dramatic. This was really something else.

*Q: This is normal diplomatic life.*

WATSON: Very exciting. Of course we vice consuls were extraordinarily important. Most popular song for a year in that country was called "Dame la visa," which means give me the visa. The words go dame la visa, dame la visa, mirre senior consul, andele

and it goes on like that. It means give me the visa, look Mr. Consul, hurry up, give me the visa. I've got my little black girl in New York, I've got to get up there to see her, come on move it. That was a song by Jose Mateo. It was the most popular song, and I'm not kidding, for a year in that country. Anywhere we went and I being very tall was immediately recognized. We'd get out of the car at a drive-in movie theater which existed in those days, to get popcorn. I'd be surrounded by people saying oh, Mr. Consul, please, I have to go to New York. My aunt's there and she's very sick. That kind of whiny way that people sometimes adopt when they want a visa. That was also kind of a celebrity for us and we were not used to anything like that. It was kind of interesting. Just the simple chore of issuing visas, there were lines and lines, endless lines every single day. It's quite common now at some of the bigger visa mills or consulates, but in those days we probably issued more visas there than anyplace in the world. Everybody was there and everybody was lying and gave false documents, all sorts of scams.

One of the scams, the most common was that someone would represent himself as someone who could get a visa for somebody else. So, this thug would convince you that if you gave him 500 bucks he would get you a visa because he had a relationship with the vice consul. He would accompany you in the line and then when you get in the line, you got up to the desk where we sat behind counters like bank tellers to deal with these people, he would make some kind of a sign so you as a visa applicant would think that that was the sign that you're $500 paid for to get the vice consul and get the visa. You got the visa, the $500 worked beautifully and you told all your friends about it. If you didn't get the visa the guy who gave the sign would say that fucking vice consul. He's upped his price without telling me; you've got to give me more money. So, everybody thought that we were crooked. So, Rigby was this wild man, Errol Flynn motorcycle riding, assured consul. Whenever he would see one of these he would come out of his office, he would grab the guy and slam him against the wall and smash him into the wall and throw him out into the streets. Call the guard, arrest this man. The atmosphere we were in was total chaos. Total chaos all the time, but it was a great adventure. You sure as hell learned Spanish quickly and learn a lot about Dominican life in that kind of a circumstance.

One of the problems I had in the Foreign Service now is that while this kind of a job was okay for me and maybe Bob Montgomery maybe, less so for him because he was older. He had already been in the navy and he had been a newspaper reporter. I had never done anything, so this was an adventure for me and for Ralph Walsh, too who had come out of Yale and was a couple years older than I was. Putting older people who have more experiences into this kind of visa situation is pretty difficult.

*Q: Did you find that you were, did you develop friends within the Dominican Republic or was this a problem because of your visa connection?*

WATSON: Yes. No, I mean everybody knew – you see this in other countries – that every relationship you have with a citizen of that country will eventually turn to a visa. So, you know that. We had to be strictly by the book. After I left I gather there was a problem with the immigrant visa section with some of our local employees. I don't know too much

about that. We were a tight group. They gave me of all of us the crew in 1963 or '64, all the young women who were there, the clerks and all of us vice consuls it was really interesting. We were a tight group. We were sort of a little bit under siege, but we had a good time, went to parties together. We met the other families and mostly young women who worked as clerks with us. In those days you signed every visa by hand in India ink with your signature. So, everyone knew who gave them their visa. Nowadays, they just stamp it with the head of the consular section signature.

I remember once when we went to Puerto Rico from the Dominican Republic, the immigration said, you're Watson, huh? I was considered one of the more lenient. I'm not sure I was much more lenient than the others, but that was the reputation I had. What a job. We all circulated through. We did non-immigrant visa work. We'd move up to sort of the head of the non-immigrant section, then over to the immigrant visa work and up to the head of the immigrant visa section. We got a lot of visa experience. As I say, because American visas were so central to everyone's life in the Dominican Republic, I think we probably had a greater exposure to the society than you might have in other circumstances. It was useful, very useful. Then the last six months I was in there we were supposed to rotate. Six months in consular, political, economic, administrative sections. Bob Montgomery and I arrived there the same time, we spent a year and a half issuing visas of one sort or another and then he was six months the general services officer and I was six months as a political officer.

*Q: Well, we'll pick that up the political officer the next time. On the consular officer side, did you find there was any particular use of whatever you were picking up on the Dominican society at all, you or the other consular officers by the political section or were you pretty much working in a vacuum?*

WATSON: Pretty much working in a vacuum. Sometimes the political section would call down and ask us to issue a visa to somebody and we would get quite offended in our little way. Who do you think you are? We're down here. This is an incorruptible system. We propagated the line more so than they do today about the total power of the vice consul to make these decisions. The visa officer, no one can tell the vice consul what to do ever under what circumstances. After you finish with that sometimes you would issue the visa requested by Harry Shlaudeman or someone in the political section or Dave Shaw or one of the other guys in there or the economic counselor, the DCM, but sometimes you wouldn't. We had a kind of primitive file system. There were all these little slips with all these little notes on them. We made sort of secret marks on the passport so that we'd know when a person came in that we already refused before. We were not, I mean, we were not very well integrated into the embassy as a whole if I recall correctly. We had our own life. On occasion we would report something to the political section. We would say so and so for some reason if we thought it would be of interest to the political section to know that so and so was planning to travel or something like that, but usually our response was the other way, they ask us when they are coming back. We used to get the weeka.

*Q: The weekly roundup.*

WATSON: The weekly roundup all done in air gram. None of this exists anymore. We did telegrams by and large. Weeka would come down to the consular section and you could read it if you had time, but we almost never had time to read the whole. Weeka wasn't very long; I mean the little short paragraphs on the main events. That was the way to keep informed.

*Q: Well, I thought what we might do is stop at this point here and pick this up the next time around when you go up to the political section, but also the style of Ambassador Martin, how he worked and any developments while you were there that would, political developments. We've talked already about the visa, but also anything else about adjusting to life in the Foreign Service and all. So, we'll pick that up the next time at that point.*

WATSON: All right.

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*Q: Today is the 13th of February 1998. Alex, you've now moved up to the economic section.*

WATSON: Political section.

*Q: Political section of the Dominican Republic. What was your, what were the main developments that you were, what were you doing in that?*

WATSON: I moved up to the political section in something like I would guess early 1964. I was really only there for about six months because I departed in September of '64. We had a change of ambassador. Ambassador John Bartlow Martin left and was replaced in I believe something like February of '64 by Ambassador W. Tapley Bennett, a career Foreign Service Officer of great distinction. I gather from where we left it off last time you wanted to talk about a couple of things. One would be what I was doing in the political section. Well, there were really only three, four people in the political section. The political section chief had been Harry Shlaudeman who went on to great distinction in the Foreign Service. He had been replaced by the fellow named Ben Rule who was the section chief when I arrived there. Art Briskey was the number two. Fred Summerfield was the labor attaché. Unfortunately, he's passed away and I was the bottom man on the totem pole writing what we call the Weeka and things like that and doing the routine things of the political section. It was a very interesting time because a short time after, about six months after I left, maybe seven months after I left the Dominican Republic in April of '65 was when the outburst occurred which resulted in the civil war and the intervention of U.S. troops and troops under the leadership of the Brazilian General of the OAS, etc. My brother as a matter of fact was a helicopter pilot fresh out of Cornell ROTC who was with the marines steaming past the Dominican Republic on the Boxer at the time the outbreak occurred and he was summoned into the polo fields of the Embajador

Hotel to evacuate the American citizens and other foreigners at the request of the U.S. government. It was kind of dramatic

*Q: How did Tapley Bennett, this was prior to the outbreak of the war, what would you call it?*

WATSON: I call it a civil war. Some people call it a revolution. It really wasn't a revolution, it was a combination of elements involving parts of the PRD party of Bosch who of course was very upset of having been thrown out of power after winning a democratic election in late '62 and taking office in February of '63 and being thrown out in September of '63 by the military and who then set up a three person presidency called the triumvirate which after a while only had two. Those people assorted leftists, Hector Garcia Godoy and a bunch of others were out there among the various leftist parties including some disgruntled people in the military and Colonel Francisco Caamano became the head of this operation and the particular head and really the leader in many ways of the rebel forces which controlled at least half of Santo Domingo. The OAS troops when they came in had to sort of guard a line between the rebel forces and the others. I shouldn't really get too much into that because I really wasn't there at that time. The only perhaps coherent serious thought that I had that I can recall was that if the PRD in its efforts to undo the coup that toppled it in September of '63 could ever make sufficient inroads into the military, then we would have a real problem. When I was there they were trying to do that, but without apparent success at least as far as I could see, at that point and obviously they did have some success later on.

*Q: While you were there, did this, had the first coup that upset Bosch, had unseated him, that had already happened?*

WATSON: Oh, yes. When I arrived in September of '62. The election took place and the government, the council of state headed by Rafael Bonnelly which was a de facto government following the assassination of the dictator Trujillo. Then Bonnelly and company held an election that was won by Juan Bosch, a democratic left social democratic person who had spent a lot of time in exile including in Costa Rica and was part of the social democratic movement that was important throughout the hemisphere. He won the election. We can talk about that if you wish. Then for a variety of reasons, chiefly his own inability it seems to me to understand that a dictatorship does not leave a clean slate, it leaves a political culture which is deeply embedded in everybody. If he was to survive, he was going to have to come to terms with the powers that still remained powerful, the military, certain elements of the business class and others, despite the elimination of Trujillo. He failed to do that and in fact antagonized these groups. He ended up creating a coalition against himself which was far more powerful than his fragile democratic mandate which was delivered to a large extent by rural voters who when it comes down to the brutal politics in the capital city didn't have much involvement. He was pretty alone there without much support and did not manage very well his relationships with these other powerful factors and they overthrew him. This is not to justify their coup of course, that's just in that way of explanation of why in six

months he collapsed.

During this time John Bartlow Martin, who had been a speechwriter for Adlai Stevenson and then for John Kennedy in the campaign, was our ambassador. You asked about his style. Martin did not speak any Spanish and was helped out by a guy named Joe Fandino who unfortunately has passed away. I think he passed away in Vietnam. A young Foreign Service Officer who was fluent in Spanish and went everywhere with John Bartlow Martin. He and his wife had kind of a relaxed, energetic, yet relaxed style as was sort of the Kennedy administration theme in those days. A lot of stuff around the swimming pool. My wife went to pay a call on Mrs. Martin, a first call ever as a Foreign Service wife all dressed up in the right way.

*Q: Gloves, hat.*

WATSON: I don't think she had a hat. I think she might have had gloves, but she certainly had her cards all with the covers folded and went into the house only to find Mrs. Martin swimming around in the swimming pool with a gin and tonic at the table. It was a different kind of reception than Judy had expected, but turned out to be fine, but it was kind of a surprise. It was maybe indicative of the kind of style the Martins had. Martin was a very strong supporter of President Bosch and you need to I think understand that this was not long after the Cuban revolution. The administration was determined to make the Dominican Republic a showcase for democracy, I think perhaps failing to grasp the profundity of the legacy of 30 years of dictatorship and the importance of that legacy in terms of attenuating democratic institutions and procedures at least in those early years. The Dominican Republic has come a long way since then. Martin and his superb political section chief Harry Shlaudeman and DCM Spencer _____ ran a pretty good embassy I think through some very difficult times. When Bosch was overthrown then Martin left and Tapley Bennett came in as I said in early ‘64 you had a much more formal old school Foreign Service style in this embassy.

*Q: Could you talk about how the overthrow, how you experienced it in the political section and what was the response?*

WATSON: When the overthrow took place I was still a vice consul I think in the immigrant visa section, probably the head of the immigrant visa section at the time and in my naiveté we had quite some exciting adventures. We diplomats had safe conduct passes and so during the heated times of the coup I got out in my car with my wife and with a journalist from the New Republic named Normal Gaul who probably shouldn’t have been out there. We drove all over town. Running around and by accident we drove down onto the dock where they were putting Mr. Bosch aboard a navy ship to take him away from the Dominican Republic and only with people brandishing guns around I thought we should get the hell out of there. Only then did we realize that we probably were being rather foolish, certainly doing this with a journalist in the back of our car. We didn’t know any better and I went back from there, I dropped the journalist off and we went back to our home. Norman Gaul now lives in Sao Paulo, Brazil and we see him from time

to time and recall this adventure with him. That's my recollection of exactly what we were doing during that coup. It was bloodless and Bosch was removed quickly and the council of state, I mean the junta took over rather quickly, led by a fellow named Donald Reid and a couple of other members, but no need to go into all that. They established a certain kind of order if you will, but certainly as the outbreak in '65 demonstrated they didn't manage to get the political situation completely managed.

*Q: When you arrived early in the political section, the triumvirates were in power?*

WATSON: That's right. It was a triumvirate and shortly afterwards if I remember correctly Ramon _____ who was one of the three triumvirate members and was having some problems with alcohol at the time left the triumvirate and there were only two of them.

*Q: What were our relations I mean we were delighted to see _____ out at that point, but then again with the Kennedy administration and all of a sudden you have this coup. Were you in the political section, were we under restraints as far as dealing with this new government or how did we work it?*

WATSON: It's hard for me to recall too clearly this stuff because when the coup actually took place I was still in the consular section. I did not go up to the political section for probably five months after that. I think that the mood was a great disappointment that the showcase for democracy, if you will, had been shattered in a certain way, but also, there was concern as there always was. You can never forget the theme of this period that communists were seen under every bed and that's what led to the intervention of American and OAS troops in April of '65 in response to this revolt which broke out. I think that there was, my recollection was that we had a very cordial relationship with Reid particularly, the head of the triumvirate. He was an English speaking fellow and owned a couple of car dealerships and had been educated I think in the States and was a nice guy basically. I think that although there were elements in the embassy and certainly among my friends in the Dominican Republic who felt that we should have a more hands off relationship with these guys who represented the violation of the democratic process, but I think probably overriding that and this is just supposition on my part. You'd have to ask other people who were involved like Harry Shlaudeman who came back down during the '65 coup period exactly what was going on. My supposition is that the overriding concern was to make sure that the Dominican Republic didn't become another Cuba as they used to say all the time. The triumvirate may have been an evil of some sorts, but it was a far lesser evil than some sort of left wing takeover in that country.

*Q: Well, in the political section, were you looking for sort of Castroites all over the island who were...*

WATSON: Well, in the political section, of course. We were always, I mean it was a very complicated political situation with lots of different political parties. Many of those parties were personalistic vehicles. Everybody was intriguing against everyone else. It's a

country that for 30 years nothing had been out in the open under Trujillo so everything was done behind the scenes and even if things weren't being done behind the scenes, people thought they were being done behind the scenes. There was an enormous amount of political reporting and rumors and they were working with the station and others in trying to sort out what was going on and the roiling waters of this political situation. Sure, people were very concerned about a whole variety of leftist parties and real communist parties. Remember, in those days, there were communist parties who were groups or individuals who were more or less befriended by the Russians and associated with them as Soviets, as they were called, more or less befriended and associated with the Cubans and even the Chinese. Any analysts of the communist movements in Latin America in those days always looked for at least those three factions and they were there. I mean if you look hard, they're there. Now, how important they are, how powerful they were, you know, is another question. In a society where the politics is very weak and highly disaggregated if you will, then a handful of people in the right spot in the right time can really make a difference. I think that's what people were afraid of. Really, I can't spend too much more time discussing this particular issue because it is a long, long time ago. I think there are other people who would be much more authoritative on this than I would.

*Q: Yes, but I'm trying to capture the viewpoint of the young political officer. I mean were we more or less, what were we looking for, when the outbreak came, was this sort of an expected thing?*

WATSON: No, I don't think so. I left six months before the civil war broke out in April of '65. I think we were concerned about the disintegration of the political situation there as I mentioned and about who might take advantage of it. I can remember a whole series of names some of them who are now prominent respectable people now, but they were radical leftists at the time or at least perceived by us to be that. I personally myself was sort of on the left end of the legitimate American political spectrum, so I remember, a lot of my friends were out there I was personally uncomfortable with the triumvirate government. I remember sort of hoping that there would be some way that democracy could be restored and that more progressive elements of society could come back into power, but I think we're all aware of and conscious of the dangers of some kind of radical leftist seizure of power in some fashion. The Cuban experience was there, not that these two places was similar, but there was a kind of a metaphor for what might happen in the Dominican Republic. As I said, in these kinds of chaotic circumstances a very small number of people which is the size of the group, which threw out Bosch, a very small number of people on the left appropriately situated could have done some real damage. There was a lot of concern about that and even for somebody like myself who was on sort of the left end, right out of college, left end of the sort of legitimate American political spectrum. I certainly didn't have any sympathy for these guys coming to power and had no expectation that if they did so it would be a good thing for the Dominican people. The PRD was and remember we had had the Kennedy administration with Ambassador John Bartlow Martin had strongly supported the PRD and Juan Bosch. At least after they were elected, I cannot say whether we had a favorite in any way. Those were different times than today, but who knows. During the electoral period, but we were strongly supportive

of the PRD and there were many people in the United States, especially businessmen and others who were highly suspicious of the PRD and were never comfortable for the administration's support of Juan Bosch as opposed to the opposing candidate who came from the business class, but to his credit it was a business class that remained inside the Dominican Republic and was opposed to Trujillo to the extent that it was possible to do that for many years. So, you had a lot of I think a lot of strong views, a lot of anxiety about what was the situation in the Dominican Republic and it was a very important place, one of the most important places in Latin America for Kennedy. Then subsequently of course the Johnson administration because of its proximity to the United States and its proximity to Cuba and the apparent progress and then failure of the democratic experiment there.

*Q: Well, then you left the Dominican Republic when?*

WATSON: September, I think it was, no, I think it was September of '64.

*Q: Where did you go?*

WATSON: Spain.

*Q: Spain. You went to Spain from '64 to when?*

WATSON: To late '66, two years.

*Q: What were you doing in Spain when you initially went out?*

WATSON: This is kind of a funny story if you will bear with me.

*Q: Sure.*

WATSON: When I joined the Foreign Service, I had studied much more about Asia than about Latin America. I might have mentioned that in our last interview because there were many more courses on Asia than Latin America, although I liked Latin America. So, when I came in I put down as my three posts I wanted to go to three Latin American posts, Montevideo, Buenos Aires and Mexico City and I got assigned to Mexico City and at the last minute switched over to the Dominican Republic. For my second assignment I wanted to go to Asia. So, I put down on my list of places I wanted to go several points in Asia. Some place in India, Chiang Mai and Thailand, which nobody had really heard of them. The Vietnam war remember was just sort of getting underway and Kuala Lumpur. I was sent to Madrid. I was furious. I was walking around and stomping in semi-adolescent style about, God dammit I didn't want to be another consular officer again in Madrid. We had this system where over complement. I think I discussed this last time. We were supposed to spend six months in each section of the embassy. I spent three of those six-month periods as a consular officer and one of them as a political officer. I didn't want to be a consular officer again I thought and this is infuriating and I wanted to go to Asia.

After hearing me fume for a while, some of the old hands came to me and said, "Look, Watson, we have been struggling our entire careers to get to Madrid and we've never gotten there and it falls in your lap, so please shut up about it."

*Q: Because this is the one sort of European spot that the ARA people can aspire to.*

WATSON: In those days I think that was probably right or maybe you could also have gone to Portugal. We had several posts in Spain in those days. We had consulates in Valencia. We had a consulate general in Barcelona. We had a consulate general I think it was in Seville, a consulate in Bilbao as well as the embassy in Madrid. We had consular agencies elsewhere, but there were quite a few posts. So, off we went to Madrid where I was the consular officer in charge of taking care of Americans with problems.

*Q: Who was the ambassador and sort of what was the style of the embassy at that point?*

WATSON: In Madrid?

*Q: In Madrid, yes.*

WATSON: Let me tell you a story about getting to Madrid.

*Q: Okay.*

WATSON: I thought that when I left the Dominican Republic I had been issuing visas, I had been in the political section, I was perfectly fluent in Spanish. I mean I was if not Cervantes, good, in terms of my mastery of the language. So, we got off the ship. In those days you could still go by ship and the State Department in its wisdom always sent you in the cheapest possible first class accommodation which meant the first class section of the ship, but with no windows. Everybody was an octogenarian, at least to the 24-year-olds, or 25-year-olds, whatever we were at that time. We much rather have been in second class where there were people more like us there. We went across on the ship and we had to get dressed up for dinner and our 14 month old son immediately sized up the situation and began winging peas all over the dining room. There was nothing we could do about it and he chortled and we were mortified until an older Foreign Service couple came up and said, don't worry, we remember this happening to us years ago and we are watching you with great amusement and fond recollection for those difficult times. Anyhow, we got off the ship in Algeciras in the southern part of Spain near Gibraltar and got on the train to go to Madrid. Got into our little stateroom if you will and I went out to order two beers and two sandwiches for our lunch in my perfect Spanish. As I requested this simple menu from the steward on the car he just stared up at me without saying anything with his eyes open. So, I repeated myself in my perfect Spanish and he hesitated again and then he replied, I'm sorry in Spanish, I'm sorry, Sir, but I don't speak French. For this Castilian my Dominican Spanish sounded so foreign that he thought it was French and we had similar problems. When we got to Madrid we were looking for a house and my wife was looking for a place I think she said, three _____. _____ is a Dominican word for

bedroom. When she told that to the real estate guy he looked at her quizzically and said, where did she learn that word from reading Cervantes because they hadn't used that word in Spain for 300 years. They used _____ or something else for bedroom. So, we found that our Dominican Spanish with the combination of an incredibly slurred accent and archaic words was almost incomprehensible to the Spaniards, so we had to relearn the stuff.

When we got to Madrid, this was at the beginning of the first big wave of tourism to Spain. When Franco was opening up the economy of Spain. The economy was opening up and they were seeking to attract tourists and it was an enormous success, but that meant that Americans were pouring into that country. Americans of all sorts. This was the day of traveling in Europe, especially in Spain for $5.00 a day and you just had every kind of person you can imagine, plus you had a very large military establishments in Germany and elsewhere and a lot of the military personnel, especially the young enlisted people. When their tours were up, rather than immediately going back to the U.S. they would wander around Europe. I can tell you in this job I worked almost it seemed almost 24 hours a day. The phone was ringing all night long, all the time, for two years. In fact when I left they made it into a two-person job. I saw every human foible up close during that time. It was a tremendously educational experience and my previous time working in the psychiatric hospital in my home town before entering the Foreign Service proved to be of even greater benefit than it had been in the Dominican Republic in the sense that it really prepared me for dealing with a very wide range of human behavior.

*Q: Was the drug problem prevalent or was this pretty much at the marijuana stage?*

WATSON: It was hashish.

*Q: Hashish.*

WATSON: It was hashish and it was prevalent and I spent lots of time on it. American, young Americans who had, some who had gotten out of the army, others who would just be wandering around as tourists would go to Morocco and Tangier and these kinds of places and then they would come across into Spain. They would get nailed with hash in their knapsacks. If I remember correctly, Spanish law was unequivocal. Ten years and a day in jail and $10,000 fine. No ands, ifs or buts. That was it, bang. Also, we were given to believe and I have no reason to doubt this that there were people in Tangier who would sell hashish to Americans and then tip off the Spanish authorities and receive a prize for doing this, a reward for doing this, so they won on both ends. These American kids were getting nailed all the time and being put into prison. Part of my job was to deal with this and get them attorneys and go see them wherever they were. I tried to get most of them moved up to a prison outside of Madrid, not for my own convenience, but because it was a prison, one in which they had some television, something to do at least, because the other prisons had nothing. You've got to remember what Spain was like in the mid-'60s. It was a place where you could work out in the fields. You could work your sentence down by working the fields whereas in the other prisons you could not do that. So, I tried

to get our guys transferred up there. Wherever they were I tried to visit them and I have a thousand consular stories about this time that I won't bore you with, but each one wilder than the other.

*Q: But to give a little flavor of the times, could you give me if you can use consular stories, what was the Spanish police reaction to this wave because at a certain point the police say, enough of this, let's get rid of these people because they are more trouble than they're worth. Were you able to in one way or another, sort of get people expelled from the jail and back to the States at a time or were they serving their time?*

WATSON: Very, very rarely. The system was very rigid. It was Franco's Spain. You did not want to fall under the hands of the Guardia Civil or the police. The jails were pretty bad and people were getting thrown in there all the time. In dealing with psychiatric cases I tried to do everything I could to keep people from falling into the hands of the police, putting them in the private mental hospitals when I could talk them into it and this sort of thing because once you got in the hands of the legal system, it was very difficult to get them out. I can remember one case that was extraordinary though. It was a young man who was traveling around. He got caught with hashish coming across the border and was thrown in jail. He was convicted on a charge of being an accomplice to smuggling of illegal materials because he persuaded the court that he had been given this material by two guys named Doug and Martie. I'll never forget this, in Tangier and asked to take it up to Germany for them, this package. He really didn't know what was in it. Well, who the hell knows, but he, the upshot of it was that he was convicted not of smuggling drugs per se, but as being an accomplice to smuggling drugs. He got the same sentence as someone who would have received it for actually doing the smuggling. I wrote a letter with an amazing young lawyer who worked with me, who has become a very successful advertising executive in Spain. We wrote a letter to the minister of justice suggesting that the punishment did not fit this crime because it was a lesser crime with the same punishment and could they reduce it. Meanwhile, Senator Warren Magnuson, chairman of the senate appropriations committee at that time, was all over us with letters pounding us, telling us get this guy out of here. It's unfair. It's outrageous, do something. Perhaps that spurred us to be more aggressive on this case than we otherwise might have been, but I think not because we were intrigued by having discovered this legal, what looked like might be a legal loophole that we might be able to at least shorten his sentence. Lo and behold not only was his sentence reduced, they released him completely. I joyfully wrote a letter, we didn't use telegrams very much for this stuff back to Senator Magnuson's office to tell him about our enormous triumph on behalf of his constituent. I'm still disappointed to this day that we never received any acknowledgment whatsoever from Magnuson's office, nor did Ambassador Angier Biddle Duke who you thought might have received something since he was the chairman of the democratic party for New York State before he became ambassador to Madrid.

*Q: It's intriguing that in a way you couldn't almost work deals. This sounds like maybe at a certain point, not a deal, but often a consular officer can find if you've got too many of these cases, they just wanted to shucked of them, but not this.*

WATSON: No, no, this is Franco's Spain.

*Q: You keep telling me.*

WATSON: No, these games were not played. I have made many, many deals to getting people out of things and out of court, psychiatric cases and all sorts of stuff, but the drug thing was dead serious. It almost, the arrests always took place out on the frontier far away from Madrid. By the time we were on top of it it was several days later and this was not anything to mess around with. You've got to remember this is a time when you did not take pictures of military establishments. Your camera would be taken away, you might be thrown in jail. You did not protest anything. It could be wrapped up and the water trucks would come in and blow you away. American students over there had to be very careful to behave in an American type student fashion of the early '60s in Madrid or they got themselves in trouble. It was a liberalizing Spain, but it was still Franco's Spain.

*Q: What about the psychiatric cases? How were these handled?*

WATSON: Well, the way I handled them is when I came across one and there were lots of them I tried my best to get them into a private psychiatric clinic that I used, but that meant that I had to get some money. As I mentioned before we didn't use telegrams very much in those days and we used to have to write memoranda back and forth and get people back and so it took a long time. I would have to go out on a limb and get these people into a private clinic and then try to find some relatives and get them to pay for the clinic plus pay for transportation and cover any other debts and expenses they had to have. I had a psychiatrist who was enormously helpful to me in this regard and a good friend. Of course I had to persuade the people to go in the mental hospital. I couldn't put them there. I had no authority to. I sure didn't want to put them in the hands of the police, so it was always a process of enormous negotiation in gaining the trust of the usually rather hostile and suspicious person and trying to convince them that it was the best thing for them, they were in deep trouble, they didn't want to fall into the hands of the police. They had no funds, they had no place to go, they were going to end up there if they didn't follow my advice and persuade them to voluntarily go to this psychiatric clinic until I could find a way to get them home.

*Q: Did you find the support system back in Washington very helpful?*

WATSON: No. Wait a second. It wasn't really any support system. Even people in the Foreign Service today probably cannot imagine what it was like to go overseas. I mean you went overseas, like in the Dominican Republic. You had a housing allowance. It was a certain amount of money and that was it. I mean you didn't have any community liaison officers. You didn't have any lists of housing in the embassy or anyone who did anything for you. You went out there and found yourself a place to live and if you couldn't find a place to live for the amount of money that they gave you you had to pay extra. You couldn't have a big house because you didn't want to be ostentatious and you certainly

didn't want to have a bigger house than the higher ranking people did. You were on your own and in terms of the consular support services, every now and then you could write a telegram in very elliptical form that would go back. Virtually everything was done by operations memoranda, which would take usually a week to get there and usually a week to get back. You didn't use the phone. I mean anyone today would think of it as almost 19th Century in style, but that's the way you had to do it. You were on your own. I had a fund of money from the local American business community which they donated from which I could make loans. I was authorized to make loans of up to $25.00 which in $5.00 a day Europe got you through almost a week if you were real careful. Then I tried to get people to repay those and replenish. I was not always successful at getting it repaid as I was in disbursing the money. When I'd run out I'd have to go by and the business people would give me more money. It sounded like a lot to me and it probably was in those days. It was something where you really had to use your wits and make a whole lot of contacts.

I can remember at my farewell party offered by the head of the consular section Ambassador Duke came by. He was going to drop in just as a courtesy, which was very nice of him. Although he had told me when I first got to that country, he took me up to his office, he said, as far as the image of this embassy in the United States is concerned, you, Watson, are the second most important person after me. Any support you need from me, ask for it. I didn't need it too often from the ambassador, but that was heady stuff.

*Q: Oh, yes.*

WATSON: For a 26-year-old, or whatever I was at the time and he came by my farewell party which was like something out of Charles Adams. It was a farewell party of the morticians at the air force base, of the psychiatrists, of judges, of cops, of jailers, all the people that were essential to getting my job done and Ambassador Duke was going to drop off for five minutes and go on. He stayed all evening talking to this incredible array of some of the netherworld if you will of Madrid that he never had come in contact with. We semi-legally used the U.S. air force base mortuary facilities for embalming and all that kind of stuff. We saved American citizens enormous amounts of money and red tape although it was frustrating to the local Spanish funeral industry. We really had no real right to do it, but no one ever called us on it and we managed to do it. We had many Americans dying in Spain. You can just imagine the flock of tourists and sometimes elderly people and sometimes accidents, a great variety of experiences. I could go on for hours and hours with consular experiences, which would shed some light on the situation.

*Q: I'd like one or two if you could. Any problems particularly with death cases or psychiatric cases.*

WATSON: Let me give you two or three real short ones. I'll give you the absurd end of the range. I mean I remember having a person, a man, come right from the airport in Madrid directly to the consular section of the embassy to complain that he could not find Barbasol shaving cream in the airport store. We at the American Embassy had an obligation to get him Barbasol, no other kind, Barbasol shaving cream immediately. So,

what do you do? Send him up to the supermarket and they say they don't have any.

A woman came and she was traveling with her large Doberman Pinscher dog. She had sent ahead to every one of her stops dog food for this dog, which was in the post office, and she could not get the dog food out of the Spanish post office for some reason. She demanded that her American Embassy produce some dog food or get it out of the post office for her because her dog had to have this particular kind of dog food, nothing else.

I had a guy who was a very high ranking, he was the secretary of the Chicago Bar Association if I remember correctly, came into my office with his wife and he was furious. He sat down in front of me and he ranted and raved. He had been at the Hilton Hotel and after all Hilton is an American chain and they had treated him absolutely outrageously. Then they had presented a little basket of rolls for breakfast and his wife had eaten only one roll out of the basket and they charged him for the entire roll for something called a continental breakfast. This was absolutely unheard of and the embassy had to do something about this right away. He was there for half an hour pacing my office ranting and raving and I was sitting there behind my desk saying what on earth am I going to say when this guy finishes. I learned a very valuable lesson because when he finished he sat down and before I could say anything, he said, thank you very much Mr. Watson; you've been very, very helpful. I think we're all set now and goodbye. He needed to vent and have a cathartic experience. My sitting there patiently listening to him was apparently all he needed.

You had this stuff many times every day. You know, then we had serious mental cases and death cases. There was a major robbery. There was suicide of a wealthy heiress from North Carolina. I had all of her furs in my safe for a long time. A major robber of Shreves in San Francisco, a major jewelry house related to Shreve, Crump and Low in Boston. The diamonds that were left, most of them were there were caught in the Canary Islands with these people. They were arrested in the Canary Islands, millions of dollars of diamonds in my safe for weeks. We had depositions all the time, death cases where you had to go and see the body which was always nerve wracking and collect all the effects and stick them in the corner of my office and make a long inventory of the effects and find a next of kin and write to them and get the death papers and get the body out to the U.S. air base and get it embalmed and get it paid for and get it shipped back to the U.S. Each one of these cases took hours and hours. It seems to me you had at least one a week when I was there.

You had the case of a woman who was a sociopath, absolutely brilliant sociopath. This was a woman who could convince anyone of anything. She convinced everyone. She talked her way into the U.S. air base, convincing physicians there that she was a doctor and that she had been participating at least as an observer. I'm not sure she did anything in a birth inside the obstetrics ward of the air force base hospital. She convinced a fellow Foreign Service Officer in the American Embassy to loan her $5,000 and that she would let him and his family use her parents' wonderful summer cottage in Vermont which of course did not exist. She had bills all over town and could talk her way through anything.

A lot of people were coming to the embassy saying you've got to get my money back. I'm an American citizen, etc. I remember finally tracking this woman down in the uppermost room in a hotel and sitting down with her. She was very elusive and finally finding her and talking to her and explaining to her what she was really up against. I convinced her to go to this mental institution. I got her in there though she damn near persuaded me out of all this. I mean she was so incredibly persuasive because she was a sociopath. Because when she's talking to you she believes what she's saying or at least she manages to give every indication that nothing is boloney. She was a very poor woman, Puerto Rican extraction, from the Bronx, had nothing, never finished college, she had never been to medical school, she hadn't done anything. Her sister was not terribly wealthy but produced funds to get her back. I remember standing there in the airport watching that plane go until it was absolutely out of sight fearing that she would go up to the cockpit and convince the pilot to bring her back. I can tell you Stuart, that after I left Madrid, she came back and was doing it all over again. This kind of stuff happened all the time.

*Q: How about rapes or woman who were even beaten by their husbands and that type of thing?*

WATSON: We didn't, we had a case where a couple of women were hitchhiking. I remember this clearly in southern Spain. They got picked up by a truck driver. I won't embellish the story at all and they rode in the back of the truck. It was a gravel truck if I remember correctly.

*Q: Let me just stop here to switch the tape. Yes.*

WATSON: The driver pulled over to the side of the road and said it was time to sleep. He couldn't drive anymore. He took them off into the woods beside where he parked the car in some sort of a little tent like thing or something. The women said, accused him of making advances to them. I don't think anything happened, but they were extremely upset and they came to the American Embassy to get justice. I had to try to determine who this truck driver was and get them in touch with an attorney and head them in the right direction and sympathize with them and suggest they be more careful and all the things you would normally say to people.

I also had a man who came who had a similar experience. I think this man was a homosexual and he was very upset about advances that had been made to him.

There were very rewarding things that happened. I remember going to the Anglo American Hospital in Madrid to visit an American there and here was this guy who was lying there with kind of serious emphysema. I don't remember how old he was now; he seemed very old to me. He must have been about 70. He was a trumpet player, a black guy, in the bed. I started talking to him. He was indigent. He had been around Madrid. People knew him. He even knew this woman I told you about before. She had been in the club where he played. The more I talked to him, the more it occurred to me that his emphysema might have come from his having been gassed in Europe in World War I. I

wrote to the Veterans Administration office in Rome who handled our affairs laying out this whole case for them and lo and behold they came back and said right on. He gets a pension; it's retroactive and all this kind of stuff and the guy's life turned around. Of course he was perpetually grateful to me for that, but I was just doing my job. The Veterans Administration I found was extremely responsible. They had quite a few people. You've got to remember this was a, Spain was a cheap place to live. People without a lot of income and people who had some experience in Europe already could live there relatively inexpensively. You had a lot of Americans that were right on the brink of poverty, I remember, and a lot of them were veterans because this was not that long after World War II actually. I found dealing with the Veterans Administration very rewarding. They responded quickly and as positively as they could unlike the Social Security Administration, which would take forever to handle things. We had enormous numbers of social security recipients in Spain. I can go on and on, I don't want to bore you with this.

*Q: No, you're not boring me, I'd like to capture some of this experience.*

WATSON: Another whole universe of people, which was the American movie industry, was making spaghetti westerns. They became to be known as spaghetti westerns later, but they were made in Madrid at this point and all sorts of major films were made while I was there. The most important being Dr. Zhivago was made there with David Lean as the director. There was this guy - what the heck was his name - that made these epic films. It wasn't Cecil B. De Mille. It was another guy. I can't remember. He made many. So, you had American actors all over the place getting into all kinds of trouble at the time. In fact in Dr. Zhivago the son of this Foreign Service Officer who made the loan to this sociopathic woman and never got it back of course, his son is the small child in Dr. Zhivago, Geraldine Chaplin's son in this thing. This guy now is a professional dancer and a professor of dance at a university in Colorado now with his wife and kids, just moved there by the way. They also did a lot of dubbing of films that were made in Spanish or in Italian into English. You had a lot of people there hanging around. The fringe people on the movie industry that do dubbing. Those people got into trouble.

I remember one guy who was a very serious alcoholic. I won't mention his name, but he filled every open space of my life I think for a year and a half. This guy was always getting thrown in jail and the stories are just marvelous. At one point he was in a small hotel down on the Calle Echegaray, which is downtown Madrid which is where you went to have these tascas. A fabulous part of town. The guy in the room next door to him was a bicycle salesman. Anyhow this guy, not the bicycle salesman, the other guy that I dealt with so often was a huge, powerful guy. Somehow he tore off the faucet of the sink in the bathroom of his room. He got this bicycle salesman who had a bunch of wrenches and they went down into the basement in the Hotel Ingles. It was probably like almost an 18th Century basement under there and were looking around for pipes that they could do something, valves that would stop the water from flowing. So, he was down there like a madman. If you witnessed this thing it was something out of Groucho Marx or something. Undoing things until finally the police came and arrested them and threw them in the jail.

Another time after a number of drinks he hid in his closet naked except for an overcoat and when the chambermaid bent over to make his bed he popped out and leaped at her and he was arrested again. Another time he went to some sort of a hotel lobby to go somewhere and he got mad and he ripped the switchboard out. Another time he went to a hotel and he got mad and he smashed his fist into a marble wall and cracked it. He was always in jail and I was always getting him out and he was always drunk. He was doing dubbing for these films.

One day, I've got a hundred stories of this guy. One day he came into my office and he closed the door and he pulled out of his pockets a massive sopping American currency which he dropped all over my desk and he told me that he had just gotten paid $5,000 for dubbing this film and he'd gone out in the evening and now there was only $4,000. He doesn't remember exactly what happened, but he had enough presence of mind to get back to his hotel room and he hid it and could I guess where he hid it. I said, no and he said, well, I hid it in the back of the toilet tank, the reservoir tank and that's why it was all wet and he dropped it on my desk and he said, I'm afraid I'm going to lose all of this money. You know I get into trouble and I drink a little too much and could I help him out. You could never do this today.

*Q: Oh, no, no.*

WATSON: I took this money. It was soggy money up to our budget and fiscal officer who was a very, very tough person. Gave him this wet money and asked him to make out a U.S. government clean, do not fold mutilate or spindle, check in the name of this person for this money and he did it. So, I gave this check to this guy. This guy after running and getting back to your story of the kids having drug offenses and hashish offenses, being thrown out of the country and that not happening, but this guy had so many run-ins with the law that they finally threw him out of the country. He went up to France and in July of '66 I remember getting an operations memoranda from the American Embassy in Paris sent to our budget and fiscal officer who brought it down to me asking if in fact the U.S. Embassy in Madrid had really issued check number so and so in this amount to this person because this person had come into the embassy with it all wadded up into a ball and had said that he wanted to cash it. They wanted to be sure. This guy, I mean the stories about this guy go on and on and on.

One time, well, this, one time I had a guy in my office. It may have been this guy as a matter of fact that was complaining about having been picked up by a truck driver and it was well after hours and it was, you have to understand that the consular section was chaos. This was still not that long after the Castro revolution in Cuba. There were Cubans all over Madrid. The waiting room of the consular section was jammed with people. All day long the Cubans are trying to get visas to go to the U.S. It was like a station full of, training station, full of refugees all the time. There was a guy who had severe psychiatric problems who was originally a Spaniard, a naturalized American who had been in the U.S. military and had gotten a pension. He would come and he would regale these people

all the time. He had an alarm clock that he carried around his neck and a cross with the arms not perpendicular to each other and he would regale, we had to throw him out. He'd keep coming back in. These were the days long before heavy security in embassies and that kind of stuff. It was chaos there.

I was there late in the evening and this guy that I mentioned about the check and the dubbing came late in the evening and that's when my wife would come to pick me up from work and drive me home. She was sitting there in the consular section all alone. It had been cleared out and it was unusual. He came in there to find me and he said, "Where's Alex?" My wife said, "He's in there with somebody. The guy didn't seem to want to leave and Alex would never throw anybody out." He said, well, I'll take you. This guy comes in and he slams open my office door, boom, slams a shot pow behind at this great huge guy standing there. This other guy is sitting in the chair and this guy charges through the office and says, "What are you doing here, what's your name?" The guy says, "Carter." "Carter, Carter's your name?" He picks the guy up and says, "Carter, my grandmother used to use your little liver pills and when she died they had to beat her liver to death with a stick. Now get the F out of here" and threw him out of my office. I said, "You can't do this. I'm the consul here. I'm in charge here." I had no control over anything. It was just incredible. But there were stories like this about this individual that I could go on and on and on.

I had other cases with people in marital disputes; each side of the marriage. One day one, one day the other, one day one, one day the other, custody of kids, on and on and really complicated stuff. I had depositions, legal cases and it was you would have thought this was a pretty lowly jog in the Foreign Service.

*Q: Oh, no.*

WATSON: It was one of the best jobs. People my age in the political economic sections were literally reading and clipping newspapers. That's what they were doing all day long. I at least had my whole world that I had to deal with and it was a very active, amusing, interesting one. I learned a hell of a lot about Spanish culture because I was down there in the courts in cases helping to persuade judges to let people off. Things like that.

*Q: I know the answer to the question, but I'd like to get it on the record. Today in 1990's we live in a time of great training, psychiatric training, preparing you for how to deal with all sorts of crises you have crises counselors and all that. What sort of training did you get for dealing with all these problems when you were in the State Department?*

WATSON: Well, they had a consular course that I took before going out the first time. We learned about visas and all the stuff you have to know. I don't remember too much about this. I don't think we were trained on this stuff, there were regulations, the book. You read it through about what to do with effects. I mean we must have had part of that course which would have been two and a half years before I actually had to use it. Part of that course must have been how to take care of Americans when they are deceased and

everything. But it was basically common sense and keeping your wits about you and trying to build the kind of contacts you need in an emergency and using them. I can remember a strange thing Stuart. I think this is true. My boss there was a female Foreign Service Officer and what I remember being told is the truth although I don't know this independently was that the Department or the ambassador had agree – it might have been Ambassador Woodward who was there before Ambassador Duke.

*Q: Bob Woodward, yes.*

WATSON: I don't want to attribute this to really anybody. The decision was made to allow a woman to have this position – think how different the times are today – as long as there would be a male in the job that I ended up having. She could not be expected to do this kind of work so I was sent to Madrid if I recall correctly. Now I was supposed to be the passport and citizenship officer and at the last minute I got switched into this protection and welfare job which is a much more strenuous and much more interesting job. A friend of mine ended up being the passport and citizenship officer.

*Q: Who was the chief of the consular section?*

WATSON: Margaret _____. I saw her for many years afterwards. We went to her house. In fact she lived very close to where we now live, right around the corner, but she's not there anymore.

*Q: She was one of the first women ever to be, one of the first consular officers ever to be promoted.*

WATSON: She was the American Consul General, the head of the consular section and she did a very good job. She had good judgment, gave me support whenever I needed, but I basically did this stuff on my own. Her more serious problems were really managing this enormous visa demand and keeping a large visa section going. As long as I would take care of these Americans and handle these cases she could focus on this larger management problem of making sure we had enough people in the right organization to deal with these controversial cases. You've got to remember these Cuban cases in the '60s were in addition to all the Spanish cases. They were complicated.

*Q: Well, I thought we might quit at this point. It's a good time to stop.*

WATSON: All right. Let me give you one thing to quit on. You need to know that during this period when Ambassador Duke was there we remained very good friends up until he passed away last year or maybe it was late '96 now. No, I think it was, well, I don't know.

*Q: It was in that period of time.*

WATSON: Yes. It was in the last year or so.

*Q: Rollerblading.*

WATSON: Yes, rollerblading out in the Hamptons. Well, if you got to go… He was about 80. I had seen him not too long before. In any case this was the time when the U.S. air force lost a couple of atomic bombs in the Mediterranean and even that had its enormous consular, well, the political implications were far, far greater than any consular ones obviously. But, we had a mutiny of the crew of the vessel which serviced one of the submarines which is looking for the bombs and I had to deal with that using, dragging out all that old seamen and merchant men stuff out of the regulations which no one ever uses anymore to deal with this. We'll leave this session on that note.

*Q: All right. Well, then we'll pick this up next time after you left Spain in 1966 and we'll pick it up then.*

WATSON: Okay, great.

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*Q: Today is the 13th of October 1998. Alex, you left Spain?*

WATSON: 1966.

*Q: '66 and where did you go?*

WATSON: To the State Department.

*Q: What job did you have there?*

WATSON: I was an analyst, an intelligence analyst I guess it was called in the Bureau of Intelligence and Research.

*Q: Any particular area there?*

WATSON: No. It was kind of amusing because I had been told that I was going to go back and work on a very small select staff, reporting directly to the director of INR. That sounded very exciting and when I got back, however, I was assigned to something which could be described in those terms, but was actually a windowless space up in the Operations Center where the INR watch people did their work in assembling the briefing notes for the Department's highest level officials every morning. We had in there the machines that are transmitted data that was highly, highly classified and nobody was allowed in there. We were actually backing the place ourselves and we had also something in those days that were called LD extras. They were long distance Xeroxes. They existed nowhere else.

*Q: They were equivalent to a fax today?*

WATSON: They were equivalent to a fax today, but each machine was as big as a gigantic refrigerator and the paper was on rolls and it was always fouling and I remember spending most of my time on my back on the floor trying to unscramble fouled up rolls of paper that were printing data that were not printing and transmitting photographs of data that came over from the Pentagon and the CIA and other places in addition to working various other more conventional teletype machines that were producing intelligence from the NSA and elsewhere. I had to sort of put all of this together, type some stuff up, cut and paste and glue plastic pages to the director of INR and the Secretary and others. Needless to say I was not enamored of this job. It didn't quite live up to the expectations I had gained when I was in Madrid. I immediately began to remove myself from this position and eventually got, I guess I started about November or so and maybe even later than that, but by February I was out.

*Q: February of when?*

WATSON: '67. I was in a course called I think the mid-career course or something like that. No, basic course two it was called in those days. While I was there I finagled and squirmed and wriggled around and got myself assigned to the Latin American and Caribbean portion of INR where I became the intelligence analyst for I believe initially Costa Rica, Nicaragua and Panama. At some point when I was there I can't remember if it was later or earlier the Republic of Haiti and I also worked on communist issues at the time. That was reasonably interesting because it gave me access to lots of information about Latin American and contact with not only the operations, but the desk people and regional bureaus in the Department, but also the folks in the Pentagon and DIA and NSA and CIA. A lot of people didn't like INR very much at that time, but for my own development it was quite useful

*Q: You were there February '67 to when?*

WATSON: Until about I think it was still about July of '68.

*Q: We overlapped a bit. I was doing the Horn in Africa at that time I think.*

WATSON: I was there and working on those issues. It was a time of riots in Panama and it was a time of the death of Che Guevara in Bolivia. So, I was involved in an analytical way in following those events and writing about them and also I believe the president of Nicaragua died during that time. So, it was kind of fun. I also got some tremendous help from a guy named Bob who has since passed away. He was the deputy director of I think it was called the RAA part of INR who really helped me improve and make much more conscious and coaching my drafting style. I'll never forget that guidance and instruction and very constructive criticism I got from Bob during that year.

*Q: During that time talking towards the end of the Johnson administration, what about, sort of moving down, what about Panama. How did we see things moving there at that*

*time?*

WATSON: This is when there were some riots in Panama, in '68 if I recall correctly. There was concern that there would be a military coup even though they had no formal military, they had their National Guard. This was 30 years ago and I haven't thought about it very much since then. It was very interesting and the Johnson administration I think was coming to some conclusions that we had to do something about the Panama Canal situation. We had the beginning of some of these ideas that later flourished in the Carter administration resulting in the Carter canal treaties which are fulfilled in their sort of implementation entirety if you will at the end of next year.

*Q: Were you sort of as you were doing this, granted you were in the INR at a fairly low level, allowed to think the unthinkable about turning over the Panama Canal or was this in the cards at that time?*

WATSON: Well, my recollection really is that what I was thinking about or trying to analyze what was going on in Panama. You had Arnulfo Arias who ran for president many times and won many times and was thrown out every time. I think that he was up until that point that he had won a great deal of turmoil and I don't remember participating particularly in that kind of a policy discussion. My job was more to analyze what was going to happen in the election, what was happening in the National Guard. What kind of political alliances were being formed? What factions were in the National Guard, what political factions outside and those sorts of things as well as, you have to remember this is 1968. There was still a lot of concern about what Castro might be up to and what kind of communist activities were taking place throughout the hemisphere. All those concerns were heightened by the Che Guevara escapade.

*Q: Yes. This is where he went and tried to start a peasant uproar, but no one spoke the language in the highlands of Bolivia.*

WATSON: Yes, I think it was a fundamentally flawed strategy and without going into this in any detail I think that Castro and Guevara never quite perhaps comprehended that the revolution in Cuba was very different. The circumstances in Cuba are very different from others. Cuba was the most industrialized country in many ways if you will in the sense that from the political point of view the fundamental economic activity was sugar and it was not, they were not campesinos so much, the workers were not peasants so much as a rural proletariat organizing the unions and things which is quite different than a bunch of peasants not organized and are not unionized and are not in industrial situation where perhaps the Marxist analytical instruments were more relevant. They failed I think also to realize that the revolution in Cuba was brought about by the middle class. Castro and his folks were obviously primary irritants to the Batista regime. They got a lot of attention and highlighted a lot of inequity in creating enormous pressure. But the final events which brought down the Batista regime had more to do with what happened in the urban areas by the middle class which withdrew its support from Batista than it had to do at least in those final moments with anything Castro did himself. So, I think imagining

that the revolution in Cuba was somehow different than what it was I think you could then transfer it to a place which was dramatically different from the Cuban one, that is to say the interior of Bolivia, I think was a fundamental strategic flaw on the part of Guevara and Castro really shared Guevara's dream or just wanted to get him out of the country. I think we'll never know.

*Q: At the time our mindset was wherever you could strike a match in Latin America and all hell might break loose.*

WATSON: Oh, absolutely. I may be critical here in my sort of guessing at some of the hypothetically analytical flaws Cubans and others might have made, but we were sure as heck no better. We were still living in I think as you put it, it would appear that you could touch a match anywhere if it was the right kind of match at the right place you could have a communist conflagration.

*Q: How about Panama? Was communism a concern of ours there at that time?*

WATSON: Yes, it was, and there was a communist party there and that of course added spice to all of the debates and discussions and the analyses. My recollection is that none of us ever believed that the communist party was any major threat in Panama. Also, although Castro was acting I don't recall at this point being particularly concerned that Cuban influence for that matter, Russian or Chinese influence was viewed in those days as likely to prevail.

*Q: In Panama, I can't remember whether these riots that came about were they because of kids at the high school thing with the Panamanian flag?*

WATSON: Yes, there was something like that, I don't remember the details.

*Q: I was wondering I mean, did the attitude at the desk, did we see that the Americans who were in the what do you call the Canal Zonians or something, did we see them as being a political problem?*

WATSON: I don't recall that. I mean I became somewhat more aware of the peculiarities of the people who were called the Zonians afterwards. I don't remember their being a real factor. I do remember that there were folks within the U.S. government both in Panama and in Washington who were really very strongly supportive of the very conservative anti-democratic positions and sort of viewed the national guard as really the only defender in the final analysis of interests that we shared.

*Q: What about turning down to another responsibility was Nicaragua. This was high Somoza time wasn't it?*

WATSON: Right. And before _____ took over it was these, it was the… I'm trying to remember the president was not a Somoza. He was another guy and I just can't remember

his name right now. There were three, I guess there were three Somoza brothers, it's hard to recall all this. One of them had died I think and there was another guy who was serving as president, clearly a creature of the Somozas. At that point there wasn't really insurrection, but there was lots and lots of verbal manifestations of unrest. There was just a lot of concern over the fact that it was really a dictatorship and authoritarian regime although it was not by any means as rigid or repressive as lots of other authoritarian regimes. It was in some ways more clever, but it was a, you can turn this off and use very loosely, it was almost a feudal situation when Somoza was in there owning much of the country, but people weren't actually serfs or slaves. Virtually an entire economy was a Somoza holding.

*Q: Was that of any particularly concern of ours or was it this is just the way it is and we just wanted to see things not get too upsetting?*

WATSON: I remember sort of being my job being very interesting in this phenomenon. Others were undertaking to try to have an impact and then also the politics of it. Somoza was so clever calling on his West Point background and everything. He had a very wide range of supporters in the United States. It was kind of a difficult situation where you had a guy who was clearly authoritarian. You had certainly a regime that he was in power or this other fellow was in power that was Somoza dominated and it was a kind of regime that was quite acceptable to the United States previously. It was not anywhere near as ruthless and repressive as some of the other military regimes about the region. It certainly was authoritarian and it certainly was anti-democratic. They had elections, but the conditions were such that the ruling party always won and you had all these strong supporters within the United States in both parties. Yet you had sort of a growing awakening in the United States that this was not really what should be taking place. This was 1968. This was a year with radical forces growing in the United States. I think there was a growing awareness beyond strictly radical surface in the U.S. There were times that something was changing, not that we were doing much about it. There was concern.

*Q: Costa Rica, was this at that point upheld as the democratic place?*

WATSON: Yes, that's my recollection of it, yes. I don't remember spending much time on it because it was so uncontroversial.

*Q: Foreign Servicewise, not much fun.*

WATSON: Not much fun from the analytical point of view, but a lot of fun to live there.

*Q: What about turning to Haiti and the Dominican Republic first. You came in at the aftermath of our intervention there?*

WATSON: Well, as you may recall, my first assignment had been there and I left about six months before the civil war which provoked the intervention in April of '65. We're now talking about a couple of years later. It was still reasonably controversial. Latin

American circles in the State Department and there was a considerable tension I think between the bureau of intelligence and research and the InterAmerican Affairs Bureau which was a residue of debates during that period a little bit earlier, a year and a half of two years earlier when the intervention took place. I think the people in the intelligence bureau criticizing the analysis, which resulted in kind of a communist panic and anti-communist reaction, and sending of the troops and all that.

*Q: As I recall we talked about some people, proponents you might say of a more liberal view that our ambassador who was?*

WATSON: Tapley Bennett.

*Q: Bennett really shouldn't have called the troops in or something?*

WATSON: Yes, there was a lot of that. That was when it was still floating around in the corridors. I mean the events were over and done with, but there were hard feelings, but I was not involved in it. I just heard about them. A very good friend of mine was the desks officer in ARA, and Harry Shlaudeman who was involved in this. I had an interest in things Dominican, but basically the situation was what it was at one point.

*Q: What about things in the Dominican Republic at that time, how did we see it?*

WATSON: It's a little hard for me to recall the details. I'm not sure, but I think Balaguer was probably the president during this time. He was certainly a decent fellow and I think that everything we were trying to do at this point was to engineer a democratic process which would be legitimate, but still produce results in which the U.S., that you were comfortable living with. I'm not quite sure now anymore when it was the elections took place, Balaguer won them for the first time, but it was around this time.

*Q: Our troops were well out by this time?*

WATSON: Yes, that's my recollection.

*Q: What about Haiti?*

WATSON: My recollection was that this was really at the height of the Papa Doc period with great repression everywhere a situation that was deplorable, but not dynamic. I remember it's hard for me to recall now, but if I remember correctly I might have started off in the Dominican Republic and Haiti and then shifted over to the three Central American countries that I mentioned, so I'm not sure that I spent that much time. If I think about it I think I spent much more time in Panama, even Nicaragua, on the overall communist analysis.

*Q: On the communist side, here we had Cuba sitting in the middle of this whole situation you might say. How were we covering Cuba in the State Department?*

WATSON: Well, we had very active and excellent young officers analyzing what was going on in Cuba as best we could in those days. There was a huge industry in the United States of sort of Cuba watching and Cuba analysis. I guess there still is, but it was even more intense then when it was perceived as a real, vital national security threat. Certainly, the Bay of Pigs and the Cuban missile crisis and everything and Castro if I recall, I may be wrong, but at some point during this time, Castro either had the leadership of or was certainly very influential in the nonaligned movement which served as a magnifying mechanism if you will to increase the third world influence, certainly. It was very interesting period. People were very concerned about it and Cuba at that time was active at fomenting insurrection in other countries.

*Q: When you were in INR how did you find getting good information. You mentioned the CIA. How about the CIA as far as information, not just Cuba, but the whole area?*

WATSON: Well, you have to recall this was I think my first exposure. So, this was all pretty exciting to me and I spent a lot of time working on what we call NIE, national intelligence estimates, and I worked on two or three of those. I don't recall exactly what they were on. One was about Panama certainly. Even some of these psychological profiles that the agency produced with the help of psychiatrists and others I believe we did some of those like I think I might have done one on Papa Doc and other individuals. Even one on Castro if I recall correctly. Anyhow, so it was kind of fun. Those were interagency meetings and there was a lot of hassling and haggling over every sentence and every word and there would be footnotes taken here and there and all the intelligence agencies would be involved and then the operational people would have their views. There was a kind of intellectually stimulating time. As I mentioned earlier, some people found INR, some viewed it as kind of a backwater in the Foreign Service, you weren't out there in the action, you were analyzing other people's work and giving your opinions and nobody ever paid attention to you. Well, I'm not sure that was true. I think if you wrote a good paper and it was only a couple of pages long and was on an interesting and timely topic people would take a look at its points and views. But for me I thought it was intellectually stimulating. I learned an awful lot about Latin America. I was taking courses at Georgetown and also at American University in the evening at this point. Even wrestling with these issues in terms of drafting and forcing a kind of analytic precision as well as a writing skill that always could be improved. I thought it was quite interesting.

*Q: You did this until '68?*

WATSON: Well, then what happened there was one of these great upheavals in the Department. I forget whether this was called Auckland, I think it was when they decided they wanted to have more of, they brought people back from overseas and they reduced the number of positions overseas. So, then you had all of these supernumeries, what do you do with them? You dramatically increase the number of university training positions that were available to Foreign Service personnel and I got one of those. I had the good fortune through a variety of circumstances, unlike virtually anybody else; I knew that after

the university year I was going to go to Brazil. This had been worked out by a friend of mine who had been in INR with me and then went into personnel. That's how it happened, that was it so I then was looking for a university, a graduate program as strong as possible in Brazilian studies. At that point the two best were at Stanford and Wisconsin. They had a policy in those days of only sending one person to university training in a given discipline at a given university at a time. I was told Wisconsin was the best place for what I wanted. Anyway, I ended up at Wisconsin.

*Q: This would be '68, '69?*

WATSON: '69.

*Q: I was going to say, one of the most radical of our universities.*

WATSON: Absolutely fascinating.

*Q: I'd like to grab some of the history, could you explain the context of why it was.*

WATSON: I can go on at some length in anecdotal style about this, but I guess a couple of things. First of all, going back there as a graduate student when you're getting a full salary makes you a different kind of person from the rest of the graduates although I wasn't getting paid very much by the Foreign Service. This was great fun, very interesting and very educational. Well, in the winter it was mighty cold. Wisconsin is a terrific place and the university is a terrific place and there were lots of different people from other parts of the country. I could have gone back to Harvard. I could have fashioned and brought together some courses at Harvard in Latin American studies, only we didn't have such a program there. I deliberately chose not to do that because I'd been there as an undergraduate. I wanted to go somewhere different and Wisconsin did not disappoint me in that regard. I had a great time. Politically, if I remember correctly, the key issue was black studies which was really the civil rights movement at the time as well as of course the controversies over Vietnam and everything. There were a lot of black studies courses and others and a lot of sort of unrest on the campus and at some point I can't remember the exact month now they struck to close down the university, the institute. If my recollection is correct, it was over black studies curriculum. It was remarkable.

Another Foreign Service Officer who was studying African affairs was there and there was another Foreign Service Officer who was studying economics. The African affairs guy and I snuck into a meeting of the organizers of the strike to see what was going on. To give you a flavor of the atmosphere there, let me back up to my first week on campus and I was in a seminar in Brazil as a matter of fact. There were 20 or less in the class I guess. All of us had to stand up and say who we were and what we were doing there. I said who I was and I remember a young woman in front of me turned around and with a most vicious look on her face hissed at me and said, "How can you work for the blankety, blankety fascist government?" That was a reaction. That was the kind of attitude there. So, I think if they had found Jerry Lee in his room or whatever, they would have kicked

the tar out of us and thrown us out in the snow. In any case, we witnessed some of the planning of this strike to shutdown the university. It was commonly believed that Tom Hayden who was the radical type subsequently married to Jane Fonda was on campus articulating all this, a brilliant genius. There was nobody anywhere near, it was total chaos. I can remember people standing up on one side in the room and saying we dentists in the dental school have our side of the campus completely closed over. You idiots in the law school you haven't done a Goddamn thing yet, so get going. What are you talking about? You guys are leaking it all over the place. One girl I remember stood up and said, when I was in Cuba recently Castro said, boo, boo, shut up we don't want to her about Fidel Castro and it was total chaos. The only people who had any respect there were the Black Panthers. These guys walked in across the room. My recollection is probably exaggerated with time, but all of the young women there behaved like cats in heat when they were on the floor and all the men were standing there with awe. The governor then, Governor Knowles who was a very decent fellow who was a moderate republican sent in the National Guard to break up this place. I've not read much about this or followed this, but I venture to say that that was absolutely not necessary to do. He did that because of pressure to protect his right flank to get ready for the elections. Maybe it was just after the elections. This was in late '68 or early '69. I think it was '68. He sent in the National Guard. There were some funny things. I remember distinctly seeing a guy who one day was marching around the campus with a placard protesting. The next day he was standing there in his National Guard uniform on with a rifle on his shoulder. He had gone from one side of the equation to the other instantaneously.

Another thing I saw was a lesson that I remember all the time and it has to do with the reliability of the press. My experience has been that maybe less, but at a certain time in my life I could say that almost every time there was an incident that I knew something about that the press wrote about it they got it wrong. I would say that's a little less true now, but almost every time they'd get it wrong and yet I found myself still believing what I read in the press about things I didn't know anything about. I kept wondering what was going on. Anyhow, this case it was a small lecture hall on the top of the hill in the middle of the Wisconsin campus. I don't remember the name of the hall, but a small one. There were some protestors marching around the building with placards in a solid ring so people couldn't get in without pushing through. They weren't violent, just marching around. There were police officers at the front of the door on either side who were just standing there quietly to make sure that nothing bad happened. The Young Americans for Freedom which were a conservative group, a lot of football players or people associated with football players came up the hill in a column and crashed into these marchers and drove them back against the wall back to where the police were. NBC cameras were there and the Today show taking pictures of all this, this whole wild sort of scene. Nothing much really happened, but the next day I remember watching Hugh Downs on the Today show showing this footage of the people who had been in the ring being jammed back against the police and the police sort of moving their arms around and pushing these people off and saying leftists rioters in Wisconsin attacking police and stuff like that. What? They got it completely wrong. Absolutely, completely wrong, but that was a lesson that I recall about the evocative power of images to the relationship of the reality. But it was a

fascinating time at Wisconsin.

*Q: Were you called upon to do anything?*

WATSON: Absolutely not. I was working, I was taking a variety of courses on economics and history and I took one course entirely in Spanish. Every word was in Spanish by the professor and our responses, everything we read and everything we wrote in Spanish. I remember that. So, a lot about Brazil. By the time I got to Brazil I would venture that I was one of the best prepared Foreign Service Officers in terms of knowledge of the country I was going to.

*Q: From the university sort of at the intellectual level, where did Brazil rank? Were you getting I take it by this time most of the time it had a military government.*

WATSON: Sure, the military regime took over in 1964 and lasted until 1985. This was during the second military administration. It basically came in I believe in '67 or '68.

*Q: By this time it was no longer the option of the military going back to the barracks as it had been maybe somewhat earlier at least the thought was that they might do that. I mean now this looks like an entrenched.*

WATSON: Yes, it was an entrenched military regime, but defense a little bit like Somoza's, a little cleverer than some, they had a rotation of power. They didn't have a, there were some elected officials sometimes but the military retained control and transferred power among its own members. This was a time of great radicalism and confrontation in political thought in which dependency theories and things like that were extremely imposed. I remember reading rather aggressive dependency theory tracts by the current president of Brazil now. The president of today.

*Q: What _____ dependency theory?*

WATSON: Well, it was an international extrapolation of Marxism which basically said that everything is economically determined and you have centers of economic power and you have areas dependent on them. So, if you look through the analytical language and analyzing all phenomenon that took place basically, he United States was the center of power and the dependent periphery was all of Latin America. So, this is a convenient intellectual device for people in countries that are considered to be dependent because while you can blame some people in their own countries for doing bad things, you can certainly blame the military and you can talk about the _____ and in the final analysis, the joke belonged to the United States and a number of other economic power centers which drove these relations and defined and drove these relationships. I read a lot of stuff. There was some really very interesting and provocative words. At the same time you had Al Hirschman writing about stuff in northeastern Brazil and journeys to progress in Brazil was very provocative. You had a belief in the United States that we should have massive assistance to developing countries. We were putting over a billion dollars a year into

Brazil in those days in education and tax reform and other things. Sort of intellectually, rather stimulating period for a kid like me trying to sort all this out because you're serious about it. Think about it in real terms, you have to live in this country it was very rewarding.

*Q: Well, in a way Brazil would fit less into this dependency theory I would think than many other places because Brazil really generates its own power and is not as dependent as almost any other country in Latin America.*

WATSON: Remember, this is 30 years ago and the Brazilian economy that existed to some extent today there is, it was not as great then and I think that people would argue that even the automobile industry in Peru that had been started in the '50s was basically an extension of the North American European automobile industry. Then Brazil sold primary products that were dependent upon the market vicissitudes and durable goods, finished goods, industrial goods and therefore were dependent on. They could not control the markets or the prices for their goods because they were global markets with many producers and they were dependent upon the prices set by the industrialized countries. You have a double whammy there that guaranteed these countries would remain in a state of semi-colonialism dependence and not be able to industrialize, etc. All this was derived from countries like Brazil and others to industrialize, high tariff walls and things like that even when it didn't make good sense to do so because they wanted to demonstrate their independence. All of this is still worthy of analysis. There was great debate and I don't mean to demean the dependency theory, it was an effort to interpret some realities which were significant.

*Q: How about the Catholic Church? Did they really have their own?*

WATSON: The Catholic Church in Brazil in those days was by and large very conservative and certainly antagonistic to major changes.

*Q: Did the kidnapping of Ambassador Elbrick take place while you were at the university?*

WATSON: It took place while I was in Brazil.

*Q: Oh, so we'll come to that when you come there, okay.*

WATSON: Today I might come to Brasilia. The day I arrived in Brazil the president had a stroke. I was in Rio where the embassy was for two or three weeks before going up to Brasilia. The day I went to Brasilia was the day Elbrick was kidnapped. So, people were making jokes, Watson, just don't move anywhere, stay where you are. That somehow I was related to these horrible events.

*Q: Before we leave the university, did the University of Wisconsin faculty have a twist on how one looks at Brazil? I'm thinking of Cornell and Indonesia. Cornell was turning out*

*people who studied Indonesia for quite a while sort of looking upon the United States as being the villain and all that. Was there anything comparable to this coming out of the faculty of Wisconsin or was it a pretty straightforward?*

WATSON: Well, I think the most powerful influence on Brazilian studies there at the time was Thomas Skidmore who has written many books on Brazil and his dissertation was one of our major texts and fascinating and really detailed historical account of Brazil from about World War II up until that time, '64 and '65. It was totally I mean it was an analytical tome which contained a heavy element of economic analysis, not necessarily Marxist, but still a good dose of the economic dimension to the overall historical social political context.

*Q: How did Brazil from the sort of Wisconsin perspective fit into the rest of Latin America? Did it odd job out or something like that?*

WATSON: Yes, sure, in many ways.

*Q: I mean did you find that, were you taking courses on all the Latin American countries?*

WATSON: Yes, I took courses on economics. I took a literature course. It's hard to remember now, I'm writing a couple of quantitative political books. I did a lot of work on Venezuela.

*Q: Did you find that the polarization of the student body was having an effect on the studies or were you having sort of the campus radicals trying to twist everything or the teachers or could one sort of move beyond all that?*

WATSON: In the graduate school where I was I mean there were certainly people and I might have been included among them where they sort of left this persuasion and certainly willing to give the dependency theories and others their due if only political analysts of a reality to help shed light on things that other scholars wouldn't do. I don't remember any destruction in the classes. I remember it being all very civilized.

*Q: When you get to Brazil we'll discuss it at greater length, but did you find that you were given the sort of tools to look at Brazil when you got there, I mean the dependency theory I mean was this an analytical device?*

WATSON: I took Skidmore's history of Brazil course plus seminars, took courses from Skidmore. I really at that point was really pretty well informed as a lay person. I was a scholar about Brazilian history. Yes, I had analytical tools that I could draw on to help me understand phenomena if they were taking place, that they were not isolated phenomena unconnected to any previous reality I tried to understand. I had a view to how all these things related to what had happened in the past and what forces were at work in the society which really helped me. You know, most people don't know very much about

Brazil and so when I went there and could just very comfortably, not trying to show off or anything, be tossing around historical references as I was having conversations with people I could see them just, you know who is this? You know, I said, yes, sure, I learned about it in school and all this. They were immediately impressed, overly so. I think it was only because it was so unusual to find anyone who knew anything more than the last two or three years of history.

*Q: Did you find at the graduate school that being, coming out of judgment that in a way you were a different breed of cat as far as your approach to things? I mean, that's a nice theory, but what does it really mean and that sort of thing?*

WATSON: Well, one thing I found is that I was the same jerk I was when I was an undergraduate. I have not really advanced in my work habits or my skills even my interest in receiving strictly an academic environment. I felt sorry for Ph.D.s. I thought they really had a hard life and became almost in some cases almost so sharply focused as to be narrow and I said, God I'm glad I'm not doing that. I'm glad I made the decision not to do this. I didn't hate it or anything like that, but I realized that I am not cut out to be a scholar. I do not have the temperament to do that and would not although certainly I was interested in the ideas and in learning as much as I could. I did not consider spending a lot of time writing complicated dissertations on things. That was sort of depressing to find that I was the same jerk as I was as an undergraduate, but it was also sort of good to find it out when I hadn't committed myself to an academic career. Yes, initially of course I was a very different animal, but once you hang around with people and once you start to have discussions with them and once you show them that you're not coming at things from a biased point of view and once you show that you actually have some knowledge of some experiences which may be relevant to the conversation. I was only twenty something. I think my wife and I sort of fit in pretty comfortably.

*Q: Well, I thought we might stop at this point and the next time as a good place to pick up. We'll pick it up in 1969 and you arrived in Brazil.*

WATSON: I went to Washington and learned Portuguese and I remember watching Neil Armstrong walk on the moon. It was one of those evenings. Then off to Brazil.

*Q: Okay. Great.*

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*Today is the 2nd of June, 1999. Alex, you were in Brazil from '69 to when?*

WATSON: From August of '69 until I think about July of '73.

*Q: Where did you go in Brazil and what was your job?*

WATSON: Well, first my assignment was to be a political officer in the embassy office it

was called in Brasilia. I was only there for six months and I was then moved to be the principal officer in our consulate in Salvador da Bahia in the ancient capital in the Portuguese colony in Brazil up on the north coast, north of Rio. We arrived in Rio in August of '69 and it was a time of great coincidences, unfortunate coincidences and eventualities. The day we arrived in Brazil in Rio where the embassy still was that was the day that the president of Brazil, the second military ruler of the military period, President Costa e Silva, had a stroke. We spent a week or two I can't remember now exactly how long in orientation meeting everybody in the embassy in Rio before going up to Brasilia. The day we went from, flew from Rio to Brasilia was the day that our ambassador, Burke Elbrick, was kidnapped in Brazil. So, people started saying, Watson, you better not move anywhere because every time you do something bad happens. At that point we went to Brasilia.

*Q: I'd like to just go back to sort of your introduction into at the embassy the first week there. How were they describing the political situation and the situation with our relations in Brazil at that time?*

WATSON: Well, I don't know if I said this the last time we were talking, but I had the good fortune of knowing before I went off to university training that I was going to Brazil on assignment. That's why I picked the University of Wisconsin, which along with Stanford at that point were reputed to have the strongest Brazilian studies program. When I arrived in Brazil I probably had the good fortune to be as well prepared academically as any Foreign Service Officer ever had been. I had a whole year and I had read everything and knew the history and the economics at some greater level of detail than Foreign Service Officers normally do. I had a little bit more of a depth in which to analyze it. When we got to Brazil if I remember correctly, this would have been, I think it was '69, I think there was very strong and positive relationships between military governments, which was there in the U.S. There was some, there was concern of course with the outbreak of urban terrorism, which resulted in part in the capture of our ambassador. Also, I think there was concern about at that time we were pouring huge amounts of aid money there, a billion dollars a year. There was a huge sum for education, tax reform and all sorts of things. I think there was some concern in some corridors about growing inequalities of the income in Brazil and of course there were concerns on the human rights front and on the democracy front. They had a military regime and there was, in response to terrorism, it was clear and violent repression by the military and police authorities in Brazil against people that they thought to be subversives and communist terrorists and that sort of thing.

*Q: Was the feeling that these were sent over with more of the middle class student types or where did they feel the terrorists were coming from?*

WATSON: Oh, they were basically, it was a classic kind of disenfranchised middle class university types which most people thought were brewing if you will. Remember as I said the Brazilian regime was not a _____, which is the word for dictatorship in Spanish and Portuguese. _____ meaning hard. It was _____ meaning a bland or soft dictatorship.

Because unlike any of the others in Latin America at the time, the military regimes that were prevalent at the time, the Brazilians found a way to keep the military regime with different leaders. To institutionalize it rather than personalize it. So _____ followed _____, _____ was considered to be much more intelligent, more liberal, more far thinking. _____ more _____ and more hard lined than _____. Costa e Silva had his stroke and when it was clear that he could no longer function then they brought in the third military leader, Emilio Medici, who was the guy in charge of the country most of the time when I was there. He was although quite charming he was the most conservative of the five military rulers or presidents of Brazil they were. My recollection is in the embassy at that time, Ambassador Elbrick was relatively new there. He had no experience in Latin America as I recall. He was in Europe.

*Q: He had been ambassador to Portugal and then to the Yugoslavia. He was my ambassador to Yugoslavia. Actually he had asked me if I wanted to come out and do consular work in Brazil. I think I was in Saigon at the time and so there I was.*

WATSON: He was getting his feet wet in Brazil and we had this huge aid mission as I mentioned we spent lots of money in. It was the largest aid program in the world and it was sort of a rivalry I remember between Bill Ellis who was the director who told me this. He was also the minister counselor, a very high ranking person in the embassy and _____ in the mission there was a rivalry between Brazil and Indonesia. That's when it first occurred to me that in the aid world there was some importance in value and prestige given to those people associated with the largest program, irrespective of what it was. I also had my eyes open at one point I remember in a meeting with Bill Ellis and Bob Valentine. Remember, I was still pretty young and had not had, most of my experience had been consular up until then with the intelligence work in the Department and then the analysis work in the Department and the University of Wisconsin period. I remember sitting down and asking them about how they determine exactly what priorities, what the Brazilians really needed and how to tailor our programs to do that. They just looked at me like I was insane. They said, I'll tell you how you do it, you get as much money as you possibly can using whatever arguments you can to get the money and then you determine how to use it. The whole process was backwards in my naiveté. I remember that sitting over in their office that day and I was giving my briefing and really, wow, I just discovered something I didn't know anything about. Of course, there was a large intelligence presence in the embassy for a whole variety of reasons because there was a lot of subversive activity, leftist activity in various stripes, including legitimate terrorist activities, of legitimate concern to everybody. Remember our relationship with Brazilians had a very powerful and strong military element all the time. The military mission that is to say large groups of American military personnel who sat in the military ministries in Rio at that time. I think 1922 was when the naval mission was instituted and a guy named in Brazil and I think in World War II was when the army and subsequently the air force missions, we had lots of military people all over the place. We had very high-ranking military officers, flag ragged officers commanding those as well as high-ranking attachés and we had the history of Vernon Walters.

*Q: Yes, I was going to say.*

WATSON: Who was not there, but his successor Art Morrow was there and while there's no one on earth quite like Vernon Walters who has enormous linguistic skills and his experience going back with the Brazilian expeditionary forces in Italy in World War II. He served as interpreter for Roosevelt, Eisenhower and everybody else. Art Morrow was also a guy who was extremely well regarded by the Brazilian army in particular and very well connected and very articulate, a smart guy and an influential player on the embassy team without any question. It's hard to recall 30 years later in any kind of detail. You've got sort of a picture of the embassy, good relationship with the government, concern about the insurrection incidents and subversive and terrorist threats, huge aid mission and lots of different issues at the same time. Remember we had a very separate aid mission from the one in Rio. A second one in the northeast of Brazil following all this literature that was done by Al Hirschman and others about the northeast of Brazil. So, up there you had a separate aid mission who had separate reporting back to Washington, although in some ways subordinate to Bill Ellis, but it was a separate thing. A lot of concern about northeast Brazil, but it was so far behind the rest, and lots of money was going into that and the Brazilians were doing this as well. Trying to bring that into all kinds of incentives for investments and education and everything, many of which don't work, but they adapt with big aid, big developments, a big military dimension. Obvious intelligence interest reacting to the security thing and then you know, a very active economic analysis because Brazil's economy was obviously going through ups and downs. It was a very rapid growth along a period of heavy inflation and there were very powerful economic people who played major roles as ministers of planning and environment and economy and finance at various points during this time. At that point you had large consulates general in Sao Paulo and Rio and another one in Recife where the aid director as I mentioned a separate aid mission. Then the consulates we had in Porto Alegre in the south, in Bahia in the northeast or the southern part of the northeast, Salvador da Bahia and in Recife in the northeast and in Manaus in the Amazon. We had consular agents in a variety of places, too. So, we had a very large American presence strength in all the major cities in the country.

*Q: In the first place was there what you could call because we had this large presence there, was there a sort of Brazilian mafia in the Foreign Service? I mean I can think of the Italian mafia.*

WATSON: There absolutely was a group of Brazilian specialists in the Foreign Service that were very close to each other. Time has dissipated a lot since then for some reason, but Brazil is a very special kind of country. It captured the affections of almost everybody who served there in whatever agency. The feel of the culture is its distinctiveness from the Hispanic American cultures. The robustness of its music and art and the sort of size of its economy and its perceived significance to the U.S. and it was relatively inexpensive then for Americans to live there if I recall correctly. Rio didn't have the crime problems that it has now and it was a pretty attractive place. There were a lot of people who really liked Brazil. I went to Brazil because one of my colleagues in the Bureau of Intelligence

and Research convinced me that I had to go to Brazil. He moved on to the personnel bureau and while there he orchestrated my transfer to Brazil and then my going off to the university and I picked the one that was relevant to my going to Brazil. So, all of that happened out of this so there was a very close group of people from all different agencies and after we came back from Brazil we all hung together, carnival parties in Washington and things like that. A lot of that seems to have disappeared. I'm not quite sure why that all happened because I went to Brazil a second time in my career and almost a third time. I was to go as ambassador, but it never happened, the senate went out and never acted on it. I noticed that there was not that kind of enthusiastic enthusiasm for Brazil and the experience there and the formative nature of these experiences that I noticed earlier on. I'm not going to analyze that.

*Q: All right, some of our posts when you were doing political work and you get rather explicit or implicit instructions about what you're supposed to report on. In other words, some places say lay off this or let's look at this and all or some places just say go out and report. When you went out to Brasilia.*

WATSON: You're actually touching on an interesting issue. I think that there was some tension in the political reporting area within the political section and this also spread to other agencies in the embassy. There was I think on the one hand a group of people that, it was a minority, but who felt very strongly and negatively about the human rights problems and the lack of democracy and the military regime and that kind of thing. We were dealing with people on the left and reporting on that kind of stuff and there were other people who took a more conservative point of view and said basically this is the government we're dealing with, we have good relations with them. Sure there may be some bad things going on, but they're not that bad given everything else and U.S. interest are on the side of having the most constructive positive relationships with these guys. I mean it was a kind of a feeling that if you actually kind of dug into and spent time with and reporting all on what was going on this so called leftist underbelly of all this that that was somehow not completely constructive. There was that. I remember seeing that. I came out from the university and there was a radical time. I came in with an appreciation I think for both of those points of view, but a considerable amount of sympathy for those making sure that we don't overlook all the problems that existed below the rather monolithic looking surface of the military government. I think I also had a broad enough perspective from the historical work that I had done to know that Brazil had alternated between periods of authoritarian government and democracy for a long time in its entire history and it never really articulated a full blown democratic structure even during the period after Vargas. Vargas took over as a dictator in 1930 and took over the country, but as a civilian, but a dictator and eventually got himself elected in the '50s and then committed suicide. Then after a while there were these three democratic regime following Vargas' democratic election. You had Juscelino Kubitschek, the great builder and he came in in '56 and then you had Jânio Quadros who came in and resigned almost immediately and Joao Goulart who was a leftist. Many people thought that _____ they had voted for _____ who was the reformist mayor of San Pablo who had come in there and sort of sweep away some of the corruption that the _____ regime had left despite the

positive things people perceived the regime or the government had done. _____ was a left-wing guy of a labor party who was the vice president of _____ to balance the ticket and he didn't really have the legitimacy. He came in there and he did not manage things very well. The situation degenerated rapidly and the military moved to take over in '64 and that was. It was an unsettled democratic structure that you were dealing with. So, I only mention all that to say that I also thought that while the military regime was bad in many ways it wasn't completely bad. It was trying to do some good things and there were some good people in it. I tried to do some interesting economics plus some interesting developmental stuff. The alternative to it was not some imaginary utopian democratic system which Brazil had really never had. For me I guess I approached it in a sort of a sympathy towards the left and some of the people out there trying to push the regime to do everything to return to democracy, but at the same time not an unqualified opposition, hostility toward the military regime.

*Q: This was considered a little bit by those of us who were one step above you know, that the kids were trying to run the asylum. Was there a sort of a generational look on how we were at the embassy? I was wondering whether this permeated the political group or not, you know, human rights, gee the left has got to do something about this dictatorship.*

WATSON: To some extent that is correct, but I would say that there were people who were older, too, that felt some of the things that you are attributing now to the younger people and some of the younger people who had different points of view. One thing I think is worth mentioning just for the heck of it. This will be controversial, but it's true. There was a mood in the embassy in Rio, I'm trying to look for the right word and I won't get it.

*Q: You can always edit.*

WATSON: There was a kind of mood of licentiousness. An enormous number of marriages broke up in Rio. There were lots and lots, there was a kind of excitement, a titillation almost childish, this happens to Americans very often from when they get into sort of slightly more relaxed circumstances than they are used to. Kind of guys roaming around with all kinds of girls and things like that. They had their apartments and they were shacking up at lunchtime and all that kind of stuff. I remember being a little disturbed by this, not because I was a prude, but I just thought it was kind of a childish thing. I don't want to start naming names or anything like that, but it happened, it was going on before I got there and it was in full swing before Burke Elbrick got there, but there was this sort of racy feeling. This is kind of an exciting, as I mentioned, the titillation and it made grown men behave like silly children and sometimes even wear clothes that I thought were kind of funny. Guys that are our age running around with their shirts open to their navel and chains on their necks. I mean, you know, it was kind of bizarre. Remember I was only there a couple of weeks and I went to Brasilia so I was looking from the austere half-built capital covered with red dirt in the high plains there in the Savannah of central Brazil and coming back to this licentiousness, exciting, dynamic, attractive I mean it was attractive. Even some of the women got caught up in this, too.

This was a current that ran through that embassy that I think I'm not quite sure how important it was, but I think it had a certain impact on how the embassy and the mission functioned.

*Q: It can. While you were doing this I was in Saigon and of course the circumstances were completely different, except exactly the same as far as this goes. There they were mainly single men.*

WATSON: These were married guys and their wives and their kids right there. It was kind of a badge of honor to raise your eyebrow. Aren't we the fast racy guys? I don't want to get into the personal stuff too much, it's not important because the individuals do this, it's only important insofar this ran through that embassy. I can say without any hesitation there were 20 people engaged in this kind of stuff in relatively senior positions in the embassy and junior officers, too. It had a kind of an impact that I'm not quite sure if there were any telling and lasting results of it on the ability of the embassy to function and the attitude that the reporting. It was just something that I think as a historical note is worth thinking about.

*Q: It's interesting, too and I can imagine that particularly when you're looking at it from Brasilia as you say, you were kind of the Puritans looking at Sodom and Gomorrah looking down and raising doubts. It's a matter of respect, too.*

WATSON: It's that, but it's also, I came off the Wisconsin campus. I knew what kids were doing and that kind of thing, so it wasn't sort of a Puritan from my point of view. What I found was and I've seen this other times, that certain kinds of Americans and there are a lot of them who live very conventional lives with the conventional values that people try to respect here, that they get into situations where the values are slightly different with this kind of behavior of having girlfriends and stuff in apartments on the side and all this stuff and you're taking lunch breaks in Rio. The culture where that is more common than, not that it's uncommon in Washington, but it's more common in other places. Sometimes Americans, especially men, behave like tiny children, like they've just gotten into a candy jar and they can't manage it as well as say the Brazilians or the French or whoever else who have at least a greater tradition of doing this anyhow as a more standard procedure. The men would actually be flaunting their little escapades in front of their own spouses and such in a way that was so childish and destructive that it struck me in the first instance amusing and in the second instance disturbing. That's really all I have to say about this.

*Q: Well, you get up to Brasilia and you're there for half a year.*

WATSON: There are very few of us in Brasilia.

*Q: Could you describe what you were doing?*

WATSON: Well, we had a director of this office, Steven Low. We had the head of the

political section who was Bill Young and you had me. I was the bottom guy in the political section. You had an administrative section. You had a consular section. You had one or two economic officers. We had a lieutenant colonel, I think he was the army attaché, but Art Morrow was down in Rio. We had sort of a lumped group of us there in Brasilia. Everyone knew the embassy was moving to Brasilia over time. The foreign ministry only had two or three people in Brasilia; everyone else was in Rio. The new ambassador from Brazil Rubens Antonio Barbosa was the guy who was the top foreign ministry. It was a guy I dealt with all the time, but he's not the only one in the foreign ministry building they had there. Nobody wanted to leave Rio and go to Brasilia, but this was happening and nobody wanted to do it any faster and this was legitimate because their contacts were in Brasilia. This is going on. When Ambassador Elbrick left and Ambassador Rountree came he made a point of moving to Brasilia and even though he didn't have a residence, he lived in an apartment in the chancery building. That was a symbolic thing which was appreciated by the Brazilians, too, because a lot of the diplomatic corps in Rio even less than the Brazilians themselves, waited to move to Brasilia.

There's an amusing story about that. Barbosa is the foreign minister. He was trying to get the ambassadors to move to Brasilia. Many of them didn't want to do it. The Dominican Republic ambassador was one of the biggest holdouts. So, Barbosa one day summoned the Dominican ambassador to come see him. The ambassador had to run to the airport, get in that plane, fly to Brasilia and go to see Barbosa, met with him for 15 or 20 minutes, left and went back to Rio. Barbosa summoned him the next day and he got the point. The embassy that we built up there, it was a complicated process, but it was kind of fun because there was a handful of us there. The Brazilian congress was shut down by the military at this point, but a lot of congressmen were from around there and these political figures back in their states and there were people of some influence in many cases and very interesting people in other cases even if they weren't influential. I got to know a lot of those people.

*Q: Why would they be there? I would have thought they would have returned to their seats of power? I mean if there's nothing to do.*

WATSON: Some of them, their apartments were there. They didn't have any real place to go. They might go back and forth, but I don't think they had all of their. In Brazil you always had a lot of money if you were a congressman and you could go back and forth. You could go back five times a month to your home state fully financed. I think during this period this might have been cut off. A lot of them are hanging around and there was a certain number of bureaucrats coming up and it was quite easy to have access to these people because we were also scattering the people in this rather large city space. We all knew each other. The people who were coming up very often, they had quite a lot of information because they were the representatives with the finance ministry or the foreign ministry. So, they may not have been at the heart of it, but they were pretty well informed and it was an interesting time. Of course, the government, the generals were there, the military regime was there and the military officers were there after awhile. It was a fairly

interesting period. That was a hard place to live. It wasn't pleasant. None of us had houses except Steve Low. The rest of us had apartments. We had these buildings and we built, it's a different name now from when I was there. They had all names of areas of Rio. We lived in these apartments and it was difficult.

I was supposed to go to Rio and then for reasons of health of another Foreign Service Officer's wife, decided to switch and he would go to Rio and I would replace him in Brasilia. It was a little bit tough for us and it was quite a dramatic change for me from the University of Wisconsin campus, but we were making the best of it and we convinced ourselves that it was a good thing to do. We had a lot of friends there, but then what happened was that the wife of the principal officer in Salvador became ill. I think she had TB or something. Even though she was a Brazilian, an Anglo Brazilian from Sao Paulo the Department's wisdom at that time was to send people home to the U.S. if you were sick. All of a sudden there was a vacancy and they were looking around for someone to become the principal officer there. It was a kind of a funny story. Someone had suggested that maybe I'd be the person to send out there. My wife and I had spent all this time justifying to ourselves how wonderful it was to be in sort of a difficult spot in Brasilia. You know how you do? Trying to make the best of something that wasn't that good. We had all these justifications. The embassy was coming up, the center of affairs. We were going to be there ahead of everyone else. We're part of the in group and who the hell wants to go off to some remote place like Salvador da Bahia that we had never visited. On the other hand, _____ and Jean Abbot were friends of ours who were with USIA and had an office in Brasilia and had just come back from Bahia, said, that's the best place on earth. If you have to go you've got to go. We went home on the weekend and we were debating should we go to Bahia or stay in Brazil, what should we do. Finally we said, okay, we'll go off to Salvador da Bahia. I told Steve Low. He called up the DCM in Rio. He said, well, Watson and his wife have sat down and decided that yes they will accept the position in Salvador da Bahia to which I understand from Steve that the DCM exploded over the phone, "What do you mean they'll accept it? They have no God damn choice; they're going there." We spent all that weekend agonizing over something we had no control over whatsoever. Off we went to Bahia passing through Rio for the carnival in February of 1970. So, we did that. In some ways it was remote, but the very experience of having spent so much time in Rio. We had pouch runs through Brasilia. You remember that far back and I always took advantage of those if anyone needed a pouch I took it to Rio. I knew people in the embassy much better than somebody who had just come in and just gone to Brasilia. Certainly much better than someone who had just gone to a place like Salvador da Bahia. I knew everybody in the embassy. I knew what our issues were; I knew what people were interested in, what the problems were. I had this experience at Wisconsin. When I got to Bahia, it was like I was in this set of circumstances where I could take better advantage in that position than somebody else who hadn't had the good fortune of having all these experiences that I had. I could quickly decide what was going on in Bahia. It was not of importance in Bahia, who cares. It's important to the nation. Who were the political figures in Bahia that were important to Brasilia. Who were the military people who were important in Brasilia? What were the economic issues that were of significance of the country to the U.S., not just the locals? I was lucky enough because

if I hadn't had this experience I probably wouldn't have been able to do this. We are sort of focused narrowly on the local issues and I was lucky enough to have that respect. Bahia was considered to be a kind of paradise. Everybody in the embassy wanted to come there. That was okay. We put them up in our house. We put them up in hotels, but that was another way I could use all the elements of the embassy to get into additional relationships in Bahia that were relevant to the activities of the embassy.

*Q: This was early Nixon period, Kissinger was the national security advisor and Latin America was not high on either of their agenda at least that was my impression.*

WATSON: That's probably right. Somewhere around here wasn't it that Kissinger said that South America is a dagger pointed at the heart of Antarctica?

*Q: Absolutely, I used to use that on the Foreign Service oral exam when I gave it. What did he mean by that? When you were in by this time you were in Bahia, what did you see were our real interests at that time and how did that translate from the Bahia perspective?*

WATSON: I guess I saw two or three areas that were significant and that I could make a little bit of a contribution to. One was the political evolution of Brazil. What was happening in the military regime, which had lots of civilians in it and probably enjoyed the support of the majority of Brazilians, initially at least. How is that evolving? How did the regime function? How did the states, the big states and Bahia was a pretty big state, not as big as Sao Paulo or Rio, but a big state. Some very powerful, the governor of Bahia had been the chief of the civil household as so called as the chief civilian aid to the first military president. Then _____ who is now president of the senate was a leader of the civilians in support of the military coups and he went off to be, he was mayor of Salvador when I was there. Then he went on to be governor and we were still pretty close, quite close as a matter of fact.

These are guys who are players. By my talking to them even in Bahia I was finding out things that were going on in Brasilia that the people in Brasilia weren't finding out. Also, the military guys that were important that I got to know and also one of the more interesting things that I did I wrote a paper, which I think, was quite useful. People told me it was useful, how they selected a military successor to the president. How they did that. They sent out people from the national intelligence service in Brazil, all over that country, quietly talking to civilians, military, all sorts of people coming back to report it. They slowly developed within the high command of the armed forces a consensus on who the most acceptable person would be. It was a very interesting process.

I had access to the national intelligence chief office. The national intelligence service office in Bahia. These guys talked to me. I also talked to the intelligence chiefs of the three services in Bahia. I talked to all the political leaders. So, I knew who Brasilia was talking to and what they were saying and how these from this particular fairly important state, this is a window into the process of the decision making which I don't think anyone

else had access to.

*Q: I would have thought that you would have been breaking the crockery of the CIA and of the military attachés by getting into this process.*

WATSON: There was no CIA in Bahia and the agency personnel who were friends of mine who had responsibility for that were living in other cities and I worked very closely with them. I'd invite them down and they would sometimes go with me to some of these meetings to get some of this information. It was hard to report you see. I had reported everything by airgram and by classified pouch, how often did that go? It was ancient history. I could have done a cable, but I had to use a one-time pad. Do you remember those things?

*Q: Oh, yes.*

WATSON: I never sent a cable the whole time I was there. I'd find other ways. I'd go, I'd rather get in a plane and go and tell people. That was one area. Talking to these political figures, not just this one episode I told you about, but I was able to be pretty well informed on the major thing and report that back to Brasilia.

Secondly, I mean there was terrorism going on. Carlos Marighella who was one of the top terrorists was in Bahia and was captured and killed there. I knew everything about that. I shocked the station chief. I was led to Brasilia, I remember the story, it was kind of amusing. He said to me in this sort of badgering way, he stuck his head in the office in Brasilia where I was sitting. He said, "Hey, Watson. What's the matter with you guys? Your guys in Bahia let Carlos get away." I said, "No, he's still there and he's going to get his this afternoon." I was dead right. Before I flew to Brasilia in the morning I talked to the chief of intelligence of the air force and I knew exactly where Carlos was. They were on his trail. He was fleeing out in the west of Bahia. They had him surrounded and they were absolutely confident they were going to get him and they did. Meanwhile the station thought he was already back in Sao Paulo. So, it was sort of a minor triumph. A minor figure in the Foreign Service in that minor post.

*Q: But still these things, everyone notices these things.*

WATSON: I think it was indicative of the fact that, I don't want to sound boastful, but I think that I had an unusual set of very frank relationships and knew a lot more about what was going on in Bahia and to some extent to what was going on elsewhere in the country because of them. There was that angle. We all had to have bodyguards in those days.

*Q: I was going to ask you about that.*

WATSON: I had a bodyguard everywhere I went, one guy with me all the time. He probably wasn't much help, but it was my first introduction to that kind of lifestyle. You had guards at our house and sometimes we would find a tripod mounted machine in our

front yard sitting there with all the guards sound asleep and our five-year-old kid running around. A little scary. I think he was more than five, he was probably seven or eight at that point. That was an area that everyone was interested in and I could sometimes have something useful to say. Third, was economics. The only oil that was produced in Brazil at that time was produced in the state of Bahia. On land and offshore and a little north of Bahia. You had American oil firms there and lots of other oil firms there and you had an incipient petrol chemical industry that was stimulated by the Brazilian government. There was a lot of investment going on. The Brazilians had very interesting arrangements for the joint ventures. If I remember correctly, they had to have three partners in a joint venture in the petrol chemical area. One partner was the government company, PetroGas and one of its incarnations. One partner had to be a foreign firm expert in this area and the third partner had to be a local. The way they structured it they had a majority private sector as I said a foreign investor in the local capital, with a majority Brazilian of local capital and the government and you had a majority technically proficient, the government's fully a monopoly, and a foreign investment. That was sort of the triads. The three triads that came together. It was interesting and I was reporting on all that and talking to all the people and helping them get established. In addition to that there was the traditional economy. This may not sound unusually important, but it was of moderate importance. Brazil was anywhere from the first to the third producer of cacao, cocoa in the world at that time. It affected exports to a considerable extent and it affected life of the people in the area. It also was a center of the Brazilian tobacco industry, mainly for domestic production and sales and several other traditional agricultural products. Sugar had gone. It was a tourism area. There were American hotels. There was that sort of group of economic issues.

*Q: Was there, maybe it's later on, but we've had problems with Brazil because of they try to produce everything themselves to a certain status. Was that a problem then as far as finding markets for regular American products?*

WATSON: I think it still was.

*Q: Self-sufficiency.*

WATSON: Self-sufficiency thing and they were one of two countries that had a conceivable hope of being able to realize those expectations and even in the days back in the '50s and others, they built their own automobile industry and they had high import barriers. That's basically how they did their very rapid growth. They even did that during the military regime. All those people like Roberto _____ and others, more classically oriented economists who were arguing that it was time to shift away that they were creating insufficient industries and _____. It was still a very, yes, it was, I mean a lot of incentive for investment in Brazil. I mean Americans could come in and establish factories and make things there, but it was hard to import things in a finished state.

*Q: How about human rights at that point? Were we looking at that?*

WATSON: We were starting to look at it. You could not ignore it in Brazil because as I said earlier, there was a clear repression going on. It wasn't anywhere near what happened in Uruguay or Argentina or even Chile a few years later. It was going on. They had in Rio, at the air base and at the navy base in Rio there were people getting the tar beaten out of them and were getting killed. Things were happening. They never got to great excess and the Brazilians so when the transition to the civilian government and democratic assistance took place, the trauma to the country to try to deal with the excesses of the past was far less than in the other countries that I mentioned or in the other countries in South America. Yet, it was a manifestation of the phenomenon every time in Latin America. Americans, very often, North Americans don't understand this all the time, we get upset about it. There's no case in Latin America that I know of that has been different from this. Once the military regime goes and you move to a civilian democratic regime, the people of the country overwhelmingly decide rather than spending a whole lot of time investigating the past and determining actually who did what to whom, when and how and where and punishing those people for that which would be an enormously exhausting enervating process and what would it lead to. It probably would not be totally successful. It would lead to all kinds of incriminations and openings of old wounds. Rather than doing that in every single case they originally come to the point where they say, let's move on and focus on the future. We will have some kind of investigatory mechanism like you have in Chile. We have developed information, but nobody is going to move on it. We will try to find out what happened to your son, daughter, father, mother, aunt, uncle, best friend and whether they were killed or buried, try to find that out, but we're not going to have any mass trials, Nuremberg style or anything like that. The only slight exception to that was the significant one in Argentina where they jailed some of the generals. Even then they released all of them. Given that reality that's the way the Latins have dealt with this phenomenon whenever it has occurred. Given the fact that in Brazil it was a less extensive repression and abuse of human rights, although serious, less extensive than other countries, it was easier. Given the Brazilian personality, in Brasilia they say that Brazil is a country of the future and always will be, Brazilians easily move from the present to the future.

In this regard my wife said something interesting. When we moved from Brazil the second time to Peru, somebody said the countries must be very much the same. She said, "Oh, no, completely different. Brazil is a country that pays no attention to the past and it views the future as a prologue and the present is prologue for the future. Peru is a country that pays no attention to the future. It focuses on the present as the results of what has happened in the past, where they really focus their attention— completely opposite ways of approaching life in chronology."

*Q: How about when the groups there, how about university intelligencia. I mean does the intelligencia play much of a role in Brazil?*

WATSON: There were a lot of them and a lot of them were from out of the country. The current president of the country, Fernando Henrique Cardoso, I think was at Stamford or in Chile or in France. I think he was all three of those places or was it Berkeley. Anyway,

in California, Chile or France. A lot of people are in the government now. They have a dependency theory in which Cardoso was a leading exponent in those days and was very much in vogue. The world being described in sort of Marxist economic circles and was the center and that dominates everything else and was subordinate to it. It's not completely an invalid or analytical approach by any means, but it gets carried to extremes. Also the most dangerous thing about it is that it leads to blaming any kinds of difficulties that you had on some other situation beyond your control and thus avoids your facing responsibility for making decisions that will improve the welfare of yourself or your country. That's the most dangerous aspect of it. Those ferment in the university and sometimes there were riots and protests and the left is active in Brazil. They've had elections. When the congress was reinstated you had elections and you had municipal elections and people even when I was there shifted from the governors of states being appointed by the military regime to being elected and the mayors being elected. In that kind of a situation, this is when I talked about the evolution of the military regime. Everyone knew that you had to get back to a civilian democratic structure, even the military knew this. _____ was the most conservative, _____ was the most liberal in many ways, conservative in other ways, but he was just a character. _____ was the guy who handled it, was the intelligence chief, one of the guys that then moved it all the way to the end of the process in which you had elections in 1985.

*Q: Did the United States, I mean were we a whipping boy or was there allowed to be a whipping boy in society? I mean the Vietnam War had reached its peak and was beginning to go down. I was just wondering were we used as a great colossus to the north that's screwing everything up?*

WATSON: Interestingly, during the military regimes of Brazil was when the U.S. military mission that I mentioned a while ago that started in 1922 in the navy if I'm not wrong, then came '42 with the army. Anyhow they were all thrown out of the country by the military. Brazilians were extremely nationalistic during this time and when I was there also we had planes that were flying around the Brazilian air force and others were photoremedic analyses of Brazil, snapping. There was a belief that became so strongly, unless my memory fails me, it became so strong; we had to stop these things. This is all a plot for us to determine what was in the Amazon and we could see from these planes what was underground which of course you can do now, but you couldn't do then, but you can do now.

*Q: Yes, you can.*

WATSON: We were supposedly determining where the mineral deposits were so that American companies could come in. The Brazilians and still people have this, to some extent, it's hard to believe and understand where this came from. The paranoia about the U.S. taking the Amazon away from them for some reason. It was right in the middle of this Herman Kahn at the Hudson Institute published an article or a book with the idea that we damn the Amazon and create a huge gigantic lake in the whole center of South America, which would facilitate communication among all the countries. This is viewed

as absolute evidence that was the U.S. intention and plot. Another example of our taking over the Amazon. So, you had this kind of stuff and you had the concern that during the times of human rights violations that Americans were in their face. We've always had the foreign ministry as being highly nationalistic. I've always thought that the Brazilian foreign ministry played a role similar to the foreign policy of France and Mexico. France being the most authoritarian at that time of the European countries no matter how much they focused on being a democracy. It's much more control from the center than any of the other countries. They always had sort of a liberal or even leftist nationalist foreign policy. The Mexicans did it beautifully. It's an authoritarian state, not so much now, but it was and run by one party doing whatever it wanted, corruption. They could take the stand in the UN and around the world and it was generally recognized by the ____ to dupe the press and everybody that they were somehow the paragons of socialist virtue and that kind of stuff. The Brazilian foreign ministry simply was very aggressive about American stances around the world which is extremely useful I think in domestic political terms.

*Q: People I've talked to, I've never served in Mexico, have pointed out that in many ways we have very close relations with Mexico. The foreign ministry is sort of the pressure valve or something where they put almost all the leftists, the sort of anti-American people and they can sort of vent themselves there. Whereas, we have these cooperations and all. Was any of that feeling. I heard that the Brazilian Foreign Service is supposed to be one of the best in the world, but I was wondering.*

WATSON: They are highly trained and they're very competent. They're very competent in managing diplomatic work and in advising in negotiating multilateral flora and elsewhere positions without necessarily in many cases being very creative. I would say there are a lot of exceptions to this, but generally not being very creative in dreaming up new policy. They're good diplomatic technicians, highly frustrating to deal with. You say let's get to the issue. Look, this is how you get to it and protecting my position and not using one thing to you to the end. I don't even know what the end of the negotiation is and not giving you anything until we get there. That kind of thing. They're very good at that, very skillful and they're smooth and they're smart. I think that Cardoso and in recent years I think it's gotten, _____ to leave and people like that, much more creative and much more bold. But during the military regime basic foreign policy guidelines were established by generals certainly with advice from the foreign ministry people with whom they had confidence, but always it was highly nationalistic and conservative and in a belligerent way. This didn't mean that we couldn't have useful and constructive relations with them. We had lots of issues with them. We had fishing issues. I remember five or six major, very difficult issues. The nuclear issues were out there already at that time. It was by no means a picnic. The embassy was basically positive and constructive in trying to find ways to work with this important country without spending too much time on its failings of the regime, but some time on that, but within that context. There were a lot of issues that Kissinger created this special I forget what it was called now, it was supposed to be a high level bilateral commission where we would discuss how to find a way to solve issues, but let's put a little bit more pressure on and it made some progress. It did do something.

*Q: How about aid in your part of the woods?*

WATSON: Well, as I told you it was run out of Recife the city further to the north of Salvador da Bahia. There were aid programs, actually were all trying to focus on the impoverished area that was either smashed by heavy rains or severe droughts in the north east of Brazil. Bahia was by far the richest state in the northeast and by far the biggest state and a much more varied economy than most. It had probably the best political leadership up until recently. We worked on agricultural stuff. We must have had 20 different programs going on that were managed out of Recife. When I got to the consulate we had a couple of AID people, but they left. The consulate was very, very small. It was me, the USIA guy, a woman who ran our cultural section who has just been my houseguest now. She had come in when the first USIA guy left, she succeeded him as public affairs officer for the place and that's about it. The AID guys moved on. We had some people from the University of Maryland doing medical research there that was affiliated with the consulate.

*Q: What about dealing with the church? Was the church involved?*

WATSON: Oh, that was one of the things I spent most of my time on. I was fortunate once again. I had tremendous access for some reason to the local church leader. I think he's still alive. I think he's still down in Rio. The Catholic Primate of Brazil of the Catholic churches in Bahia is the formal leader of the Catholic Church. He may not be the most powerful person. It used to be the archbishop or the cardinal of Sao Paulo, but the highest-ranking person was always in Bahia. That's the first capital, that's where everything begins. That's where the capital was in 1763. It was 1500 when Brazil was started by the Portuguese and Salvador was the capital and you have this Castillo institution. _____ who was reputedly enormously conservative. This was a time when you had a fellow named Dom Helder in the northeast and he was considered to be sort of a radical firebrand stirring up the peasants and the impoverished people and all that stuff against the regime. The military regime was considered to be at one poll and Helder at the other. Not quite true. Helder was a very thoughtful guy who had a clear awareness of the difficulties of the situation, clear analysis of the failings of the military regime and the dangers it posed for long-term problems. You had to be very careful with respect to that regime. He told me all kinds of things. We had long, long discussions. A very austere guy. There were no jokes. I would write these long reports and they were without question, and I say this not out of arrogance, the best reports coming out.

*Q: This is tape four, side one with Alex Watson. Yes?*

WATSON: Without any question the best reporting anyone was getting anywhere out of the church. Not that it was complete, it was just one person's view, but it was really eye to eye. For some reason we got along well. We talked for like two hours, just one on one in his absolutely 17th Century office or residence. Then when he left he went to Rio, which was kind of a promotion even though _____ was a bigger. Then they brought in a

guy who was more on the left and more liberal and more progressive than Helder. In fact, once again, this is the truth, I thought _____ was more analytical in fact more progressive in how he wanted to see things evolve, although very conservative in style and approach. But I had a pretty good relationship with him too. He talked to me a lot as well, but he was never as useful and profound I thought and intriguing as the conversations with Helder.

I also spent a lot of time with Benedictine monks. They produced the first Roman Catholic missile ever produced in the Portuguese language. It was produced recently because up until then it was always in Latin you know. It was done there at San Sebastian monastery. There were two really interesting guys. One was the friar of this monastery who was a family planning advocate. Can you imagine that in these days in the early 1970's in the Catholic Church in northeastern Brazil? Unfortunately he's died, but he was an extraordinary person. He understood in all its profundity the perplexities of _____, that there had to be better ways to _____. Also the head of the monastery I can't remember what his title was now. Maybe he was the friar and _____ had another title, I can't remember 30 years afterwards exactly all the details. That was another really extraordinary guy. This monastery was a cautious, but forceful human rights player in the region. The head of the monastery did not share _____'s views on family planning or if he did he didn't articulate in that way. So, he was perceived as a little more conservative and his personality was a little more discreet and cautious, but he was also, I can't remember his name right now, but he was sort of an extraordinary fellow. They were really important players there and independent of the Bishop and the church hierarchy since they were a separate order. There were some human rights groups, too, but they were not anywhere as active as nowadays. There was much more activity on this front and further south in the big cities of Rio and Sao Paulo.

*Q: Was there anything equivalent in your area to, was it revolutionary theology or social?*

WATSON: Well, some people would argue that _____, the archbishop although not ever cardinal as far as I know of Recife was the forerunner of all that. He was the man of the poor and downtrodden and the church had an obligation to these people and the rich people could take care of themselves. That was the underlying theme that was developed in Peru where liberation theology was created.

He was viewed with great suspicion by the military. Did I mention this guy _____ who moved to someplace else in the northeast in the _____ in Salvador da Bahia was viewed to be sort of near _____, but I don't think he really was, but it was used. Then you had _____ who was from the northeast as well, but became cardinal in Sao Paulo and probably was the most influential cardinal. He was a very strong human rights advocate. Then _____ who I think was his cousin who was not quite as outspoken as _____. These guys, the church played an important role. I mean it was divided into the more conservative camps and _____ would have been considered there, but as I told you I thought he was much less so than _____, his outward manner dealing with the authorities

was very conservative. Inwardly he was very much, viewed as very similar to those to the more outspoken human rights advocates like _____. _____, he was a little bit of a demagogue in my view. He was good, maybe bad, may have been an effective leader and basically was an advocate of the rights of the poor not so much focused on the human rights violations by the authorities, but a more profound situation that the poor found themselves particularly in the northeast.

*Q: Speaking of the poor, what was, I mean normally an American diplomat you'd be talking to people who come out of the middle class or upper class. Did you find much concern within society from the upper and the middle class, concern about the poor and how did the poor translate themselves in Bahian terms?*

WATSON: It's a question with a complicated answer, probably a series of answers, so I'll try to do it in pieces. One is Bahia and Salvador is the home of the novelist, Jorge Amado, who wrote all these books about the common people and the poor people of the northeast. Amado is viewed as a communist member of the Sao Paulo state legislature and was treated as a leftist and could not get a visa to go to the U.S. until I got him one. We were very close friends and are still close friends and for some reason we were intimate members of the _____ group of intellectuals and all kinds of folks in Bahia we were really the only foreigners in that group. I went to his house almost every Sunday where something amazingly interesting was happening every time. In any case, through Amado's writings and stuff the poor of Bahia have a kind of romantic appeal which is also seductive and dangerous because it romanticizes poverty. Yet it also though on a more positive side brings to the consciousness of a lot of people who would not be even slightly aware of the stuff what the people of the streets and the fields and stuff really think about things, how they behave and that kind of thing. I would say that in Salvador da Bahia the popular life of the people was perhaps more evident everyday to the middle and upper classes than might be the case of other places. Because it was an essential part of the charm it attracted _____. Other cities always burst out at carnival time, but the rest of the year might end up being _____ by somebody, _____ less salient all throughout.

Particularly as the regime moved to more and more democratic forms of elections, the leading political figures knew they had to get support from the lower classes and so they would do things to attract their support. Demagogic things, symbolic things, whatever it was, sometimes real things including things that made a difference in their lives. As the regime liberalized, you had more of this. On the other hand, the basic policies of the military regime were sort of economic growth at all costs and that meant holding wages down and pressing labor unions and things like that. Oftentimes you found also the regime as happens in so many countries tried to hold down the price of food one way or another in order to meet the demands of the urban populations which are considered much more dangerous than the rural populations to the stability of a regime. So, you found farmers that had prices set for farm products that were so low that farmers could not survive. Then you get to the point when you start to reduce the food supply because farmers would go out of business. Then they kind of said wait a second. Either you have to start subsidizing the cost of food from other sources of the government while allowing

the farmers to get an adequate payment for their products or you've got to do something that increases the proficiency of farm production that brings the prices down and still gives a good return to the farmer. When you try to do this at a macroeconomic level by setting prices and agricultural credit rates and all that kind of stuff it gets very complicated. The Brazilians wrestled their way through this. I would say again the bias is toward providing commodities at lower prices to the urban people and thus negatively affecting agricultural development to a considerable extent. Until Nixon made the fatal mistake of banning U.S. exports of soybeans to Japan which triggered the Brazilian investment in soybeans and now they are the second largest exporter of soybeans in the world after the United States.

Then you had the large mechanized farms and you already had the large coffee and then the large cocoa and other kinds of production in the country. I've always thought that the rural poor were the people that we see less, the least attention from the government of Brazil. Brazil is now considered to have the worst distribution of income of almost any country in the world and one of the fault lines of that distribution pattern is urban/rural and I know Cardoso is sensitive to this. You've got to do something about education, health in the rural sector. Even in some of the poor urban sectors as well.

*Q: You mentioned that you became very close to this leftist writer whose name was.*

WATSON: Jorge Amado. _____ to Florida.

*Q: I've seen the movie.*

WATSON: All those I mean 30 or 40 now including some back in his early stuff, rather interesting radical, interesting novels about life in the back lands of the northeast.

*Q: You mentioned the one who wrote about this, that was earlier I think the profit who had his siege.*

WATSON: You're thinking of _____ of Peru who wrote the book about _____ who was in Bahia. The original book was written by an army engineer named Euclides da Cunha who went on the military expedition in the early 1902 I think that was a third attempt, the first two had failed for logistical reasons going to the backlands. The third attempt had been wiped out _____ and his followers in this area. The book in English is called Rebellion in the Backlands.

*Q: Fascinating book.*

WATSON: Fabulous book and then _____ took _____ that into a novel. Interestingly enough I think it was the grandfather of the governor of Bahia when I was there, _____. Either father or grandfather was the governor of Bahia who sent the troops to the _____ just at the turn of the century. I went up there. I went with a friend of mine _____ Fitzgerald and a driver and a bodyguard. We drove. We followed the route described in

the book, Euclides wrote in the sort of 19th Century naturalist style of Darwin of every plant, grass blade, creature, bird, insect you could describe. We followed the route and had a lot of adventures. Finally we got to the place where this massacre took place and the military finally got to a point they could win. All around the hills the _____ was and fired down on them.

*Q: In the first place as an ex-consular officer, how did you get the visa for him? I mean this was not a tolerant time, I mean Kissinger and Nixon and all that.*

WATSON: Well, first of all it was a real profound problem. In those days these small posts, the one in _____, the Amazon, Port Alegre, which was on the south between the Uruguayan, and Argentine borders. Bahia is in the middle of the country, the second biggest state of Brazil, Salvador da Bahia were not really consulates. They were called listening posts. They were consulates for me, but they didn't do a lot of consular work. It was the idea of calling them listening posts. I always thought that was a terrible idea for a whole variety of reasons.

*Q: To me it's like putting a gentleman with all his essential jewels on there. I always felt that if you take away the visa thing you've castrated a post.*

WATSON: Right. The currency in which you trade at these small posts is visas whether you like it or not. That doesn't mean you have to be corrupt in issuing visas, but that's what brings people to you. If you're not doing visas there, people say then why are you here. You're a listening post? What does that mean, you're a spy? It's a dumb idea, but we had, I had no visa authority at all. I realized very quickly what you've just said, what I traded in my currency I wasn't going to get too _____ of that process. I convinced the people in Rio to give me the authority to help them process the visas. The deal would come to me including even travel agency owners and they would bring in the visas. I would send them down to Rio and I would distribute them. I couldn't actually issue them. I made myself a point of contact for people who had visa questions. If they wanted to send it in to a travel agency we'd send it down to Rio where all the visas were being processed. If there were any questions or problems, I got information and everyone knew that this was where you could do that. It was very helpful also for our exchange visitors. There were a lot of visitors to USIA. We got a lot of money for that and in those days we liked people going back and forth. Also, immediately all the citizens services for the area. I couldn't issue the passports, but I could take the applications and all that stuff and the notarizing stuff and kind of be of use to the American community for the same reason that you've suggested. I never got into the immigrant visa business, but with Amado, well, he got an invitation from Penn State University to go up there and spend a year. I think this is how he did it. A long time ago, if you had asked me this yesterday I would have asked my houseguest Fran who was in the middle of this with me, we made the arguments that I think sure he was a communist, but he was a legacy. He was an active communist for some time back in the '30s in the state of Sao Paulo, but his whole life since then had been nothing like that. In those days the law said you had to have, if you were such a convert you took an active anti-communist position if I remember correctly.

We had to sort of scratch some things to get that through. We just kept hammering away at it and finally got the embassy to support us, to get into Washington and got him a single entry visa and get him up there. He went once I think on tourism and then he went up with this Penn State thing, he and his wife. I remember a photo they sent back of him standing outside Paul Revere's house in Boston.

*Q: You were saying you visited almost every Sunday?*

WATSON: Well, it was like, sort of a European salon. Amado's wife was also an author and very charming people. They have a very simple house, an open tropical style house with a garden, internal patio which he had little building with air conditioning in his office where he did his writing. The rest of it was open, not too big, but a good size open house. All the other painters and musicians and the folk musicians were down at the market and any author who happened to be in town. I remember meeting Arthur Hailey, the Canadian who wrote Airport and all those things were there and any sort of intellectuals from wherever country in the world, I mean Senegalese dance troops. You'd go and there would always be something interesting going on. There was a central corps in Amado's house, there was an artist, who unfortunately has died, he was originally an Argentine, but did a lot of painting in his simple style, voodoo called _____ religious ceremony, there were all sort of painters who had some significance throughout Brazil and in Bahia. Bahia has a relationship to the rest of Brazil a little like New Orleans has to the U.S. and that is it is the center of African culture. It was the capital and even in the days when it was the center of the slave trade, the Brits stopped slave trading officially in 1850 the British were still bringing them in there until the 1870s. You had people there who could remember; old people told me that they remembered coming over on the slave ships. Whether that really happened or not, I don't know, but they had a much more greater infiltration of slaves into Brazil long after it stopped in the U.S.

*Q: Well, slave ships were really going up until almost the turn of the Century they were slipping in.*

WATSON: 1888 is when slavery was abolished. In this country slavery became a breeding operation. They didn't bring in new slaves. Very early in Brazil you had to bring them in, so it was a much greater _____ to have freed slaves to do the artisan work, unlike in the country. It has to do with the nature of the colonization by the Europeans as much as anything else. You had all those evil and horrible, it was not as rigid and the freed slaves in the United States were largely feared and dangerous elements and in Brazil they weren't. You still had slave revolts, you had slave communities. Comparison of slavery in Brazil to the United States is an interesting story, but I don't know how we got on that.

*Q: You were talking about this.*

WATSON: A lot of music, all these musicians, one was just in town _____ who does spectacular shows at the Kennedy Center. There are a lot of the most important musicians

from Brazil are Louis Armstrong and the New Orleans guys. So, you always had something going on. There were interesting people there and we were part of that group for some reason. Not everybody obviously. Not everybody was an artist or a singer or a painter or a writer. Some were just sort of amusing characters that told funny stories that hung around.

*Q: You had this group, did it sit around and have Parisian lunch with cigarettes hanging out of their mouths?*

WATSON: No, we told jokes, you know, drank drinks, ate food that _____ and _____ would provide, not full meals, _____ from Spain and we'd go from whatever it was in the morning until middle to late afternoon on a Sunday. Whenever they were in town because they lived part of the time in Paris and they traveled, whenever they traveled and whenever they were in town, we sort of had these things. It was, no it was not serious profound intellectual discussion, it was screwing around, amusing people, teasing each other and telling stories. For us, of course, an extraordinary window about how people thought about them. You had these guys for a market performance, street performers, from the lowest possible classes who were all part of this.

*Q: Well, this might be, is there anything else we should cover in this period?*

WATSON: Well, one last thing I should say. It was interesting to be in this city because it's hard to recall, hard to believe, but in Brazil there were very few road connections between the various parts of Brazil. We were sort of in the middle of _____ administration and in Bahia you had to go, when we went from Salvador da Bahia to Rio you went by plane up until the mid '50s. So, when we were there which is now ten to 15 years later, the place is still being integrated into mainstream southern Brazil. We were there at a time when the economy started changing as I told you and the petrol chemical industry and a whole bunch of other incentives because they were in the northeast with all these incentives. I mentioned to you before the investment in things, many of them misplaced, but anyhow a lot of factories and stuff coming into the basic agricultural sleepy old days were changing, different products were coming in that people hadn't had before. I remember when strawberries arrived in Sao Paulo and different kinds of meats. You're there at a time and what of foreigners, including foreigners from other parts of Brazil, some _____ who were ridiculed by ____ and are in turn ridiculed by _____. There was a cultural change. It was really an interesting time to watch a very traditional society adapt to these kinds of things. That was a lot of things that made it interesting. So, we stayed there. People kept saying, Watson you've got to get out of here, your career will be over. You can't stay here. We said, we love it here and its very interesting here and we're going to stay here. We stayed until as I said July of '73. It was a year and a half. The most formative periods of our life, no doubt about it.

I'm going to say one thing about this. Even a very small operation is important if you're the head of that operation. You learn so much about yourself and that's why I regret that these kinds of posts that are eliminated throughout the Foreign Service because the whole

post, every cent spent including my salary was not $60,000 a year. It cost nothing and yet a whole bunch of us went through this and USIA people, too. You're in charge of your little operation. You learn what you're relatively good at, relatively less good at. You learn how to take responsibility. You learn how to define priorities. You learn how to relate to larger realities around you and you don't have someone telling you everyday what you have to do. I think it's a really useful experience for people to have and that for me, I was 30 years old at the time and this was a dramatic period for us in many ways. The cultural stuff and we learned many things that we could not have been able to learn in a job that had been more narrowly focused.

*Q: Also it helps a professional corps of people who know more about the country.*

WATSON: I had to speak Portuguese all the time. There was nobody to speak English to.

*Q: This is it as opposed to an embassy. It's kind of a little bit of an island. All right. We'll stop in July of '73 and where did you go?*

WATSON: Well, when Steve Low left the embassy moved from Rio to Brasilia definitively, Steve Low instead of being the head of the embassy office in Brasilia then became deputy chief of mission. He went back to be head of the office of Brazilian affairs in the State Department which in those days AID and State were combined and only in that region of the world. Only in the Latin America area. Then Steve asked me to come back to be what they called the Brazil desk officer which was basically the political officer on the team. We had Steve, we had two AID people, an economic officer, I had a deputy. There were about eight or ten of us in this Brazilian affairs office and I went back and did that arriving there on the job I think in August or September of 1973.

*Q: Great, we'll pick it up then.*

***

*Today is the 5th of November, 1999. Alex, 1973 you went where?*

WATSON: That's when I left my position as principal officer in Salvador da Bahia, Brazil in our consulate there and came back to be the political officer on the Brazil desk in the State Department. In those days AID and State were combined in the Bureau of InterAmerican Affairs of the Department. We had a fairly large office of Brazilian Affairs. Steve Low was the head of it and we had an AID guy as the number two person and then a couple of Foreign Service Officers and another AID person and a couple of junior officers and some support staff. It was a fairly large office.

*Q: Well, you did this from '73 to when?*

WATSON: It would have been late '73 probably August or September of '73 just before the coup in Chile. Allende was overthrown by Pinochet. I remember learning of that

while sitting at my desk after I joined the Brazil desk. I was there until about probably about April of '75. So, probably about a year and a half.

*Q: What were the issues? You had come out of Salvador and in a way you were now looking at a much bigger stage. What were the issues?*

WATSON: In Salvador, as I had mentioned before, I had the good fortune of having served in Brasilia before, knowing everybody in the embassy which at that point was still in Rio and having a broader perspective than I would have had had I gone directly to Salvador. I was pretty familiar with the broad range of issues that we were dealing with in Brazil. Just at this time we had a change in ambassadors. Ambassador Rountree left and Ambassador Crimmins, John Crimmins went down almost precisely at the same time that I was moving from Brazil to Washington if I remember correctly. So, I'm trying to think, well, there was the issue, there was always the human rights question in Brazil under the military regime. The military came in in '64 and didn't really go out until '84 or '85. There were a lot of trade issues. I can't remember now, it was so long ago, which ones were the most demanding at that point, but we had shrimping issues and we had other issues. We had I think nuclear power issues because the Brazilians were developing a nuclear submarine. It never came to anything. They were working on things like that, which was a concern to the U.S. at this time. Nuclear proliferation was a legitimate concern. There was the tension between Argentina and Brazil on nuclear issues that today seems way in the past, but there was a point where it was considered to be as dangerous if not more dangerous than any in Pakistan, but with a potential spark point for a nuclear configuration. I'm not sure without spending a little more time thinking about it that I can come up with the other issues we were dealing with.

*Q: Well, we can always add to it. In the first place, with the new ambassador on hand was there a new look at Brazil do you think? Sometimes one gets used to the way things are and the new man goes out there.*

WATSON: I think Ambassador Crimmins was a very different personality almost the opposite of Ambassador Rountree. Ambassador Rountree was one of the most conservative people we've had and Ambassador Crimmins was much more liberal than he was. Mind you this was all within a kind of Foreign Service moderation, neither one was a real radical in any respect. Yes, I think there was a much more activist approach taken by Ambassador Crimmins and a greater concern of the human rights question. We had an incident. I can't remember all the details right now, but it was very significant at the time about human rights violations involving some American missionary types up in Recife, northern Brazil, at the time. It was something that the consulate in Recife was deeply involved in. I was deeply involved in. I still had some contacts with some of those people from those days who were missionaries who were appreciative of the things that we did to help them out. Ambassador Crimmins of course was engaged with them. He gave great importance to them. There was a different attitude on the part of the embassy.

*Q: On the missionary side, was this, do you recall, was this associated with sort of what*

*is it the liberation theology or being more or were these just missionaries that got in trouble?*

WATSON: No, it wasn't that. I really at least this afternoon unable to recall that. I've got to really remember that it occurred. I can't remember exactly what it was about now. It's certainly recorded in the records. Rich Brown who was up there at the consulate at that time knows all about it, too.

*Q: We're talking about the Nixon Kissinger period still here when you came on, you say human rights.*

WATSON: That was the last year that Nixon.

*Q: Yes. When you say human rights. Was this a word, I mean, a double word in those days or was it?*

WATSON: I kind of remember something that was interesting. Human rights was a major foreign policy objective in the United States, defense of human rights and respect for human rights. It was an issue already at that point and if I'm not mistaken it was led in the House of Representatives by Tom Harkin, now a senator. Harkin and some others were really pushing this issue. In the Ford administration, who of course succeeded Nixon, there was an establishment during the Ford administration if I'm not mistaken congress imposed upon the administration a requirement to produce a human rights report. This was before Carter. People forget this. In the Ford administration is when you had to start putting together the first human rights reports for congress. This sounds pretty routine now, but that was a brand new requirement. It was highly criticized in a lot of countries that didn't want their human rights record unnecessarily propagated all over the world. Even people who didn't have human rights difficulties were not happy to have the United States sitting in judgment over them and writing reports on this. The executive branch wasn't too pleased with having to in many respects coming to spend more time on this than other reports for the congress. By the time President Carter came in in '77, he seized upon this in the campaign and an assistant secretary position for human rights position was created. Patt Derian went into that, I think that that position was actually created during the Carter administration, but I could be wrong. It might have even been created before Carter came in.

*Q: I sort of suspect it was before it was refugees and human rights together.*

WATSON: Maybe that was it.

*Q: What happened was we shucked the refugee side and concentrated on human rights which gave it more power.*

WATSON: Yes and Carter made it a more explicit part of his foreign policy in general, but I think what people do forget is that the first, the real impetus for this within the U.S.

government actually came from the congress. My recollection is that Tom Harkin and plenty of other people as well, but I remember Tom Harkin being a leader on this in those days. That's something of course we had to deal with on the Brazil desk with a military regime. And other kinds of human rights considerations and the arbitrariness of the government and the weakness of the institution that were trying to protect people's rights in Brazil.

*Q: Here you are on the desk. How did you come up, I mean I'm sure it was a negotiating of all these things were sort of negotiating, these human rights reports, but early on this must have been something that you kind of wish would go away because it's only going to cause problems.*

WATSON: You know it's hard for me to recall now what my attitude was then, but it probably was something like that. I don't know. I sort of wish it weren't, but my guess is probably I viewed it as a slight imposition. My sidekick David ____ actually had to do the report. My deputy who was in the political part of the office at that part although I'm sure I reviewed it carefully and had many other eyes.

*Q: On the nuclear issue, what was spurring Brazil and Argentina to go this way? I mean you look at, there's not a hell of a lot of border. There hasn't been an Argentine and Brazilian war.*

WATSON: I don't think it was that. I think and in fact I think in each case it had originally much to do with the other one. It has to do with the big power status. If you consider yourself a big power in those days the big powers had nuclear weapons. If you wanted to enhance your negotiating position on a variety of issues and your power in the world, _____ to which other countries took you, so went the belief, it would be good to have nuclear weapons. Both of those countries harbored those sorts of aspirations and thought well, we've got to get into this nuclear business. Then of course it ends up with side by side that people are concerned they will, what the heck do these guys want them for, what will they use them for, well they might use them on each other. It was always a kind of an intense, not hyper tense, relationship between the two countries. I think that the idea that there would be a conflagration now between the two was probably fairly remote, but you have to remember that any possibility at all was considered enormously serious and threatened the world peace and the welfare of everybody at that time. The Brazilians meanwhile were busy building these nuclear reactors for the generation of electric power down south of Rio using German technology. The U.S. was endeavoring to prevent that from happening and unable to persuade the Brazilians and unable to persuade the Germans and in the process annoying both of them. We were fearful that this was out of control and would end up leading to weapons. Again, I don't remember all of it; it was a long time ago.

*Q: As you're looking at Brazil particularly at this time when you're looking at the whole country of Brazil, under the military regime my reading it sounds like a significant number of ill conceived very large projects, dams, nuclear things, roads and all this.*

WATSON: The Amazon highway that started under President _____ who was in office most of the time I was in Brazil. He _____, more or less when I left Brazil and then the Amazon highway. He built projects in Latin America _____ projects like the _____.

*Q: I've seen that. I mean once this you had AID people were we looking back and saying, my God they're wasting their resources on these pyramids?*

WATSON: Well, I'm sure we did think that, but there's not much we could do about it. Some of these things you know, the press was under some kinds of restriction in Brazil. Congress wasn't functioning at this time and so these things were generally things like the _____ Amazon highway were generally accepted as good things. The _____ expression of major power status, here we are the Amazon is ours and we're going to dominate this thing and take advantage of it. The Brazilians had always had an irrational or a certain fear that somehow the United States would snatch the Amazon away from them. That blossomed even a few years ago when we were doing some military exercises in Guyana of all places. Then a little while later in Argentina and there was a hysteria in the Brazilian press fed by certain military elements that this was the U.S. trying to ring Brazil and seize the Amazon and stuff like that.

*Q: Every time we touch the Amazon it seems to bring out this. It's the equivalent to today's black UN helicopters to people who feel that the United Nations flaunt Americans _____.*

WATSON: I think that, I will in a few sentences try to analyze that, but I think there were a lot of factors. One is that the Amazon, everyone has told the Brazilians that the Amazon is unique and wonderful since the beginning of time. Half of all the fresh water in the world runs down the Amazon, things like that, gigantic descriptions of the importance of the Amazon. Two, nobody knew anything about the Amazon, so it becomes even more mysterious and wonderful than if you actually knew about it. So, you have all kinds of ideas about the tremendous potentiality of it and anything else you want to say, but based very largely on nothing. It's not very good for agriculture, the soil is very thin, you strip away the tropics, the plants drop their leaves over time and those leaves are what constitutes the humus in the soil. You cut the trees down to convert it into agricultural land, that process does not go on, the soil is thin, you wear out its nutrients very quickly and then you've got to move on and the winds come in and it's gone and that's what happens. They argue that it's a valuable hydrant of water resources and things like that. So, the combination of the fact that it is perceived to be very important and you don't know very much about it. The idea that nation building constitutes like it did in this country, this is not the majority about Brazil. As sort of an insight, you've got to do something about it. Remember in these days in Latin America most of these countries with military regimes spent a lot of time on national security theories. These were national security states where the preeminent objective of the government was to insure national security. Then you've got all these countries like Surinam and Guyana and Venezuela and Colombia, even maybe Ecuador even though it's a little remote now and

Peru and all and Bolivia, all these countries out there around Brazil, butting Brazil in the Amazon region one way or the other. You have no ability to defend yourself or to keep them out not that anybody wants to come in or anything like that. Just thinking in the most theoretical terms you have no imaginable line or any other defense, no radars, no anything and that your military person is speaking in terms of national doctrine that is something that also prompts the potential to this area. Finally I think there was always the fear and I think I might have mentioned earlier when we were on Brasilia, there was a fear that somehow the more advanced industrialized countries had technologies which would allow them to be able to discover before the Brazilians did natural resources particularly mineral resources in the Amazon before the Brazilians could. By the time the Brazilians found out about it these foreign firms would already be in there somehow exploiting it. So, all of this contributed to a sense of great importance given the Amazon and a great nervousness about Brazil's inability to manage it and the danger that that would bring about in terms of exploitation by others one way or another.

*Q: I'm sure at the time our concerns were raised we would have the American _____ of the west thrown in our face?*

WATSON: I don't even remember the U.S.'s expressing much formal concern over the trans Amazon. I don't remember talking about that. I think we sort of viewed it as a kind of extravagant project, very difficult to maintain the roads in those kinds in tropical jungle climate. If you don't have good well-constructed very well constructed roads in the first place, then the system of maintenance was ongoing all the time because of the rain and the road was not going to be surfaced. It gets muddy real fast and to surface it would be much more expensive and even then you're got to be looking for undermining by rivers and you've got, and plants would grow right back over this if you don't use it and it was quite a huge enterprise. I think, my recollection is, I could be wrong, it was a long time ago. We didn't make much noise about it. We were mainly concentrating on the bilateral issues. I remember Ambassador Rountree saying we had seven or eight bilateral issues and we had dealt successfully with virtually all of them by the time he had left, but right now I can't recall what they all were.

*Q: Did you have much contact or was it Steve Low who dealt with the Brazilian embassy?*

WATSON: I dealt with the embassy a lot. I knew the ambassador very well. He had been the foreign minister under _____, which was the government that promoted the military to stage the coup in 1964. He was a good friend of mine. We got along well. His daughter married a young man from Massachusetts who was an aide to a congressman and then became a congressman himself at that time. His sons are diplomats now, ambassadors as well. We got along very, very well he and I. I think that with all due respect to my colleagues, I was probably considered the most Brazilianized of the folks in the State Department having spent a lot of time not in the diplomatic community of Brasilia or something like that, but in the interior if you will on the coast, interior meaning non-capital areas of the country. I knew a lot about the countries I mentioned before because

of my time at Wisconsin and spoke Portuguese well. I knew lots and lots of people because hardly anybody of any importance came through Bahia. They didn't drag out the American Consul as being a personage of some significance even though it was only me so I had a chance to meet lots of people there including the guy who eventually became foreign minister.

*Q: How well did the Brazilian Embassy play the Washington scene? I mean some embassies don't really understand congress, the media, the White House as well as others do.*

WATSON: I would say in those days they were just becoming aware of the need to play it better, but they still weren't playing it better. I mean recently they've been doing extremely well. Their ambassador, their last ambassador was an old friend who I met many times when he came to Bahia when he was a mid-level Foreign Service Officer and later when I was the Deputy Chief of Mission he was the number two man and the Secretary General of the foreign ministry and then he was ambassador. He was extremely active all over town, knew everybody. But they also had now created sections in their embassy for people who deal with human rights, people who deal with the environment, people who deal with NGOs, people who deal with the congress, people who deal with commercial matters and things like that. In those days we were just, they were still in sort of a classic, if you will, European embassy mode, but they were smart enough to realize that in this crazy town they needed to have many more tentacles and feelers out than they did in areas that were non-traditional and therefore resisted by the bureaucracy outside of the foreign ministry, but I think they realized they were having to do that.

*Q: Were we making noises during this period about the when are you going to get back to democracy and all that or was this pro forma or was this serious?*

WATSON: After the Medici regime ended, that was the most conservative, it was the third of the military governments and it was the most conservative I think. Then they went to Geisel who was probably the most liberal of them all who had been associated with a faction of the military who wanted to return the country to democracy and he basically did that. He put that in place. Now, he himself was highly nationalistic, did a lot of things the U.S. government didn't like, was an authoritarian personality in many ways, but understood the need for the country to move back to civilian democratic government and set in place the pieces that moved toward that. His term ended. The last of the military government was João Figueiredo who was chief of intelligence and under Geisel. They had elections in '84 and '85. We have produced Tancredo Neves as president, but he was so ill that he could not be sworn in and he died shortly thereafter and his vice president José Sarney was sworn in and then succeeded the presidency. It was kind of funny. There was a vice president sworn in, but no president. The president who would have been sworn in died and the vice president succeeded him. That was, I'm getting ahead of myself.

*Q: Did you have any feeling about the State Department under Henry Kissinger that*

*resulted, did not rank very far? I mean there was the sort of thing that you fellows take care of Brazil and don't bother me at all?*

WATSON: I don't think, I wouldn't say I saw anything that would confirm that. That may have been the case, but I don't remember seeing anything like that. I remember under Kissinger the habit of writing verbatim notes in all meetings came in. He wanted notes on everything. I remember attending a meeting between the Brazilian ambassador, Bill Rogers who had was then assistant secretary of InterAmerican affairs, Henry Kissinger and I. I think that was the group. I don't think anyone else was in the room. I remember when we walked in the room, Kissinger said, "how are you Mr. Ambassador." "I can see that once again it takes three Americans to handle one Brazilian." Ha. Ha. I scribbled my notes during the meeting and ran downstairs and typed them up as fast as I could and got them up to Henry's flock of people who took care of these kinds of things. I remember, the process that I took enormously seriously, I was scared enough not to get a single word wrong, because I had no shorthand skills. It was kind of ridiculous. I thought I'd have writer's cramp for a week after that and then typed them up. Actually I'm not bad at that with the previous memory that I did in those days I was able to do that, but that was kind of interesting. I don't think Latin America was unusually high on Kissinger's agenda. He was quoted as saying Latin America and South America was a dagger pointing at the heart of Antarctica and things like that. But on the other hand I don't remember his saying anything as you just suggested or doing anything, he treated these guys with great respect.

*Q: You mentioned you had just arrived on the desk when the Pinochet takeover in Chile came. Did this send shockwaves around from what you gathered particularly in Brazil? Was the feeling that the United States was implicated in this at all?*

WATSON: Being on the liberal political spectrum myself I was disturbed to say the least about the Pinochet coup. I can remember that. It was no secret that the U.S. was enormously displeased with what was happening in Chile. It was a mess. Allende was not in control of his own government, all the economics were out of control, he was not a communist, he was a socialist and the communists were in key positions and the whole thing was a mess. He was losing public support and everything. There were lots of reports of the U.S. involvement or incitement or what have you. The truth is now still filtering out as to the extent to which the U.S. might have influenced in one way or another, but I remember being disturbed by it. I just remember it as a very dramatic and important event that took place just after I got back to Washington.

*Q: You were there until '75, did the advent of the Ford administration make any difference?*

WATSON: Unless I'm mistaken Kissinger stayed on as Secretary.

*Q: He did.*

WATSON: It didn't make much difference to the State Department. I think, I don't recall

it making much of a difference in the foreign policy concerns from my perspective. Needless to say the circus of Watergate, went away when the president resigned, so Washington had a distinctly different mood.

*Q: Were you trying to explain Watergate to the Brazilians here at all? Were they as confused as everybody else was including Americans?*

WATSON: No, I don't remember spending any time talking about that. It wasn't my job. They could analyze it as well as I could. Remember at that point what was going on was a series of revelations. John Dean, Mitchell and all those people. I had my own perspective of it. I knew instinctively, absolutely instinctively from the outset that Nixon was deeply involved and Mitchell ran the thing. I had no evidence for that, but I just knew it in my gut. My visceral dislike of Nixon, just the lack of respect for his character, led me to this conclusion and it happened to be right. It was based on prejudice and evidence and watching this horrible drama unfold was really quite fascinating. I remember when it was announced on my birthday that he was leaving and I think it was the day after. It's hard to imagine now even in the wake of the Clinton saga with Ms. Lewinsky how gripped this town was by the Watergate, much more so than the Lewinsky thing because it was much more serious. Much more serious.

*Q: The other one was sort of stupid.*

WATSON: Stupid and childish dalliance with perhaps according to some people some sort of a perjury or other failure to tell the whole truth while sworn before a court of law, but here we have the president of the United States running a criminal operation of breaking into peoples' offices and houses and stealing things from them and then lying about it and getting the FBI and the CIA to cover for them. It was no comparison between the significance of the two things.

*Q: By '75 you had finished your term there and where were you going?*

WATSON: Well, what happened was, this was not how the State Department works, I'd like to say and I think it's true that I never had a job in my career produced specifically by the personnel system after my second one in Madrid. When I came back from Madrid I went to the Bureau of Intelligence and Research at the request of those people, worked out behind the scenes and around the personnel system and then up to the Bureau of Intelligence and Research the same way, and then up to Wisconsin and then off to Brazil, also arranged, nothing untoward or inappropriate, but it wasn't the simple, "Here is the job and you're presenting yourself. It's all done, Watson, you're going here." When I came back to the Brazil desk with Steve Low who had been my boss in Brasilia, had asked me to come back and be the Brazil desk officer. At that point I had a carpool, l which was a notorious carpool, which I'll tell you something about in a minute. We drove the worst car except for perhaps Chuck Grover's car, and the entire State Department was my car that he was driving. The Maryland laws were so lax on inspections that you did not have to inspect your vehicle in Maryland in those days. It may still be the case unless

you sold it. It had a cracked windshield, holes busted all the way through the floor and puddles would splash up inside the car and guys had their umbrellas facing down when it rained so that the water wouldn't splash up on the cuffs of their pants when they were driving. Anyhow, that's another story.

One of my carpool mates was in personnel and among the accounts he was handling in personnel was the Economic Bureau. Tom Enders was the assistant secretary for economic affairs and he was fed up with the way the old civil servant who has passed away now was handling sort of public affairs for that bureau. Also he was fed up with the way that the congressional relations bureau as it was then called was handling economic affairs for the State Department on the Hill. He decided to create his own position of a special assistant for congressional and public affairs. He was looking for someone. My carpool mate said, "Would you be interested?" "I'm interested in anything." I was completely unqualified. I had only two economics courses in my life I think. One was a survey course and one a more specialized course, maybe three. I didn't know anything about congress or law, legislation or law, but I was willing to take a stab at it and ended up being interviewed by Enders as one of the candidates and ended up being chosen. Now, since I bore some resemblance to Tom Enders although he was another three inches taller than I was, my wife likes to say that when I left the room after interviewing, Enders said to himself, "I don't know what it is, but there's something about that guy." I had no qualifications for the job, but I got it. I started that in April of '75. It was one of the most interesting jobs I ever had.

*Q: You were there from '75 to when?*

WATSON: Well, let me try and figure this out… until about '77. Then in '77 I became the assistant director of the office of development and finance in the economic bureau. In '78 I became the director of the office of development and finance in the economic bureau. In '79 I was the deputy chief of mission to Bolivia where the former deputy assistant secretary in the bureau of economic and business affairs for monetary affairs Paul Boeker, not Volker, Boeker, was ambassador and asked me to come there.

*Q: Well, let's stick to the time when you were working with Tom Enders.*

WATSON: Right.

*Q: In the first place, was Frances Wilson still there? Can you talk about Frances Wilson?*

WATSON: Absolutely.

*Q: When you talk about the economic bureau you talk about Frances Wilson.*

WATSON: Absolutely extraordinary person, extraordinary woman who ran that bureau. She was the executive director of the bureau of all the administrative part and personnel part of the bureau. She ran it like a club. She and whoever the assistant secretaries were,

Deane Hinton was involved in that. Tom Enders and Jules Katz and Joe Greenwald and I'm trying to remember now before Hinton who was there, but anyhow there was a whole lot of these people. She worked with a lot of them. They were all top-notch serious, intelligent, very aggressive smart people. She supported them by getting good people. The bureau had its ups and downs and I can tell you when I was there with Enders it was, I think, one of the high points and I was very fortunate to be there. She knew where everybody was and there were people that were thought well of and there were people who were thought less well of. The ones who were not thought very well of didn't last very long and never came back. People who were thought well of she kept track of. They might have been off in Kabul or Afghanistan, you know, the number three economic officer, but she knew where they were. She knew what they were good at and if Jules Katz needed somebody good at this right now, she'd snap her fingers and they'd bring that person back and they'd put them in a job higher than his or her rank and you know, things like that happened. I had the good fortune to be one of her favorites apparently because she would call me. My office was not too far from hers and I'd come down to her place and we'd have chats, not all the time. She's good at this, making people feel like they are inside the thing and I'm sure I wasn't the only one who was getting this kind of treatment. Not that many, but, she put together a really fine bureau and a lot of really top notch people in those days. They're still around. Some of them retired, Steve Boswell, Joe _____, a lot of really.

*Q: I heard something just the other day that she was the candlestick bowling champion of the United States.*

WATSON: I don't know that. Maybe in her youth.

*Q: All right. From '75 to '77 this period in the E bureau.*

WATSON: A fascinating place.

*Q: Could you talk a bit about Tom Enders first, how he operated from your perspective?*

WATSON: Tom Enders is one of the two smartest guys I ever worked for, the other is Tom Pickering. Enders was the kind of guy who kept me scared most of the time probably because I didn't know what I was doing as I explained earlier, but also he had kind of an imperious style. He was extremely demanding. We were all on our toes all the time, which actually is good, you don't know it at the time, it was good. I was in a somewhat difficult position because no one had ever had the job before so no one knew quite what to expect of me. I didn't quite fit into the niches. On the other hand to my advantage there is no one to compare you to. You do anything more than it had before it looks wonderful. You could have done more than you did but they do not know because there is no basis for comparison. He was an amazing guy and Henry Kissinger used to say exclusively, he didn't know anything about economics, so he put a lot of faith and store into his economic team. The undersecretary of economic affairs, a guy named Chuck Robinson who came out of American Express and knew Enders. They didn't get along

very well most of the time, both being quite aggressive. Enders would be dealing with Bill Simon over at Treasury and of course Gerry Parsky the assistant secretary for international affairs, in those days the treasury and for me it was an eye opener. First of all sitting in the staff meetings and learning what all these issues that I only knew a little bit about before was exciting and these are major issues. Remember this was the time after the first oil price hike. This whole country was convulsed about how to deal with the oil crisis. We also had agricultural issues, a lot of AID issues on the Hill, a lot of issues affecting the international commerce like the Arab boycott legislation with foreign corrupt practices act, all this stuff was out there at this point. We also had a lot of trade and stuff, ways and means, the finance committee and Frank Zarb on the energy side Frank Zarb was the head of, the predecessor to the Energy Department it was called the Federal Energy Agency at that time. So, this was during the Ford administration and it was for me very exciting stuff. I learned so much in a short time and one of the interesting dimensions of this list was this was the first position of this type in the Department. That is to say the first position of a congressional relations person outside the congressional relations department with the exception of a person or two that worked on strictly State Department administration issues that had been around for a long time, but had their own office. I was in fairly an exposed position. Bob McCloskey, who was the assistant secretary for congressional relations at that time and he could have taken offense, he could have banned me, he could have done anything to me. He took another approach, which was to cooperate which was the smart thing to do and what you would expect a guy like Bob to do. I had a foot in each bureau. I went to the staff meetings the first thing in the morning at the congressional relations bureau and then I would go over to Enders cabinet. Then Bob McCloskey changed the person they had working on the economic issues. He replaced him with a Foreign Service Officer named Paul _____. So, there were the two of us in the same bailiwick with so much to do there was no problem. We'd just divide it up. We were like Tweedledum and Tweedledee running around doing our stuff informing each other. He always reporting responsibilities back to McCloskey, mine were to Enders. As we were organizing, I would organize visits by Enders and Katz and others up on the Hill, but Paul would be organizing with McCloskey and others would be doing. If Kissinger were having a breakfast with congressmen, of course Paul got stuck with organizing that, I didn't have to do it. We were just good friends and we worked together all the time, which was supportive. We did some very useful things. I learned a lot about how the congress works of which I knew very little before. I learned a lot about these issues and felt that I played a very useful role in this. Obviously I must have not done too badly or they wouldn't have given me the rather substantive jobs in the office of development and finance.

*Q: Let's talk about dealing with congress. Did you find was there a problem or suspicion getting over to congress and who would you see and what would you do?*

WATSON: Of course I was scared to death. I'd never been there. I didn't know what to do, but I figured, I approached it like a Foreign Service officer in the political section in a foreign country in an embassy. You figure out who were the people you've got to know and where your interests are and who the people are who would make a difference and

you go up and try to meet them. You don't have to meet the top dog. You can meet the little dog who was doing the real work and you try to smoke out what's going on. I could go on at this in great length.

First of all on the Hill at least in those days people were really quite open. There was a different attitude toward information on the Hill than you had in the executive branch. The executive branch, the bureaucrats, be they Foreign Service Officers or others, if they had information they tended by and large to hold it pretty close to play their cards in a way within the bureaucracy that was most advantageous to advancing what they're trying to do. So, this isn't to say that people ultimately hid things from each other although that did happen from time to time, but they were much more cautious. On the Hill they are the buyers of the information, they want information, they need to have it, they don't have a bureaucracy generating it for them. They're getting stuff from all over the place, they're trying to sort it out to meet some kind of legislative or political requirements of where the boss is, the staffers. So, I found them really quite open. Some of them were more difficult. It was sort of funny to see these little dogs behaving like their masters. It's like you say that dogs look like their masters, well, sometimes on the Hill the staffers adopt the attitudes and behaviors of their leaders. It's sort of comical sometimes. They browbeat you like you're a witness and they're the chair on the committee and you sweat. After you get through all that nonsense you sit there, you find mutualities of interest and they need information and you can get them information and you have objectives and they can help you achieve your objectives. That's the basis of the arrangement.

The most important characteristic at least in those days in my view was a good congressional relations person were first of all pay attention, figure out what's going on, analyze like a political officer. What is really happening, who is really important, come back and report back to Enders and Katz and others with my recommendations of what we'd do next. The second thing is if the congressional staff or the congressman himself or herself needs your help with something or your support or the information provide it. Third, be absolutely reliable. If you say you're going to provide it, provide it. Don't bullshit them. Many of them did because they desperately needed this information and they work on a very fast pace there. They've got to have it by 2:00 this afternoon and it's now 11:00 you're got to go up and get it that fast. Fourth, be discrete, be careful about what you say about people because you don't necessarily understand all the relationships among the members of congress and members of staff and others. You may find that you say, boy I was just over there talking to so and so and he's really this, that and the other and it proves to be devastating to the person you're talking to who is an enemy on the Hill and it gets around. So, those are the basic things. I really enjoyed it. I found that once you follow those rules and if you apply yourself with energy, had a sense of humor of course, remember we had _____ up there in the house of appropriation foreign affairs subcommittee, appropriations subcommittee and then _____ of Maryland. Russell Long on the senate finance committee. These are legendary characters. I remember Russell Long saying a full finance committee, mark up a great big tax cut, every lobbyist in town was in this huge room. Russell Long comes in there and sits down and I don't know quite why he said this, he said, "My Uncle Earl said," remember Earl Long?

*Q: Yes, governor of.*

WATSON: Semi-crazy governor of Louisiana.

*Q: Yes, part of the Huey Long dynasty.*

WATSON: Yes, he was the brother of Huey Long and Russell Long was a nephew. In any case, "My Uncle Earl, Earl Long, my Uncle Earl says a politician should never, never lie except when absolutely necessary." The whole room broke up. Bob Dole was the ranking minority member I think it was, pretty sure it was. This was, I think it was, pretty it was, I could be wrong, but it was quite time. I learned a hell of lot and met lots of nice people. There were congressional staff people that I met there and am still friends with. Still see them around.

*Q: One of the things that, the Foreign Service has often, it's been said that the problem with the Foreign Service is they don't understand how to deal with congress and they are suspicious of them and they don't give good service to congress therefore they are returned in kind. Were you up against this particular prejudice or problem?*

WATSON: I think that statement is said a lot and that belief is out there and it's probably true to some extent, but I think it probably has more to do with the relationship between the State Department as a bureaucratic institution and the congress over the rights, prerogatives, success and failure of that institution as opposed to specific kinds of substantive issues which exists beyond the institution itself. I may be wrong, but that's my thought in response to what you just said. That is to say, I didn't have that. Most of the issues we were dealing with, international economic issues, the State Department was not the lead agency. Remember under Kennedy they stripped the trade authority out as part of the deal with the Kennedy round who created the USTR. During this time we were creating the foreign commercial service and the people in Congress always had the ax to grind. They were being fed by others that you've got to get this horrible State Department out of our affairs so we can have some area that we can sort of control for our economic interests in the U.S., commerce and things like that. They were making these kinds of deals. On those issues here we were working with Treasury, with USTR, with the Federal Energy Agency with AID, a lot of these issues. Some of the issues the State Department was the lead agency, but on most of it was another agency. It was important that you could work with Congress. Also, if you were clever and you had good relations with congress you could have even if there were differences within the executive branch, not that you would be disloyal if the president decided, but while still things were in formation or you could sometimes get your own views independently up there on an issue. They would ask. It's like on a hearing, the State Department said this; Treasury said this, try to get coordinated. You're not necessarily coordinated all the time or do you necessarily have the same point of view nor should you necessarily express the same point of view if you don't actually have it. I didn't find that. I found that certainly in the economic area, a person like Jules Katz who was principal deputy assistant secretary most

of the time I was there and then became assistant secretary for a while is highly respected on the Hill and in Trade and Agriculture. A guy with the same qualities I said before that we relied upon. Jules would never mince words. He would tell you what he thought. If you didn't like it you knew where he stood, you knew what you had to bargain with. If you asked him for information he would give you the answers to the best of his ability. If he didn't have it you'd go get it. He was highly regarded. It's harder though for Foreign Service Officers who were not in the position and even political appointees and others from other agencies, you don't have the luxury of being like Jules with many years of dealing with these issues on the Hill. It's a little bit hard to do that. It can be done, but you've got to spend a lot of time developing relationships.

*Q: How did you find Tom Enders? I mean you're watching your principal go up there and I think of Tom Enders one hears, I mean, you know, he's imperious, very smart and all this and sometimes this is just the thing that's the burr under a lot of congressional saddles. Was he able to play and understand the different roles? How did he work the congressional side?*

WATSON: My own view was that Tom was not as successful at that as he was at handling things inside the executive branch, that he was ineffective. He didn't have the kind of credibility out there or standing is a better word as someone like Jules Katz did. Tom had the problem of walking into a room full of large egos and having been the valedictorian at Yale, looking sort of almost European as opposed to American, pocket handkerchiefs and stuff.

*Q: Sort of like Dean Acheson.*

WATSON: But twice as tall and a way of speaking, very clipped and authoritative and not very conversational. My recollection, this is a long time ago now, 25 years ago, was that he didn't really have too many really good congressional contacts.

*Q: Were there any issues you can think of that particularly engaged you at this time?*

WATSON: Oh, yes, God, many, many issues. One that I actually made a difference on had to do if I remember correctly had to do with the taxation of Americans overseas. As I say it I have my doubts now because taxation is with Ways and Means that is handled in the House commerce committee with Jay Rockefeller of West Virginia as chairman. Maybe it had something to do with taxes, but it was being concurrently handled by two committees. But in any case I think it had to do with taxation or the status of Americans overseas in some fashion. In any case, I remember writing the sentence, giving it to a staffer Charlie Curtis who is a big wheel in this town now who was the general counsel of that committee who gave it to the chairman of the committee who stood up and read it out as his own amendment, any objections, no. Your own language. So, that was kind of satisfactory. As I told you before we worked a lot on these energy issues. All night long, night after night in the conference between the house and senate. Scoop Jackson was leading the senate side. I was running around trying to make sure that the State

Department's concerns were taken into consideration. That's done, a lot of time, on the replenishments and appropriations for the World Bank and the American Development Bank, Asian Development Bank, African Development Bank. Helping AID on legislation. I was up there all the time. Lots of very specific trade issues. As I mentioned before the Arab boycott business, the Foreign Corrupt Practices Act which was mostly in the banking committee, I'm only remembering a few of the things. I had an agenda that was probably ten things every single day, a very exciting and very interesting job. I highly recommend it to anybody.

*Q: What about other bureaus? I would assume that particularly the Near East Bureau would have all sorts of its problems while congress had its perspective.*

WATSON: Well, State had to develop a position on these kinds of things, but we're basically talking about oil import policies and oil pricing policies and development of oil reserves and all that kind of stuff. I wish I could be more explicit, but now it is hard for me to remember exactly what the issues were.

*Q: Do you recall the Corrupt Practices Act which at the time the United States was as usual way out in front on this. Obviously*

WATSON: It was pushed by Senator Proxmire I think.

*Q: Yes, essentially American business _____ and since everybody else was doing this and this was the way world business went in those days. It's changed now. This has become the law of the world more or less. Anyway. It's basically accepted as being the right thing to do. Where was State on this? We must have been saying oh my God, this is sort of never never land and you're going to screw American business.*

WATSON: My recollection is that our position was in opposition to it.

*Q: I would think so at that point.*

WATSON: When you get right down to it, what you're talking about is, it is very specific ideas within the big idea. What exactly is going to be prohibited and exactly what degree of proof is required and those kinds of things. I think we were spending a lot of time on that kind of stuff. I dealt with a very wide range of committees, an appropriations guy, a wide range of fascinating characters, from Commerce to Energy to Appropriations, Foreign Relations to Ways and Means, the Finance Committee, Armed Forces Committee from time to time.

*Q: Did you have anything to trade or was it just that you were there as a good bureaucrat saying I can get you the information, but there wasn't, you know if you do this I'll do that sort of thing. I mean, I'm talking to the bureau of course.*

WATSON: No, not like the Pentagon with all its planes and stuff and its offices on the

Hill and all the benefits they can give people and putting a base in your backyard and all that kind of stuff, no.

*Q: Put an embassy in Arkansas.*

WATSON: No, we didn't have that kind of stuff and you had to work on a completely different basis. I don't remember being asked by anybody for much. They kept, as I told you, information and materials.

*Q: Did you get involved with trips of congressmen and point them towards places and things or was somebody else taking care of that?*

WATSON: There was a whole office in the H bureau that dealt with trips. I remember being somewhat involved in the planning of trips, but if I remember correctly it was really the H Bureau plus the geographic bureau to which the trip was going, they would be more involved than the economic bureau. We'd be involved in preparing papers, background papers and stuff like that for the travelers, but not too much in the actual arrangements of it.

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*Q: Today is the 21st of December, 1999 we are going to 1977 Development Planning and what, Finance?*

WATSON: The Office of Development and Finance. Yes.

*Q: Development and Finance. You were doing that from '77 to when about?*

WATSON: Until '79.

*Q: What does that mean? What does the job mean?*

WATSON: Within the Bureau of Economic and Business Affairs there are several components: one that dealt with trade, for instance, one that dealt with aviation and other transportation issues, and one that dealt with overall monetary and financial issues. I believe that was called Monetary Affairs or something and within that there were several offices and one of those was the Office of Development and Finance which dealt with the State Department's principal office dealing with the World Bank and the Regional Development Banks like the InterAmerican Bank, the Asian Bank, the African Bank. Also it was a center in those days dealing with so-called north south economic issues. It was also the representative of the State Department on the Export and Import Bank's board meetings and dealt with a range of issues in that area. The reason they tapped me first to be the deputy director and then the director was that I had had quite a bit of experience dealing with those issues in my previous role as a congressional liaison person. So I had become familiar with the issues in discussing them on the Hill and trying

to get appropriations for the replenishments of the banks and of their soft loan windows and dealing with the bank and other issues. I went there to be the deputy and then the director moved over to the Department of Energy and they elevated me into the director of finance position. I always thought this was somewhat amusing since I really didn't have much financial background. I only had a couple of economics courses in my life, but in fact though those jobs are basically ones of judgment, understanding the politics if you will, the situation in which you are making decisions and you're trying to make the best ones possible. To me it was another eye opening and very interesting job. We did a lot of work on replenishments of all the banks during the time I was there. I tried to make sure that I did not go to all the meetings myself, but my subordinates got to go to some of them, but we worked on replenishment of I think it was for the World Bank, and the Asian Development Bank, the InterAmerican Development Bank and I think it was the African Development Fund during that time. We came up with some rather creative ideas particularly when Chuck Meissner came in as the deputy assistant secretary for monetary affairs. He came up with some ideas on how we might try to foster economic development in areas of Mexico from which many of the migrants were coming to the United States. These ideas didn't go very far, but we had fun working on them. As far as I was concerned it was a very challenging and interesting job and I was learning a lot of new things.

*Q: Could you talk a bit about, as you saw it at this time, first Ex-Im Bank and then we'll talk about the World Bank and these areas in development, offshoots of this. Were you sort of sitting in the director's chair and was the United States calling the shots pretty much?*

WATSON: On all these issues, the State Department was not the lead agent. We were working with and in a subordinate role, too, largely, with other agencies. The Ex-Im Bank is a U.S. government agency. I remember sitting on, we had a group I think it was called the NAC (National Advisory Council), where we have an interagency group that would sit down and discuss Ex-Im Bank loans and policies on an interagency basis and then we would also sit and go to the board meetings of the bank. There were some pretty interesting issues. For instance, I remember one in the aviation area. I think it was Boeing who was pushing and maybe other manufacturers, too very pushing very hard for Ex-Im Bank support for exports of their aircraft overseas. It was basically a subsidy for the exporters to be able to meet the foreign competition. At that point Airbus was just getting going.

*Q: It's a European.*

WATSON: It's a European aircraft and that company, that European consortium was just getting underway and producing the first of their aircraft. Boeing and the other American manufactures viewed them as a potential major competitor and wanted to have support in competing with them. This made sense except that many of the components for the Airbus were made in the United States including I think General Electric engines and a whole bunch of other major components. So, the manufacturers of those products in the

United States said, wait a minute, what you're doing is subsidizing the Boeing aircraft which are probably 90% American, but you're ignoring the fact that the Airbus is probably 60% American or whatever the figures were, I don't remember, but they were sizeable. We had to wrestle with that kind of issue. For the life of me I cannot remember how it came out, it was a long time ago. Those were interesting things and it gave me some experience in those areas.

*Q: What about these various development banks? How were they run?*

WATSON: The banks are run by their members which are their member governments and the United States, of course is an enormously powerful member. The most powerful member in both the World Bank and even to a greater extent in the American Development Bank and the Asian Development Bank. Japan is a powerful member, it has the greatest number of shares. The African Development Bank is much smaller and newer. We were an important member, but I don't think we considered ourselves the most powerful member. I think the Europeans may have been.

So, there are lots of various interesting issues and I'll try to recall some of them here quickly, but let's go first to a political issue. This was the time when human rights considerations were starting to get very important consideration by the U.S. government. I think I might have mentioned earlier it started during the Ford administration, was pushed by Tom Harkin and others on the Hill, and took even greater emphasis in the Carter administration. They put Patt Derian and Mark Snider in the new Bureau of Human Rights. One of the battlegrounds if you will for the issue was the U.S. position on loans to countries with bad human rights records, loans by the World Bank and these other banks and what should our policy be on that. I was in the middle of that. It was decided and chaired by Warren Christopher.

*Q: Basically number two in the State Department.*

WATSON: Number two in the State Department and everybody from all over Washington was there in the room upstairs on the seventh floor of the Department. We would have these great discussions with the human rights people pushing hard for our policies, our positions on these loans to reflect human rights concerns. The people from Treasury and elsewhere by and large saying wait a second, we don't want to politicize these organizations if we start doing this everyone else will start to do it, etc. You can imagine. I was sort of in the middle of it within the Department at that time, although I was quite sympathetic to human rights concerns and with very good relationships with Patt Derian and Mark Snider and others. I took a somewhat more conservative approach, that we had to be very careful of pushing too far, particularly when our vote was unlikely to actually affect whether or not a loan went forward or not. The only place where our vote was controlled, we had a veto between the Fund for Special Operations, or FSO as it was called, to the soft loan window of the InterAmerican Development Bank because we had a 34% vote we could prevent the two-thirds majority needed so we could block those cheap loans to people we didn't like. In every other case as long as everyone else lined up

in favor of the loan even if we opposed it it wouldn't stop the loan. Now, of course, actually stopping a loan would be the sort of the most visible action, but there are all sorts of other actions that could be taken within the bank even by the U.S. government's representatives to delay their coming to the board meeting, etc. or changing the shape of the loan and things like that. The Treasury Department gave the instructions to our executive directors in all the banks, so obviously they were major players, but they had to follow the guidance of the so-called Christopher Committee which by the way Warren Christopher hated the name and it was given to the committee, the Christopher Committee on these issues. That was very interesting. A witness or participant to some extent at some of our policy crossroads in our foreign policy history. That was just one kind of thing.

*Q: How did this usually fall out, that we would support the loans and try to work other pressure elsewhere?*

WATSON: In most cases I think we did end up, its hard to recall now, but we did end up supporting most of the loans, but at the same time going to the governments of the offending countries that we're having real difficulty doing this and they really had to mend their ways on human rights and that sort of thing. That might have been effective. It was another way to raise the profile of human rights issues in a way that the countries found uncomfortable and therefore may have helped advance the cause of human rights.

*Q: That was first early on and did you have the feeling that the United States was way out in advance?*

WATSON: Absolutely, we were way out in front. Nobody was where we were, way out in front and that's why our decisions were not often not as actually effective in the disposition of the money. A major issue was trying to reduce the amount of actual budgetary outlays the U.S. congress would have to approve. You authorize an amount, billions of dollars over some period of time that the U.S. will contribute to these things, and that's a negotiating process. The decision is made early that the size of the replenishment should be more or less "x" and then it should be divided up more or less the same way it has been. There were other countries like the Japanese whose economy was growing rapidly, they wanted to have a larger share, pay more than they had been paying. That sounds good and nobody should object to that, but it does mean that the more you pay the more influence you have and the more votes you have. You always had to be looking over your shoulder in congress to make sure that you thought you could get them to approve the funding that you were agreeing to. The other thing was to see how much of the capital would actually be paid in and how much would be callable. Callable capital is really a, it's a promissory note to these things. The banks actually on the basis of the capital pledged by governments, then go out on the market and raise most of the money in the market, but they can give very low rates, relatively low rates on their bonds because their bonds are guaranteed by the money that is pledged by governments. So, the question was how much of the money had actually given an outlay, that's real cash transferred from the U.S. Treasury to the bank and how much could just be a guarantee. A

guarantee still has to be or a callable capital sometimes, it has to be fully in those days at least had to be fully appropriated by the congress, but never in history had any callable capital ever been taken. So, although while it was a significant budgetary factor you could be pretty confident that it would never actually become a budgetary outlay. That was always an enormous discussion. There were a lot of people in congress who were trying to reduce the percentage that was actually paid out in so-called capital was paid in, paid out of the U.S. government and paid into the bank some 10% or 7 1/2% or whatever it is now, it's way down even lower than that now. That was another interesting issue.

Of course every time you dealt with the bank issues, other issues would come up. One of them was the salaries that the bank paid people. There are members of congress and their staffs particularly, a guy named Bill Jerdon, who was crusty, tough, chief of staff in the senate appropriations foreign operations subcommittee. He was just ferocious in trying to reduce the salaries and the prerogatives of people and then of course you work at the World Bank and you don't pay any income taxes. The congress made it so that if you were an American and worked at the bank then you did have to pay income taxes. Then the bank would pay you enough to offset those income taxes so you wouldn't be disadvantaged compared to other employees. It was a complicated item and there were other questions like that that we had to wrestle with. Of course, from our perspective, State Department was a significant player, but certainly secondary to the Treasury at which time led by assistant secretary of Treasury Fred Bergsten and his very able deputy Arnie _____. We were subordinated to them, but within the State Department part of my job was to coordinate with the regional bureaus like American bureau during discussions on the Inter-American Development Bank and with the Asian and Pacific bureau on Asia bank stuff to make sure that we had a fairly coherent position within the State Department vis-à-vis the other agencies and vis-à-vis our negotiating partner.

*Q: Did AID play a role in this if AID is putting investing in these things.*

WATSON: The money comes out of Treasury, it's not AID.

*Q: Aren't they both trying to do the same thing?*

WATSON: They're doing similar things, but AID did not have as big a role as it would like to have. You touched on an interesting point because during this period at the instigation of Hubert Humphrey something called IDCA which still exists by the way as far as I know, International Development Cooperation Administration or something like that was created and the head of AID was also the head of IDCA. IDCA was supposed to have responsibility for all foreign assistance. It was supposed to have a more powerful role in this area that you're hinting at and it never did. The idea was that somehow State and Treasury would de-politicize AID and AID should be sort of apolitical and decide things only on development criteria and not on political reasons so that was a whole way of thought at that time. It was very powerful and important in the senate. I don't think that that spirit prevails anymore, but it was an important thing. AID never really managed to realize fully in real terms that authority that they were given because in the final analysis

they were still, I believe if I recall correctly, subordinate to the Secretary of State. So, really they were just another layer and it didn't really work extremely well, but we had a lot of arguments about it and a lot of meetings on it. I remember the World Bank was trying to assert itself as the primary player and AID was trying to assert itself in many ways.

*Q: After all it gets right down to it, a bank is loaning a country money, isn't that what the whole thing is about?*

WATSON: Yes, right.

*Q: So, Peru comes and says we want to build a hydroelectric plant. Who would sit there and say that's a good idea or that idea stinks?*

WATSON: We had a group within the U.S. government that reviewed every loan proposal. I was one of those people who did that. The way the banks usually worked is that there is a kind of a negotiation at the beginning of the process between the bank, take for instance the World Bank and Peru for example and there is a discussion of more or less how much money would be made available to Peru provided there are good projects that are forthcoming over some time frame. The general idea of how those funds would be divided up, provided they are a good project, then its incumbent upon the Peruvian government to continue this event and come forward and say we want to do a dam here. The bank sits down and the staff works out the details with the Peruvians on the project to see if it makes sense and it fits with other things. Over time lots of factors that are to be taken into consideration including increasingly importantly environmental factors and others, something like a dam. If everything works out then the project is fully developed and articulated and then it is distributed to the members and the U.S. government would come over to the State Department and we would read the project proposal and we would have opinions on it and we expressed those opinions to the Treasury Department and the U.S. position would be formulated. It might be that we would go back and say to the bank, wait a second, we think this is fundamentally flawed, it leaves out X, Y and Z, so please don't bring it to a decision yet, let's try to work on this and they would try to work on it. Other governments I'm sure were saying similar things. Other times we'd say this looks good to us, let's take it to the floor and vote on it.

*Q: Did the government represent other governments that were within the bank, generally were you pretty much in agreement on these things?*

WATSON: Generally, but not always, because as you said earlier the U.S. was pushing if you will a more advanced agenda in some regards then some of the others. There were basic human needs that was the mantra of the time, pushed by the chairman of the House Foreign Operations Appropriations Subcommittee and appropriate development or whatever the heck the word was. Now you say appropriate something or other and then you had the human rights thing. So, we had a different agenda than a lot of other people and we were also pushing for changes in how the banks undertook their activities and

things like that. Not everybody from the other countries appreciated what we were doing, but by and large we were basically in agreement. Bear in mind once again that the representatives were virtually of all the governments virtually all the governments from the finance ministry to the treasury that sometimes some countries had a development assistance ministry like the Germans did. Once again it was the Treasury Department in the U.S. government that was in the lead although I was always in the delegations or one of my people was.

*Q: Did you see a sort of a fault line or something between the socialist countries and I'm using the term and not the communist term, but say the Scandinavians, Germany and Great Britain at certain times, you know, who were opting for sort of government things where we were looking more for developing capitalism?*

WATSON: I don't remember that division.

*Q: Yes.*

WATSON: There were differences between us and the Europeans, but I don't remember that being a fault line or anything.

*Q: How about Tanzania did that, we had already been able to charm the Europeans into getting stuff, does that ring a bell?*

WATSON: Well, I certainly remember Nyerere of Tanzania, but it is very hard for me at this point to recall any specific issues of discussion. If someone would refresh my memory and let me look at some of the stuff.

*Q: I'm just asking only because I think he was a fascinating person and seemed to have worked his way very nicely with particularly European powers with very meager results.*

WATSON: Well, a lot of the money for Africans really went through IDA, the International Development Administration to the soft loan window of the World Bank and that was all paid in capital. It went right out to these countries. I think it may have been interest free loans or very low interest loans, very long repayment period. Most of the World Bank money went to other places. The African Development Bank was pretty small and the African countries weren't getting large regular loans. They couldn't afford it.

*Q: Did we have any problems with the Middle East because of our support of Israel?*

WATSON: We talked about this Arab boycott, the foreign corrupt practices act and all these kinds of things, but I'm having a hard time remembering any more details about this period. We also prepared for UNESCO meetings and a lot of other stuff. If you look back on the record you will find there was a whole lot of north-south activity going on. New and developing countries were looking for new ways to channel funds from the more

developed countries to themselves. It was an interesting political time in terms of thinking about what assistance really meant, the demands for assistance were enormous, the ability of assistance was not enormous, but still quite generous compared to now.

*Q: Well, in '79, whither?*

WATSON: Well, when I went to the economic bureau the deputy assistant secretary for monetary policy was Paul Boeker under Tom Enders who was the assistant secretary. Paul Boeker went to be the ambassador to Bolivia. He then asked me to come in about '78 I think it was and be the head of the combined political economic situation section in the embassy in Bolivia. I turned him down because at that point I was just going to become the head of the office of development and finance and I thought that was a good thing to be in my career rather than going to an embassy and being the head of a section. I turned him down. Later on he came back a year later and he said would I come as deputy chief of mission. Now, that was a different kind of opportunity. I don't know how interested you are in the mechanisms of the Department, but I'd like to tell you a little story, which is something that comes to mind. I had decided that what I wanted to do next was to be head of the economic section of the embassy in Portugal, in Lisbon. I heard that was a good job. I spoke Portuguese coming from Brazil, etc. It would be fun. I had been in Spain before. I knew Iberia a little bit and I had been in Portugal once or twice. This was a great job I thought. I was a bureaucratic genius. I had an assistant secretary for European affairs, George Vest, supporting me. I had Dick Bloomfield, our ambassador in Lisbon, supporting me. I had Jules Katz, at that point assistant secretary of State for economic affairs since Enders had left and Joe Greenwald had come in, and then Jules Katz. I had Harry Barnes, the director general of the Foreign Service. I had this position locked. No one had done a better job of bureaucratic manipulations to achieve an assignment than I had. One problem. When it went to the assignment committee, some mid-level, nameless insignificant person raised his or her hand – I think it was his hand – and said, "Wait a second, Watson's a wonderful guy and everything, but we do have this, what is called the cone system. We divided people up into political officers, economic officers, administrative officers, consular officers. We did that to move people along. Now, Watson, even though he has been for the last few years in the economic bureau, he's basically a political officer. This position in Lisbon is one of the plums in the whole economic cone in the Foreign Service and we're going to give this away to a non-economic cone officer no matter how deserving?" Everybody stopped and gulped and decided, well, no, that really wasn't exactly how it should be done and so they fidgeted around and decided that they couldn't make that decision at that point. Right at this point, Paul Boeker's offer comes to me to be deputy chief of mission in Bolivia, which I found much more attractive than being economic counselor in Lisbon. So, I had myself here, I had Jules Katz and George Vest railing at the director general saying, God dammit we told you we want Watson in this job in Portugal. Meanwhile, Watson had changed his mind and was backing and moving on and saying, well, I think probably the argument is correct. After all, I am a political officer and we do have the cone system. I don't want to cause a big ruckus here, thank you very much for your support etc., and I ended up going to Bolivia. I always remember that as "sometimes be careful what you wish for" because

you may actually come close to getting it. In a way, with everything else in my life, things worked out for the better.

I went to Bolivia as Paul Boeker's deputy chief of mission in August of '79. About four or five or six months after that Cy Vance who was the Secretary asked Paul to come back and run the Foreign Service Institute. I was chargé d'affaires briefly in Bolivia. We can get back to Bolivia at greater length. Then came Marvin Weissman who was an AID officer who had been ambassador to Costa Rica. He came to Bolivia as ambassador in March of 1980. Then in June of 1980 we had a military coup and we withdrew our ambassador preemptively as a demonstration of our opposition to the coup. Also, we feared they would probably throw Marvin out anyway. The government would declare him persona non grata because there had been this huge campaign against him. About the ugliest thing I've seen in the Foreign Service. They had swastikas all over the wall pointing out that Marvin was Jewish. They were attacking his wife who is the nicest person on earth I assure you. She was a Chilean from Chile even though in fact her mother was Bolivian and her father if I recall correctly was a Chilean of Norwegian extraction. He came as an engineer to Bolivia to do mining work and that's where he met the mother. So she was born in Chile. She wasn't Chilean, but she was at least half, but that didn't matter. The whole point was to undermine the U.S. government in the eyes of the Bolivian people and thus undermine the president Lidia Gueiler, a woman who was president that we were trying to support thus weakening her position and preparing the ground for the coup and that's what was going on there at the time. So, we pulled Marvin out on June 20, 1980 or 21, 1980 and I was chargé for the rest of the time. Of my 24 months in Bolivia, one way or another I was chargé d'affaires for 18.

*Q: That was from '79 to '81 then?*

WATSON: Right.

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*Q: Today is the 7th of March, 2000. Alex, let's talk about Bolivia. We've picked up why you were chargé for so long, but we really haven't talked about anything else. What was the Bolivian government like, I mean when you talk about Bolivia you have to use a plural as far as governments at that time and you arrived and what developed?*

WATSON: I think in retrospect it has turned out to be a really crucial period in Bolivian history. Once this period I was there ended, Bolivia entered into a period of great democratic stability and transition from one cleanly elected civilian government to another several times now. I think I was there perhaps the new era of Bolivian political experience in some respects. When I arrived there, a fellow named Walter Guevara Arze had become president. He had become president of the senate. To understand one reason why the system was so fragile at that point I think it's important to say a word about how the presidential electoral system worked in Bolivia. Traditionally the most unstable of countries in South America certainly. If I recall correctly, if a candidate for the presidency

does not get 50% of the votes plus one, the election then went into the chamber of the congress where the congress decided among the top three candidates. So enormous political jockeying took place. I was not there exactly especially when Guevara came into office, I don't quite recall how this occurred, but in fact I don't think he was even one of the top three. But he was the president of the senate and the congressional coalition put together supported him. So, Guevara had a very tenuous hold on the presidency, but he was the legitimate president of the country when I arrived there.

Meanwhile there was a lot of activity on the left sort of traditional Castro style or influence left that had emerged from sort of a guerrilla phase and moved into an incipient to politically active phase or in a democratic mode and then there was of course the military. The military was agitating all the time and threatening to overthrow the civilian government and there was General named Alberto Natusch Busch, a German...

*Q: B-U-S-C-H?*

WATSON: Yes. He was one of the leading agitators and there were many other players. I don't think it's all worth going into all of that right now, and there were severe divisions within the armed forces, but there were a couple of key units in this regard including a motorized unit just outside of La Paz on the surrounding plains where the airport is at 13,400 feet. Whoever commanded that motorized unit had the tanks and armored personnel carriers that would come in and take over the city. Plus, there was a major military headquarters downtown which was full of troops and a couple of other units right around La Paz that were crucial to any kind of military effort to seize the city and overthrow the government. There were units in Santa Cruz and Trinidad and other cities, which were relevant in terms of expressing their support for military coups, but not vital to the success of an operation which would necessarily have to take place in and around La Paz itself. In any case, Natusch's government was fragile based on a rather weak coalition within the congress and he himself did not have any strong political following although he was a respected member of the senate. He was from the party of the 1952 revolution, the MNR (Revolutionary Nationalist Movement) if I recall correctly whose leader was Victor Paz Estenssoro who had led that revolution in '52.

Okay, so the leading political figures were Victor Paz, who was in his '70s at that time, but very agile and alert and an enormously clever politician and probably the most effective political figure in Bolivian history. He was sort of in the center, center right maybe at this point. _____ was a former colleague of Victor Paz who had been president himself once and been overthrown in the past who represented the left including this emerging bunch of formerly violent leftists who were now entering the democratic political stream. Then there was on the right Hugo Banzer who was a military dictator in the '70s, but who was trying to lead a right conservative party based in Santa Cruz and was seeking the presidency through democratic means. Then there were lots and lots of other candidates ranging from the extreme left to the extreme right. It's important to recall that there was a very extreme right, even Nazi-loving element in Bolivian politics because some Nazis actually came to Bolivia after World War II. There was a lot of

confusion in all the political parties, too as to which factions would prevail. In any case _____ was the president, but I wanted to describe all these factions and give you an idea of them because they're all manipulating and maneuvering all the time, like molecules that are being heated up by a Bunsen burner and the military if they can try and take advantage of these things. Everybody is trying to manipulate everybody else.

In the midst of this, sometime in late 1979, the Organization of American States had its meeting there in Bolivia, its annual meeting and Secretary of State Cyrus Vance came. Foreign ministers from many other countries came. Our ambassador to the OAS at the time was a former senator from Wyoming Gale McGhee and the secretary general of the Organization of American States was Alejandro Orfila of Argentina. So this annual meeting took place in La Paz. There was I remember an incipient movement to overthrow the government, which happened just before this OAS meeting by the military, and it then did not. It started but then stopped and the military was told by the higher level military don't do anything bad to the OAS meetings, so they had the OAS meeting. Literally as soon as Secretary Vance and the other foreign ministers had left the city and because the OAS meeting was set up for the ministers for the first day or so and then the current representatives would come out for the other two days, had left and the meeting had just drawn to a close, but the delegations hadn't left yet. There was a military coup led by this fellow Colonel Natusch Busch. We used to call it the Natusch Busch Putsch and it was a huge mess. A colonel named _____ who commanded this motorized regiment up in El Alto came into town where these people and students had come out of the military academy, they are always an easy spotter for their leaders to manipulate and the other groups had a military coup. There was a lot of violence, shots fired all over the city and it was really a mess. There were so many different coups or attempted coups when I was there it's hard for me right now to tell you which one was which. One of them they took the tanks and just blasted the hell out of the labor union headquarters, the COB it was called C-O-B. This was a major political force in Bolivia with highly unionized tin mines and other mines dealing at the center of political activity on the rather traditional left. This building was decimated by the tanks. In any case it was a terrible scene. Our delegation including Senator McGhee were up in a hotel room and they had to keep their heads down. People were filling the bathtubs with water because bullets were ricocheting all over the place and they were trying to have enough water on hand in case the power systems in the hotels failed. Mr. Orfila jumped into his own private plane and abandoned everybody flying back into Argentina leaving everybody else there on his own. We had to make efforts to bring this under control. I think it was on this occasion when I had to summon in the C130s from Panama to evacuate a lot of people. That may have been another coup or something. In any case, it's hard to recall it all now, but finally this thing came to rest. We got Senator McGhee and all the delegations safely out of the country and the Natusch Busch government lasted about two weeks and then just collapsed of its own incompetence and they put another congressional figure, a woman named Lidia Gueiler Tejada who had been the leader of the lower house of the congress as the president of the country. So Lidia was then president of Bolivia from whenever this time was in late '79 until about June of 1980. But she had a tenuous hold on the leadership. All of the manipulation and maneuvering among all the military factions and all the political

factions continued.

Shortly after this, early in 1980 Ambassador Boeker left to become head of the Foreign Service Institute something that Cyrus Vance had asked him to do when he was down there or shortly thereafter. Paul cleaned up his affairs and moved out in February 1980 to go back and take over the Foreign Service Institute. Marvin Weissman who was a career AID official who at that time was serving as ambassador to Costa Rica was named the new ambassador. He was confirmed in March of 1980. Meanwhile the political agitation continued, the economy was in serious straits and the military particularly was trying to drive a wedge through the United States and Lidia Gueiler to undermine support for her because it was viewed correctly or incorrectly in Bolivia that the U.S. support was legitimate to the extent that she was legitimate. She certainly was more legitimate than anybody else, the president of the country was a key factor in her ability to retain her office despite this all this agitation. There were coups being rumored all the time.

*Q: While all this was going on, I mean, you know, in Bolivia we must have had a standard operating coup procedure.*

WATSON: Of course we did. I was the deputy chief of mission. I managed that whole process and I had my various lists of people and who we would bring in as what I called the skeleton staff. I didn't like to use the word essential or non-essential because everybody is essential, so I used the word skeleton. There were certain people I would move in at the right time to make sure we were in the embassy and therefore the access to our communications facility at the time that some things were happening. We increased our reserves of fuel, put our gasoline tanks underground. We had armored vehicles. We had all sorts of provisions taken for dealing with these phenomena.

*Q: What was our interest.*

WATSON: It was to support the democratic government of Bolivia and the higher administration and to collaborate with them in fighting narcotics, which was a major issue. The cocaine industry was just starting to boom at that point. One of the things I spent a great deal of time on was with the DEA with the State Department narcotics enforcement folks and the Central Intelligence Agency and others all engaged were trying to sort the Bolivian dimension of the international cocaine cartels. We can talk more about that later if you're interested, but affecting everything was the political unrest of the country. They had a very large AID mission there. Bolivia being the poorest country in South America. We had a very large AID mission there; we had a large military mission there. We were in touch with all the factions of the military, both to our attaches and to our military missions trying to professionalize the military forces.

*Q: The military either has when the Busch, came on, I mean, did we, we've got all this stuff, do we just stop everything or what I mean what were we doing?*

WATSON: Well, I'll get to that when I tell you when the real coup took place which was

in June of 1980, but I haven't gotten there yet.

*Q: Okay.*

WATSON: I don't want to take too much of your time on this, but it was really an enormously complicated tale. To get all of the threads right I'd have to go back into the records at this point, but what I wanted to get to was that they lit out at the military. The leader of the military forces was the commander of the military academy, a guy named Garcia Meza. Natusch Busch was still a factor, but he had faded somewhat and did not really have a major command. Garcia Meza was emerging as the most prominent leader of the ultra right wing faction in the military. There were lots of other military people including people with major commands who did not support Garcia Meza, but in the final analysis he was proved to be the central figure. Anyhow, they lit out after Marvin Weissman, that's the point I'm trying to get to here and there were swastikas all over the walls because Marvin was Jewish. They also attacked his wife because she was a Chilean although in fact her mother was a Bolivian and her father was a Chilean of Norwegian extraction who came to Bolivia as a mining engineer and met her mother in Bolivia, but that didn't matter. For their purposes she was a Chilean and therefore the enemy and so there was a very, very hostile campaign against the Weissmans by the military that linked up with these ultra right wings phalanges party, that's what they were called, and others who were of course looking for any crumbs that you get from whatever the military might do. It was a terribly agitated situation. There were coup rumors all they time. There were also civilian politicians were maneuvering _____'s group in the congress was threatening to go on a hunger strike and they were threatening to paralyze the work of the congress because they opposed something that the Bolivian government was trying to do. We tried to dissuade _____'s people, but this was exactly playing into the hands of the military and _____ may not have liked Lydia Gueiler although they were old comrades in arms from the 1950 revolution, was certainly not going to be in the interest of that group that had the military takeover. If they paralyzed things even further they could bring about a situation that would be more conducive to that. They were successful I think in persuading them not to do that and because of a lot of other factors that worked there, too. There was just a situation of turmoil.

In the middle of this situation, I remember I became ill for a moment with what appeared to be some kind of a heart condition and I had been working just about every night until 2:00 in the morning and up at 6:00 dealing with these various things and trying to manage the embassy in this kind of a situation in lieu of the political activities that were going on. I also had a case of the flu and was also over 12,000 feet in altitude. Just one morning I felt at my desk that something of a strap had been wrapped around my chest and I couldn't take deep breaths, that's how I felt I felt really strange. Fortunately the State Department doctor who was at that point based in Lima, Peru was there in country and so my secretary called down and asked if he could see me at some point. He said, yes, he would see me around noon. Two or three hours later I went down to see him. I still had this condition and he gave me an EKG and said, Oh, my God I think there is something wrong with you. He shot me over to the intensive care unit of the clinic there and kept

moving and evacuated me medically to Washington and the doctor went with me and they had me wired up to machines and all that sort of stuff. I went to Georgetown and had to take several weeks completely off and then come back for some tests, which I did, in radioactive thallium, stress tests on me. The upshot of it was that by mid-June of 1980 they had said I could go back to work, but I had to sort of ease my way back in. What I had apparently was something called a t-wave inversion, not a serious problem, but something that should be watched. They had no idea where it came from and it had left no damage to my heart so I was basically given a clean bill of health but told to be careful. What happened then, just when I got this word, is that Garcia Meza moved and they had the coup on June 20 I think it was of 1980. We quickly made the decision that I should get back there. They should remove Marvin Weissman before they declare him persona non grata. We should take the initiative and remove him to preempt. This would make it our political statement and not theirs. I had to get back down there immediately. So, rather than easing back in I had to go charging back in. I flew immediately down overnight. We could not land in La Paz because of the chaos there. I had to land in Santiago, Chile, slept on the bench in the Santiago airport, flew from Santiago into La Paz the next morning in time to go and see Marvin and his wife and bid them farewell as they left. From that point on I was in charge of the embassy. We drew down the military mission completely and the airplane left and drew down our AID mission to remove the AID director and scaled down the mission bit by bit. We ended all of our programs there except those that went around the government and directly to the people or had dealt with kinds of housing or programs that would really totally collapse if we did not maintain them over some period of time. We pulled out all of our DEA people against my recommendation. I wanted to keep at least one or two there and ended up that I had to perform the functions of the DEA that is to say paying informants myself which I had never done before because while I had no DEA people there, they still wanted these certain functions to be performed. It was really a wild time.

The military plotting did not stop of course. The other military factions rallied against Garcia Meza and wanted to have the U.S. blessing for their efforts to overthrow him. I was meeting all the time semi-secretly with all sorts of political and military leaders. Garcia Meza's regime was absolutely brutal. He was a gross violator of human rights. The Argentine regime that was in power at that time was an accomplice up to its ears in the coup. They had people inside the interior ministry and Argentines were engaged in the torture of people at the military headquarters in downtown La Paz I know for a fact. We had excellent information as to what was going on inside that place. The regime itself was engaged in drug trafficking. The former army intelligence chief Luis Arce Gomez became interior minister. He had his own fleet of 13 airplanes flying cocaine from a base up in Colombia where it was refined. They were stealing everything in sight. It was absolute, almost if it wasn't so tragic, a cartoon of what a corrupt incompetent Latin American military regime would be like. It was extremely difficult for us. We were viewed in the embassy as the enemy of this regime. We were under pressure at all times. I had to be very careful. They were trying to trick us into symbolic situations that would look like U.S. endorsement of them, photos and things like that. You had to be alert all the time. I have a thousand stories about these things that I could go into with much greater detail.

We had a curfew which was manned by illiterate 16, 17, 18 year old soldiers from the countryside who were scared to death and whose AK47s trembled in their hands as they put their guns up to our ears. We'd move around the town and got nervous when we had to reach into our pockets looking for our carnets, diplomatic IDs, and etc. It was extremely difficult on our kids, particularly on the teenage kids who were driving around town. They had to be home by 11:00 or midnight or 1:00 or whatever time the curfew was set. It was really an amazing time for me, but truly rewarding in many ways because I think we handled the situation extraordinarily well, but it was a difficult one.

When the military coup took place among the other things that occurred was that the students in the military academy starting roaming around the town attacking certain spots including the American commissary. The pilot for military aircraft, who we had there with _____ Air, came out to see what was going on and they shot him in the face. Fortunately the bullet went right parallel to his teeth and into his cheek and the front of his mouth and out the back of his check and didn't even break any teeth or bone, but that was pretty serious. They also raided our commissary and stole most of the liquor that was in it. They destroyed the kindergarten, the embassy kindergarten which was on the ground floor of the building. So, anyhow, the U.S. government set some requirements for any incipient normalization of relations with the Garcia Meza regime. Those conditions involved ending the human rights violations that were taking place all over the country brutally. Beginning the process of returning the country to a democratic, civilian government, taking some steps against narcotics trafficking which was kind of a joke because the regime was intimately involved in the trafficking itself. Then the State Department against my advice also said they should have some rational economic policies. I thought that was on the lower level of things that were much more difficult to attain in short order. I added my own. I'm not even sure the Department ever knew about this. I said I wanted $45,000 to repair the kindergarten and replace everything they stole out of our commissary.

*Q: How did you deliver this message?*

WATSON: We made it clear in a variety of ways. I also did meet secretly with the foreign minister of the new government at his house and my house with no one else there. In any case he was actually not a bad fellow, but what happens in these situations, you end up in little factions. Then all of a sudden you find that your faction is in line with the group that takes power and you can't resist it once you get that close. I could go for hours about the maneuvering that brought about the Garcia Meza coup, but a lot of people believe that Victor Paz took a fundamental role in stimulating the coup and then backing off at the last second, creating a military that is overthrowing Lidia Gueiler, creating a military regime sort of Leninist style and increasing the tensions and internal, what's the word I'm looking for, contradictions as much as possible. In any case, we conveyed this message to them clearly both publicly from Washington as well as from the embassy. Then of course I had private meetings with _____ with whom I met two or three times during this period. The only one of these demands on which they made any progress whatsoever was the one that I unilaterally imposed. They gave me a check for $45,000, which is kind of funny, if

you think about it in the historical context.

Every time I was approached by military officers opposed to Garcia Meza, asking for U.S. support for a counter coup I turned them down and I said, you're not going to take any action here that would interfere with Bolivian political process. We want to see you return to democracy. We're doing nothing to support this brutal and horrible regime, but we're not going to contribute directly to any kind of military option against them. It would be suicidal to be involved with one faction or another even if I as a matter of principle I thought it was.

*Q: Any problem with the station there, you know, I mean in a situation like this, I would think they'd be salivating to get involved.*

WATSON: No, we had good discipline on the team and we had no real pressure from Washington to do anything other than what we were doing. The military regime murdered a whole bunch of young people that belonged to a leftist group called the MIR, M-I-R, by raiding their headquarters. It was really an awful situation. One of the most difficult mentions of this, this was a presidential election year in the United States. The Garcia Meza people and allies including by the way some prominent political and business leaders who had been so afraid of coming to power _____ on the left that they supported the coup. I guess I should have said earlier on the reason the coup took place was that it looked like Hernán Siles on the left was going to win the election that was taking place. To forestall Siles coming through power is why the military is their excuse for moving at that point. They were looking for an excuse. They wanted to take power one way or another. They did manage to have some support of people on the right and that's one reason why the argument is that the _____ who was the arch enemy of _____ at this time encouraged them to do so to keep his own former colleague in the '52 revolutionary movement from coming to power, but _____ was in hiding, people were coming to us asking to borrow the embassy boat which we did not have one, to be able to escape across Lake Titicaca. I gave the keys to my house to several people who will go unnamed, political leaders that if they ever needed to, they could come in the back way and hide in our basement even though they're not supposed to do that. There were hundreds of people, political leaders in asylum in Venezuelan, Mexican and French and other embassies. It was a chaotic situation. The fact that the U.S. political scene would have to be, the Garcia Meza folks were banking on a victory by Ronald Reagan in the U.S. and anticipating that that would bring a change in the U.S. attitude toward them. President Reagan did win the election. He did take office in January of 1981 and Senator Jesse Helms had sent some of his henchmen down there and had been collaborating and was showing sympathy with people that became leaders of the Garcia Meza government, including Luis Arce Gomez who on 60 Minutes subsequently was called the minister of cocaine and it was an interesting piece back in those days. Helms sent his staffers who had gone out to Lake Titicaca to the Copacabana shrine with Arce Gomez, _____ thought that he was a wonderful guy and all that stuff. All this gave heart to the ultra conservative forces around and the Garcia Meza people, that with President Reagan came, things would change. Well, obviously the first thing on the new administration's mind is not

Bolivia, so they did not get to it right away although there were some interesting things that happened. The Secretary of State, Alexander Haig, apparently invited General Gordon Sumner to the so-called Santa Fe group of conservative intellectuals who had written a proposal for U.S. policy toward Latin America. They were presenting it to the Reagan administration and included Lewis Tambs who became ambassador to Colombia and Costa Rica afterwards and David Jordan became ambassador to Peru. Anyhow, my understanding of what happened was, Secretary of State Alexander Haig asked General Gordon Sumner if he would become a member and if he would be willing to be ambassador to Bolivia. This was really a stupid thing to do because there was no reason the Reagan administration should be getting itself tarred with the Garcia brush by normalizing relations without giving any thought to the process. This only came to the attention of the people on the Bolivia desk when General Sumner's letter sent back to Secretary Haig declining his kind offer was bumped down by the executive secretariat to the desk. It was the first time anyone had heard any of this. In any case I had shifted during the Carter administration. I had been reporting rather fully from the embassy what was going on in the political front and the democracy right and the human rights violations, the narcotics front. When the Reagan administration came in they really hit with a vengeance. They wanted to do everything opposite of what Carter was doing. It was almost a knee-jerk reaction was my perception from my vantage point. So, I tried to shift. The Reagan administration had not become a very vociferous opponent of human rights. At that point that was an idea that was sort of associated with Carter and therefore not something that they were paying much attention to, even though later on the Reagan people came to understand what a powerful instrument it was for fostering democracy and U.S. interests around the world.

In any case, at that point they were not talking that way, so I shifted the emphasis and put more on the narcotics traffic and I thought that would catch their attention. I still wasn't viewed very well. I think I was viewed, even though I was a career Foreign Service Officer, as a holdover from the Carter administration. An interesting event took place. General Hugo Banzer who is currently president of Bolivia was also opposed to this military coup having been a military dictator himself in the '70s. He was opposed to this one now because he wanted to become democratically elected and of course he had nothing to do with Garcia Meza. Banzer had a great deal of credibility with certain groups in Washington including a group that had General Sumner as the head of and so he probably had more credibility in those groups than certainly a career Foreign Service Officer, Alex Watson, did. I went down with my wife to Santa Cruz to see Banzer. This was like something out of a B movie because this was supposed to be secret and my wife was going with me and I think my kid went, too. I went ostensibly just to go off on a few days holiday down at the hotel in Santa Cruz and during that time met with Banzer. There were a couple of absolute bizarre things that happened. First of all while we're sitting in the VIP lounge waiting for the flight that would take us down there, mind you we had no military plane any longer, we had pulled out our military group. There were a bunch of guys who represented the manufacturers of a French executive jet and they had the headquarters in Teterborough, New Jersey. They were down there to sell this executive jet to Garcia Meza for his personal use, the president of the country. Here we are absolutely

opposed to anything Garcia does and he was an obvious example of just scraping off whatever funds he could get, this bankrupt country with inflation going completely out of control to buy himself an executive jet. We thought that was absolutely ironic. I'm sure that the general public had no idea this was going on. We get on the plane and we're flying down to Santa Cruz and we had to stop in _____. There were people on the plane who knew about this trip and who had come up to me, walk up next to me like out of a B movie, sort of not look at me, but talk to me almost with their hands over their mouths, saying, Mr. Watson, we're right here and if anything goes wrong, we're right here to take care of you. We get to _____ and these guys appeared in the airplane and all of a sudden looking around like a bunch of key-stone cops. It was really very funny. Anyhow we ended up going down there and we ended up having an evening session with General Banzer and a bunch of people and talked about what to do. _____ went to Washington and talked to a lot of these people and help set them straight on what was really going on in Bolivia. When it became clear in about July of 1981 that the Reagan was not going to normalize relations with the Garcia regime, that was the beginning of the end. In August the regime collapsed. It was replaced by a triumvirate of the army, navy and air force commanders, which lasted for about a month or two. The decision was made at that point to appoint an ambassador to Bolivia and Ed Corr was to be sent up from Peru as ambassador to Bolivia and Bill Price was coming in from Panama where he had been deputy chief of mission under Fred Briggs to replace me as DCM and I was to move onto Colombia which I did. Bill Price and I overlapped a few weeks so I could introduce him around in this chaotic situation and then I moved on down to Lima where I was briefing Ed Corr on what was going on in Bolivia. The very day that I flew down from Bolivia to Lima the army commander, Celso Torrelio, assumed power for himself and removing the other two from the triumvirate. He lasted a very short time before another military movement led by General Guido Vildoso Calderon came up and threw out Torrelio and then that led to the restoration of democracy in 1982. Hernán Siles who had won the election in 1980 eventually came to power.

*Q: Did you have, did you find that when the Reagan administration came in, was there a change on the desk? Essentially was sort of the foreign policy professional apparatus all sort of the same, it was only sort of at the top from the senatorial side?*

WATSON: My recollection was that the people by and large remained the same. I can't quite remember whether desk officer Phil Taylor who has unfortunately passed away, was there for the entire period or left sometime during it. He did a spectacular job for us. Then, for a while, there was Fred ____ who was the office director and I think also and Sam Hart who came in, but I don't think any of them, any of those changes had anything to do with the electoral thing. It was a question of maybe leadership of the Department. It was just a question of at least as I perceived it from La Paz whether or not the Reagan people would continue the policy under the Carter administration. This had been simply not to normalize relations and to limit our relations as much as possible with Bolivia during the Garcia Meza period; or whether they would decide because their attitude was to do everything opposite from what the Carter people were doing. This is when you will remember Bill Bowdler and Jim Cheek, very unceremoniously dumped from the ARA

bureau. Bowdler got a call from somebody one morning and said you're out of here by noon today. He was an assistant secretary even though he was a career Foreign Service Officer. Jim Cheek had been the deputy assistant secretary dealing with Central America. He was blackballed by the Reagan administration. It was really the most radical shift of administration I'd ever seen or even heard about in Washington. There was that kind of atmosphere of the long knives are out and anybody who was involved in anything was almost being eliminated and there was nothing really filling the vacuum. The fear you had in Bolivia was especially when you heard, you knew, the Helms people had already been down there before the coup dealing with the worst thug of all Arce Gomez and when you heard the story of Alexander Haig inviting General Sumner to become ambassador to Bolivia. You had to wonder what the heck these guys were doing and my whole job was to keep them from doing something they would really regret and that's what I did and that's what we did.

*Q: Well, tell me about the Helms group because I would think that obviously Helms was particularly influential or tried to be influential in Latin America. What would be in it for him? I mean particularly with the cocaine trafficking.*

WATSON: I haven't been fair and complete and comprehensive in describing the situation in Bolivia to put that in a more reasonable context. What was going on in Bolivia is it emerged from a period of military rule in the '70s and '80s and finally is creeping back towards a democracy was a very, very vigorous and chaotic civilian political scene with people with Paz being the leader of what seemed to be a real Marxist oriented left. Associated with him were these kids from the MIR who had been for a while even out as guerrillas out in the jungle running around, maybe even had some contact with Guevara who was eliminated there in 1968, 1967 or '68. In any case, this was a time where you had a country not accustomed to democratic politics, great factionalism, enormous confusion, lots and lots of newspapers, lots and lots of voices, threats of military leaders from all over the place and ones lining up for one faction or another. There was concern that if the government of the left led by Paz who was a very good guy, but who was a little bit feeble although younger than _____, he was more feeble than ____, came to power you might have another serious problem of the radical left assuming power. Remember we had some Central American things going on at the time. This was sort of the context and you had the military playing all their cards up in Washington with everybody. You had Victor Paz and other people or the right or just opposed to _____. I mean it was really a violent time. The vice presidential candidate, Jaime Paz, of the MIR, he became president later on, but Jaime Paz got into an airplane that was to take _____ to a political event and _____ did not get on that airplane because this was before the coup obviously, this was in 1980, and _____ did not get on the plane because he had to go to a funeral. That plane crashed, everybody died in that plane except Jaime Paz who managed to crawl out of the plane and was absolutely, totally burned. I was the one who got him out of there and up to the trauma center in Washington or Baltimore, I think it was Washington for emergency care and reconstructive surgery. I remember that. I remember visiting him up here. He's still totally scarred. The assumption always was, I have no ideas whether these charges are correct, but that Arce

Gomez who was head of the intelligence group in the army sugared the gas tank and caused the plane to crash. Whether that's true I don't know, but this was the atmosphere people were living in. The left was mobilized with some people who were very suspect in many quarters with a military that was used to running the country and each faction thinking it was its turn to run the country and people maneuvering there.

And Paz the shrewdest fox of all in that country maneuvering to come back to power and of course he did after Siles's government because it proved to be he finally got into power. He proved to be quite inept in dealing with economics and other problems it faced and it ended its period early and Victor Paz did become president. He did run an excellent government and took the economic steps to put his country back onto quite a solid economic footing compared to almost everybody else and despite its poverty.

All this was swirling around. So people who were concerned about the possible assumption about the radical left wing government in Bolivia had reason to be concerned. We at the embassy were not that worried ourselves. We did not see this as that big a threat. We did not see that the most radical elements would have any significant influence in the government, etc., so we saw an election that resulted in a victory by either _____ or Victor Paz or even _____ would have been okay from the U.S. point of view. Maybe not ideal, but it certainly could be acceptable, it could be viewed as being acceptable. But there were few who agreed with it and certain people on the far right in the United States like Senator Helms and his people were concerned about it so they were sending people down. They never told the embassy of course.

*Q: I just want to get this because Helms particularly in Latin America seemed to be running his own policy which seemed to be you know, whatever it was, he was trying to support really some pretty nasty people. I mean, we say he, who were these people who came down, did they let you know?*

WATSON: No, no, of course, they never let us know, they just came down. One of them was this fellow _____, I can't remember who the others were, it's been a while, 1979 and 1980, 20 years ago. A fellow named ____ was on his staff was certainly there and another fellow and I know they went out with Arce Gomez then head of army intelligence. He was a guy who managed to maintain close relationships with U.S. military attachés over the years. He was very clever in manipulating the U.S. and he was a good source of information. So you were put in there managing an embassy, one had to deal with this phenomenon that there were people in the various reporting areas of the embassy that had relationships with various individuals that were talking about you, who were _____ to believe that those individuals were a very pernicious influence and so that was part of their job. I'm not going into that, but it was something that I had to do. In those days I think we had embassies that were somewhat more manageable than today. I could add my opinions to the reports and things like that to try to keep things without stifling initiative or energy on the part of the staff respecting opinions still managed to not allow misinformation to be distributed as though it were accurate. We got into some interesting things. In a small country like Bolivia and a very large embassy like we have there, a lot

of people running around sometimes you found yourself tripping over your own shoelaces.

There was one case that sticks in my mind it was a very interesting report. It was reporting by the political section as being confirmed by reporting by the station. Very interesting. It was too interesting. I called everyone in and determined that it was all the same source.

*Q: You're saying something that is quite interesting and that is that it was up to whoever was chargé or ambassador or something to monitor reporting in the various places to keep in mind in a way where they were coming from.*

WATSON: Absolutely. Absolutely.

*Q: I would think in this type of situation one would have to be particularly concerned about our military mission there because again they're dealing with the military and the military they are all military colleagues together. It's a little hard for military training people to be as objective or as critical of military operations.*

WATSON: Well, I thought our military mission under Colonel George Fisher by and large handled itself extremely well and it was not military mission like that, is not a reporting operation. It was dealing with the local military on technical issues and training and things like that and spare parts and those kinds of things. I thought that they did a good job. I mean the very fact that you've got the U.S. military organization dealing in a collaborative and cooperative way with the local military sends a signal to their local military that they're okay without any question. On the other hand, we didn't have anything against the Bolivian military per se, it was these various individuals and factions within it. There were some very good guys in the military like Vargas and a whole bunch of other guys that were basically democrats in the military also, but they kept getting aced out by these guys who were for want of a better term on the right who wanted to take power and the military itself, including Natusch Busch and a whole crowd of them. These guys were not taking power because for ideological reasons, no matter how much we would have said that there was a leftist danger here and no matter how much they were criticizing Marvin Weissman in the most obscene terms as you can imagine, they simply wanted power. To run his jets to Colombia with the cocaine in it. There was really a hypocrisy. It was a wild scene. I can understand people on the right in the United States would have concern. The danger though was that they were just not very smart and they were undiscriminating and they were dealing with really very worse elements who knew how to manipulate them. I am sure that when Garcia Meza came, I don't know this, but I would guess he came into power and said to us don't worry, I have contacts with Helms and they're all close to Reagan and they're going to run the foreign policy of Latin America. We know that all ready so this one's cooked. Don't worry about this. That's where they were coming from and they were really surprised when the Reagan administration wouldn't come down and support them and normalize relations with them.

*Q: Why would normalizing and not normalizing relations be a major political factor?*

WATSON: Sometimes its hard for Americans to understand how enormously influential the American blessing or approval, approbation or the opposite is in countries like Bolivia. It just is, everything else that happens in the outside world in any other quarter is not as important as what the U.S. says. The Argentineans as I told you were up to their ears in that, they were in the interior ministry. I know that they were torturing people including by putting their boots on peoples faces and dragging them into horse shit. Argentine officers were that deeply involved in this thing at that time. I do not think the Argentine ambassador who was a retired air force general in La Paz had any idea what the Argentine army and its attaché and its military mission were doing. He may have, but if he did he dissembled to me really well. He broke and shattered when he found out what the hell was going on. When all is said and done, the U.S. is paramount, it is the big player. If the U.S. doesn't approve of you, that is a problem for you. It doesn't throw you in this case necessarily out of office, it doesn't keep you from stealing and Garcia Meza is in jail now in this country. It is enormously important and that's what they were trying to turn the U.S. into doing.

*Q: You were saying that you spent an awful lot of time making sure there weren't any photo ops showing you shaking hands with the local.*

WATSON: I had to go away once for some reason I think it was a chiefs of mission meeting or something like that and I left the country and I remember the chargé became the combined political economic section of the embassy. He was a good career officer. While I was away he had been asked to go over to the foreign ministry to talk about some relatively minor event and he was going to go over there. USIA people discovered that the press was being assembled for this event and managed to get the word to the chargé in time to persuade him that was a crack that the _____ precisely because I wasn't there, precisely because he was there, precisely to get him in a picture with the foreign minister or somebody else doing normal business. It would say the U.S. normalizes relations was what they were after and so it didn't happen. It was what they were always doing. We had to stay away from all ceremonial events.

*Q: Could we talk just a bit about the drug side? When you were pulling out the DEA, I mean, well, before the DEA went out what were we doing?*

WATSON: Well, let's go back. This is a time when the cocaine boom was just beginning in the late '70s and the early '80s. The U.S. government was already wrestling with how to deal with this down in Colombia and Bolivia and Peru. At that point Bolivia I think if I recall correctly grew about half of the coca that was being converted into cocaine in the world largely in a valley south of Santa Cruz. Yet, the coca leaf is a traditional product there. It is used by indigenous people from predecessors of the Incas who chew it and even today take a little coca leaf or two put some lime in it, chew it up, it's supposed to be good against cold and against hunger and is a mild stimulant. So, you had traditional culture for which coca leaves were really important. Then you had the coca that was being

converted into cocaine base paste and then base and then you got ____. It was a booming industry centered in Santa Cruz. There were several major players. One that I remember was Arce Gomez, a relative of Roberto Suarez by the way, but a lot of people are relatives in Bolivia and it doesn't mean anything in terms of their guilt by association here.

Some of these people seemed to have their own capacity to refine all the way down to hydrochloride and move the cocaine out to Europe and the U.S. one way or another. Others were clearly providing the paste or maybe something base for Colombians. They'd move out into Colombia. My conclusion in retrospect was that the Colombians probably ran almost everything one way or the other. What they didn't run they tolerated. There were a couple of occasions where Bolivians would take action and they would be punished by the Colombians. We had lots and lots of embassy efforts engaged also and an incipient effort to try to eradicate the cultivation of coca. There was an elaborate scheme to try to distinguish between coca that could be legitimately sold at markets for legitimate use by the local population and other people there; we tried to estimate how much that should be and where it could be sold and how it could be sold and everything else and working with various government agencies to deal with this. They had me involved in it and DEA and the State Department's narcotics folks and of course the station. We were all in this, the political side everybody was trying to analyze this. Meanwhile of course the narcotics industry was booming. The cocaine industry was booming and its tentacles were getting deeper and deeper into the political tissue of the country. It was very difficult to know who had been bought off, who was not, who was on what side, who was on whose payroll, what police were where. These seemed to flip very quickly and to try to stop it, a kind of a situation where you know, as good as we are, we are still foreigners trying to get a glimpse of what's going on, it's very complicated and fast moving set of circumstances in a foreign country. We spent lots of time on it. I as deputy chief of mission was the narcotics coordinator so I was in the middle of all this stuff trying to put all these pieces together and make some sense and develop some policy recommendations. Sure, you could have argued when the time came, you know, this has got to be stopped what you are doing as you started, but there was no way we were going to be able to have a cooperative _____ is doing in narcotics when these thugs came into power. I had no problem in having the State Department narcotics assistance unit, _____ way, way down. There was no way we were doing collaborative work and the eradication of crops and things like that with these people at this time, but I did think that it was good to have a couple of DEA people because they serve as managing the intelligence operations to some extent. I thought that was important to have to know what the hell was going on when this new bunch came in, but they overturned my recommendation. So I ended up having to act like a DEA case officer, a special agent. That caused the station to put people to work on this.

*Q: Wasn't this now totally new for the station, looking at cocaine as opposed to, not just.*

WATSON: Absolutely and it was a very difficult migration if you will or metamorphosis for the agency who was desperately afraid of getting involved with this because of the fear, a perfectly legitimate one that paying sources of information that would be paying

into people who were involved in narcotics and no one wanted to be accused of giving money to narcotics traffickers. That was very difficult, so it was agreed to which they could become in those days to become really effective and penetrating was very limited, but what they could do was find sources that were perhaps not directly involved themselves, but who were knowledgeable about what we were doing and that was what they were trying to do.

*Q: Did you feel were we able to do anything interdict by what we were able to, I mean at some point either through in Brazil or in Colombia or anything like that or was it just really.*

WATSON: No, I think we had some success in Bolivia even in those days. I think that our success was less than the growth rate of the industry, but we made some difference. I did try and this is an area that really frustrated me. I did try very hard to get people in our embassy in Colombia and the State Department out of this to focus on the link between Colombia and Bolivia and to get information from Bolivia to Colombia about flights and stuff in a way that could be used and I failed at that. I'm not quite sure why anymore; I'm trying to remember. I thought here was something that the great bulk of the Bolivian stuff was being moved north via other places in Colombia. You have to realize I guess everywhere it was just beginning to come to grips with this phenomenon and hadn't quite figured out how to deal with all of it.

*Q: Well, you left there when, '81?*

WATSON: September '81.

*Q: Is there anything else we should cover, I mean obviously there is a lot in Bolivia, I was wondering about USIA efforts?*

WATSON: USIA was very good, a USIA group there and they were good at getting our message out. No, I thought we had a good embassy.

*Q: Could we be critical of the government?*

WATSON: Of what government?

*Q: Of the Garcia Meza?*

WATSON: We were certainly critical of it all the time.

*Q: Publicly, I mean could USIA or I mean how does one be in a country and be critical of the government?*

WATSON: Well, they didn't like it, but sure you can always be critical. People asked us, the press would ask us, why aren't you normalizing relations, we'd say why all the time. I

would always try to be dignified about it, not call them the scum bags that they were, just say that Bolivia is a country that is run by Bolivians, you have to decide what you want. There's no way the United States can normalize relations when the government is doing these kinds of things. I'd say it over and over again. There are so many chapters in this thing I could go into in great length, but probably I can't do it now, but there was strong support from the Mexican government, from the Venezuelan government, the European governments, the French and the Germans and the Brits. The Japanese were more tricky. There were a whole bunch of Japanese who live in Bolivia after a result of a treaty between the two countries after World War II. The Japanese first interest was to take care of its own citizens outside of Santa Cruz. I had tremendous relationships with the _____, the key figure in this. He took Lidia Gueiler the former president into his residence and she lived there for many months. I visited her. I'd go by once every week or so and talk to her and see her and the old dog. I tried to keep her spirits up. _____ was a very strong leader of the ____ and _____ had been smashed by these guys as well. There were people in churches and stealing stuff. It was a very unbelievable mess that was going on there and so this guy, _____, a fabulous man, I talked to him almost everyday about what was going on. He once told me, I said, aren't you worried because they were tapping all our phone lines and he said, no, I say the things I want them to hear, I've got other lines they can't hear me on, he'd tell me over the phone. So, you had a whole lot of people pressing on you, nobody was _____. There were some people in the business community who were absolutely furious, absolutely could not see straight because they thought that if this was the alternative to a leftist takeover and God dammit it may not be ideal, but it is a hell of a lot better than the left. They'd say who do you think you are in the middle of dinner parties, screaming at me and this kind of stuff. Everybody knew what was going on. Everybody knew that the whole world basically was against the Garcia Meza regime. We had all these people in the embassy. We had like 50 people in the Venezuelan residence and _____ was the ambassador and he and I were talking about this stuff all the time. We had many funny stories; I mean all of the so-called people you might say were slightly more culturally sophisticated at the time ended up at the French embassy. My friend the French ambassador and his wife used to tell me wonderful stories about how the people started complaining about the food. Even complaining that by the way Mr. Ambassador you should have your grass mowed. These are people inside the embassy. Venezuela and all these politicians that he was trying to control. It was like you were in an asylum. They're calling out to everybody. He's trying to control the phone calls. Total chaos in there.

The next ambassador a retired parachute general of the Mexican army was a ____. He got all the labor types in his embassy. So, he got his entire house prepared. He had a whole new roof put on and all that stuff for free; he had all the workers in there. I used to play racquetball with the Mexican and French ambassadors every morning. So, we had all these stories and the Germans had two or three. We couldn't take them, I told you I passed my key out and some famous people did pass through our house, we don't have to go into that at this point. It was a very exciting time and although depressing in many ways, very rewarding from the point of view of the Foreign Service career and we did make a difference.

*Q: Well, you must have gone through a real period of.*

WATSON: I had kids going to high school there, so.

*Q: Yes, well, you must have gone through a very difficult period about when the Reagan administration came in about you know, not just professionally I mean yourself, is this new administration going to come in and somehow play nice to this regime?*

WATSON: Yes, that was the concern that we had and we had reason to think that given what the Helms people had done and the importance of the Helms people and the very conservative group, this Santa Fe group we thought was going to have on the policy for Latin America in general. My job wasn't to take a partisan political side. My job was to point out to these guys in whatever way that I could that they'd listen to, that the last thing a brand new administration of the United States or whatever political persuasion, what you need to do is to get in bed with these drug trafficking, human rights violating, anti-democratic slime balls. That was my only message. For God's sake, don't, pay attention to this place, they'll pay attention to important places like Brazil, Mexico and Argentina. For heaven's sake, don't get sucked in because you'll damage everything you do in Latin America. That was finally the message.

*Q: Were you there when the Malvinas/Falklands crisis came?*

WATSON: No, I was already in Colombia. That was '82. That was another story.

*Q: When you left it was still this hypocrisies. The thugs were still in charge?*

WATSON: Oh, yes. I mean the checks from the central bank came back without funds. It was unbelievable. Over time, it's very interesting, over time our resoluteness and that of the Europeans and the ____ and the Brazilians in a lot of ways in their more, their military regime, but still they understood this. They were very careful and very clever good ambassadors there. They took some people in as asylees as well, like all these effective grounds on this and we didn't do something stupid like trying to foster some other kind of coup or something like that. We just held ground. Finally the great swing even in the conservative sectors of the population, they realized this is really not taking us anywhere. It was highly detrimental. Some other solution. That started to happen when the civilians who had been supporting the regime started to break away. I'm not familiar with the names there, and when their contacts among the military realized that there were certain people that were _____ and others and the whole thing started to come apart. I remember I was at a friend's house and Garcia Meza was on TV and resigning and stepping down and everybody just was hugging me as the hero of the hour. I really didn't deserve it, but it was kind of rewarding.

*Q: All right. Well, we'll pick this up the next time. You're leaving Bolivia around August of '81.*

WATSON: I may have some other stories I'll tell you.

*Q: All right, well, if you have some other stories, please, more is better than less in this type of business. I was wondering would you talk about your concern about, you had a child in high school there?*

WATSON: Yes, he went to junior I mean his junior and sophomore year there.

*Q: Were there threats against you?*

WATSON: I was in a situation where there were bullets flying all around, bouncing off the walls. I was running to get into the embassy. That was just wild gunfire from the military and the labor union guys who were fighting each other downtown. Probably stupid on my part to be running into the embassy at that time, but that's another issue. You had to be very careful about protecting ourselves at that time. I don't ever remember having any physical threats, not like the threats you'd get in Colombia or Peru.

*Q: I would have thought that you would have had attempts at clandestine meetings after another with people saying, God this is awful and the great colossus to the north is going to take care of it.*

WATSON: Yes, we did have a lot of clandestine meetings. I had to be careful how I did it and make sure who else was there, make sure there were witnesses there. You don't ever want to go off among these things so that in a place like that, the guy runs in the meeting and says, this and that and Watson told me this, that and the other. I never met with military guys without having civilians there.

*Q: Civilian Bolivians?*

WATSON: Yes, oh, yes. I would sometimes be the only American. I wouldn't have anybody with me.

*Q: I would have thought again, what would be your standard response? I mean they say, please Mr. Watson, help us and we can get rid of these monsters or something. How would you respond?*

WATSON: I would say that this was a problem of the Bolivians. We cannot get involved in this sort of thing. We don't want that. You don't want to be seen as cat's paws of the Americans. You get this guy out and you've got to work this out. I have a funny story. We had a guy who was on the right who was opposed to Garcia Meza who was a pretty good friend of mine and a pretty good contact and a real conspirator by nature. He told me there was going to be a counter coup against Garcia Meza right out of _____ by this guy _____ who eventually became president after _____ and he would call up and he would leave a message with my wife. It would be things like, would you tell Alex we're going to

meet for tea at 11:00, things like that, clever sentences. I remember we were absolutely dead certain this coup was coming down that night. I had a cocktail party that night at my house so I had to get my skeleton crew at the embassy because I didn't want to have anyone know that we were going to the embassy because it would tip off that something was going on. I had the guys I invited them to the cocktail party. They all had their little knapsacks and sleeping bags and stuff out in the bushes behind my house. We hustled to get the guests out of the party and we said goodbye. We leaped into our Suburban and threw our stuff in there, raced into the embassy, got in there really proud of ourselves, put our feet up on the desk and like about five minutes past 11:00, the curfew is in effect now, my wife calls and said that the guy just called and said that it has been postponed. There we are the whole night unless you wanted to try and get out which we could, but a couple of times we tried to move at night in our cars and guns were put to our heads.

*Q: I was in Korea and in Vietnam with curfews. The truth of the matter is that the most stupid person is going to end up in the middle of the night with a gun doing the thing. I mean you're not going to talk about sophisticated people and this is scary.*

WATSON: We are a scary looking bunch. We talk a funny language. These guys can't read. We look dangerous. Why are we running around in a black car at night? You reach for your carnet to show them and you hear the cocking of guns and okay, you take it out of there. It sounds very, at the moment you're just coping with the situation, you're not scared or anything, you have to manage the situation. There were eight of us who jammed into my car, like clowns in a circus popping out. Naturally you think about it in retrospect it was a pretty horrifying thing.

*Q: Sure, a 16 year old kid.*

WATSON: Well, you take it out, my carnet. What's a carnet, well go ahead and look at it. Some of them couldn't read the carnet.

*Q: Sure. They hold it upside down. Okay, well we'll pick this up the next time and if you think of anything, make a note if there is anything else you want to add on this Bolivian time.*

*Today is the 10th of May, 2000. Alex, you have left Bolivia and where did you go?*

WATSON: Just a second, maybe I should try and talk about these evacuations we had in Bolivia and let me just take a couple of minutes at that even though I can't do it completely. I haven't thought about it in a long time. There were a couple of things. First of all, we had multiple threats and attempted coups in Bolivia when I was there and some of them got really violent. One of them occurred just as the OAS meeting, we may have talked about this before, was winding up and Cyrus Vance the Secretary had left and Mr. Orfila of the OAS, Secretary General of Argentina jumped in his private plane and fled and left everybody there. We had to get planes in to get our people out. Another time we had to either call in some C-130s from Panama to get a bunch of American citizens and

tourists out. They were scared to death because of the violence that was taking place by the military. That was interesting. That was the only time I ever did that in my career and just had people deployed up at the airport and all along the routes and getting the planes in. The planes were coming in full of super specially trained military personnel who can handle anything you can imagine because they don't know what they're going to face. We had one of the most complex security plans that you ever imagined. Fortunately none of which we had to implement. But you can imagine with everything going through those were interesting times and you also see the best and the worst of people in times like that. Some of my colleagues in the mission behaved with exemplary dedication and courage and others much less so. Also, I remember there was a visiting Foreign Service Officer for other purposes and I was quite shocked. He was trying to make sure he was the first one on the first C-130 irrespective of the fact that there were women, children, old people and tourists around there. We could have taken care of him fine, but we couldn't take care of everybody. Without going into all this in any great detail, the experience in Bolivia was very fascinating.

*Q: You left Bolivia when?*

WATSON: September, I think it was the 4th, 1981.

*Q: Where did you go?*

WATSON: Directly to Bogota as DCM.

*Q: You were there from '81 to?*

WATSON: '84.

*Q: Okay. What was the situation, this is a rather difficult period again, too.*

WATSON: Yes, I had several difficult, but fascinating assignments. Colombia is in more trouble now than even it was then although then we thought it was pretty troubled.

*Q: Who was the ambassador?*

WATSON: Tom Boyatt, a Foreign Service Officer was the ambassador when I arrived there. Tom Enders was the assistant secretary of State at that time. I had suggested to Tom Enders that it might be good for me to go to Brazil as DCM rather than Colombia. He listened to me very nicely and he said, no, you're going to Colombia. I had nothing against Colombia, but Brazil was a bigger place and all. It turned out to be once again a fascinating assignment. Tom was there for a while. I don't remember exactly when he left, but he was replaced by Lewis Tambs, a professor from Arizona State University who had been a member of the conservative group called the Santa Fe which drafted some policy prescriptions for Latin America should because of Reagan winning the presidency. Once again all those guys received appointments or positions.

*Q: Let's talk about, when you arrived in '81 what was the situation in Colombia?*

WATSON: Remember that, not too long before it would have to be '80, Ambassador Diego Asencio, my good friend, is among those that were kidnapped in the Dominican Republic embassy there by M-19 guerrillas who subsequently has written a book about it called Our Man is Inside. So there was that kind of attention, there was a lot of violence in Colombia as there is today perpetrated by the guerrillas on the left. There was a lot of violence perpetrated at that point by the narcotics traffickers who were just starting to feel their oats and to put together the huge national cocaine cartel that the Colombians ran and still run. It was also a time where a lot of marijuana had been shipped to the north coast of Colombia and onto the United States and elsewhere. Many people think that the marijuana phenomena was even more important than the cocaine phenomenon at that time. There was virtually no poppy cultivation, so virtually no heroin coming out of Colombia at that time, as there is today. You had sort of a lot of kidnapping for ransom for money being done by a variety of groups and some of them affiliated with one or the other of the cartels, the active narcotics criminals. Some of them were just gangs who needed money. There you have this beautiful country, spectacular beautiful geography with great variety and sophisticated and nice people embroiled in a country whose economy up until the last two or three years has always been one of the best in Latin America. The only country in Latin America that didn't have to reschedule its debt, etc. Fiscal management and steady growth and a wealth of natural resources in a difficult situation caused by the guerrillas and by the drug traffickers. The embassy was an active place, sort of in the center of things particularly as we were trying to work with interested Colombians who deal with the narcotics issue. That meant a lot of things. It meant first and foremost raising the Colombians' awareness of the seriousness of drugs. They had to view it as a real problem, to stop the demand. Failing to understand the maxim that any country that is a drug producer or a drug transit country is becoming drug consumed. To a considerable extent they just didn't want to admit it. I must say the faults of Colombians for all their virtues is the incapacity in probably some of the most intelligent people to understand the gravity in the situation you're in and to perceive sort of minor problems to their profound illnesses and therefore, not deal with them as they should.

Another dimension of the embassy work that was very important was the consular work. Bogota was one of the so-called visa mills. Hundreds and hundreds of people every day were in lines for visas at that point. Of course, everything was complicated by security conditions that I talked about but the reaction in the embassy is complicated, too. You're trying to give people as much security as possible without totally paralyzing them. So, those are among the things that I had to deal with. As the deputy chief of mission I was the narcotics coordinator. I was also the security coordinator who had to deal with this all the time.

*Q: What was your impression of the Colombian government. You've been in a number of countries, how it operated and how we dealt with it at that time?*

WATSON: We had lots of dealings with it on a variety of issues. At the same time we also had the three years I was there, I think, two visits by Vice President Bush and one visit by President Reagan. We had a lot of those kinds of activities and each one of those is a story that is either extremely depressing or extremely humorous depending on how you hear it and how our own folks behave sometimes in getting these things done. When I came there the government of Colombia had been governed by two parties, the liberals and the conservatives who are ancient parties in Colombia. They go way back to the 19th Century. You're almost born to one or the other. It's almost ethnic. Not quite, but almost and there were lots of civil wars in the 19th Century and a huge civil war that broke out in 1948, *La Violencia*, where a major political figure was assassinated. An inevitable war broke out between the conservative and liberal parties and the allies which was finally patched together in the '50s. The agreement included the system whereby the two parties would rotate the presidency and each one would have cabinet ministries in the government led by somebody from the other party. This wasn't very civilized and sophisticated, but what it tended to do was monopolize power in the hands of a few people. All the state governors were appointed and the mayors, some mayors were elected, some were even appointed, so you had a system that was democratic superficially, but not very functionally. During this time you had these guerrilla groups which were never quite taken into consideration at the time that this great deal was put together. They were marginal players out in the countryside and they were problematical, but they were not the same ones who came on later. Life sort of went on smoothly. Now, when we got there the president was President Julio Cesar Turbay Ayala, a fellow of Lebanese Maronite Christian extraction who ran a rather conservative government over some of the liberals party. Then there was an election in '82 when former President Lopez got there, the liberal party nomination and wanted to come back as president. Turbay's predecessor once and this was at the end of this period where you had alternating presidents in a wide open election. New parties split when a young fellow named _____ or something like that was assassinated much later on. He was a more liberal faction than of a liberal party. It was exactly what _____ had done the first time around and he ended up taking the liberal party and became elected, so it's a tradition, but by splitting it it allowed Belisario Betancur who was from the conservative party but was more a liberal in attitude on a lot of things in the Latin American sense of the word than Lopez was to become the president.

Our relationship with the ____ government was quite a productive one, straightforward, we got along with his people well, a lot of very intelligent and highly educated and sophisticated Colombians to deal with. We worked closely with them on quite a number of issues including the narcotics questions basically that was sort of the driving issue. Our relationship with the ____ administration was a little more problematic because he had in him a streak, which included tweaking Uncle Sam's nose from time to time, being sort of perversely provocative. It gave him political mileage.

*Q: He took lessons from Pierre Trudeau in Canada.*

WATSON: Yes. That sort of gratuitous thing. It got to be so bad that when President

Reagan was coming some people on his staff were ____ to Colombia because remember that _____ was sort of giving a speech at a luncheon and sort of _____ Reagan and tell the Americans how badly he was in a variety of ways. Reagan was a good judge and he decided to come anyhow and behaved himself perfectly and I think wowed the Colombians. Colombia was a place where, our son was in high school there and he still has a lot of friends there. It was a place where we, remember when Tom Boyatt left and he was still working on whether or not the Colombians could actually spray chemicals on marijuana plants it would kill them. When Boyatt left, he said now you'll never get this done, but we did. It was a very complicated issue. People probably don't recall this very well. The best chemical to spray on marijuana to kill it and do no damage to anything else and not spread around in the soil is something called paraquat. Paraquat was used in Mexico spraying marijuana. Then only in America could this happen, then the idea gained force and Joe Califano was one of the leading people in this.

*Q: The former secretary of health, education and welfare.*

WATSON: Education and welfare and was very close to Lyndon Johnson. The idea was that paraquat might be harmful, it might be a carcinogen, it might be harmful to people's health if they inhaled it in any way including by smoking. So, if you used it to kill marijuana then somehow, though completely illegal it is brought into the United States and then was smoked. Once again, an illegal act by people in the United States, those people might be negatively affected by this and the U.S. government had the right to protect them from the falling of these two illegal acts that they're engaged in and therefore we could not be party to any program which would put paraquat on marijuana that might come into the United States.

I mean I think most countries around the world are scratching their heads at this. So, you couldn't use paraquat and it became all of a sudden a devil word in the phrase that they use now. Of course the narcotics traffickers were all over this, the headlines and all this stuff and they paid journalists to write stories, you know all the things they do. So, paraquat became politically impossible to use, although it was by far the best product, remember in the health standard we couldn't use it. Then we had to work to find substitutes in the U.S. Department of Agriculture. We did all kinds of experiments up in Beltsville and elsewhere and found that _____ was really the next best thing and it was fixed in the soil, and it wouldn't go into the streams. We had to persuade the Colombians. It filtered in some certain kinds of plants and doesn't get everywhere and its not toxic to humans and all that stuff, but still getting them to once it is universally accepted as true that spraying something on marijuana is bad, it's kind of hard to overcome all that. That was Tom was betting, that we wouldn't be able to, but we eventually did and we even started to make one of the arguments the narcotics people would use and their allies, some of them witty and some of them unwitty is that by the spraying, environmentally catastrophic and we started to make the argument, that wait a second, what is really environmental catastrophic is chopping down all of the natural growth on the very steep hills in northern Colombia and planting them with rows of marijuana and the rains come and erosion comes and you have bare hillsides in a very short number of years. We also

were talking about coca, we talk about all the chemicals dumped into the streams by the cocaine stills, the laboratories, were far more damaging than spraying the stuff on coca plants. In any case, this was really different.

We did some very interesting things here that probably have disappeared in the midst of time, but in order to bring to Colombians' awareness the dangers of all this, the narcotics stuff to their own people, we sponsored a conference here at USIA who organized it, they're good at that stuff. We brought experts from all around the world, not too many from the U.S. and other Latin American countries. We had at that time a justice minister who is a good friend of mine who understood this and gave the keynote address at this. This conference which got a lot of hoopla in the press and on TV and people talking about the dangers of these things and about the inevitably of a producing country becoming a consuming country. Even the people in Colombia who actually did know about this and quite a few really courageous were these people talking about how much drug use there already was in Colombia, all this was a bombshell to the Colombian society. It really opened their eyes. It really got them to say wow, maybe we have been turning our backs and planting our heads in the sand like ostriches instead of dealing with this in some way that we should.

Meanwhile you had marijuana was scandalous, a guy who ended up being complicit in running marijuana through Cuba at the time into Cuban waters and of course the Cubans denied it and the Cuban allies among the guerrillas denied it, but this guy was nailed in Mexico and there was no doubt about it and it was a long complicated story, but a lot of stuff on marijuana. Meanwhile, the real serious problem was developing and that was the cocaine traffic. In those days the CIA could not be involved with anything to do with this at all.

*Q: Was this by congressional order or was this they just wanted to keep away from it?*

WATSON: Yes, no, well, the argument was at the time that the way the Central Intelligence Agency works is that it pays people to give them information. You could not retain anyone who was involved in narcotics, then you'd be seen as complicit in the narcotics trade and therefore you couldn't be involved. That was the argument, now that may have been a sensible argument, and more have been that this is not realistic and all this stuff.

*Q: It's kind of messy.*

WATSON: Messy and its just for the law enforcement creeps, not for us super sleuths and all that sort of thing. But in any case, they overcame that in a matter of years. I remember that was one of the real things. We had people who were frustrated in their own organization because they saw it, how important this was.

*Q: Well, the DEA was paying like mad.*

WATSON: Well, but they don't have the same restrictions.

*Q: Yes.*

WATSON: Of course the ones with the most money in some ways in the State Department. You always forget DEA helicopters, they're all State Department. In any case and this was getting violent. _____ was walking around holding up this passport saying I've got an American visa and he was the noisiest of all. He got himself to be a called _____, which is sort of a deputy member of congress. If a member of congress leaves for some reason he would fill his place. He would hold this passport out with a U.S. visa in it and saying I can go to the States.

Another guy who eventually was director and was still in the United States now built a huge statue of John Lennon in the town square in _____ where he was fun and the _____ brothers. My son told me the other night, something that horrified me and _____ fight these guys got into it, the _____ brothers in a nightclub, high school kids. The _____ pulled a gun on them and everything else. I didn't know anything about this at the time. It was a wild, wild place. But one of the things I wanted to mention was _____, the justice minister, was really a close ally of _____ who was the dissident presidential candidate. These guys were really sort of the future of the country in a way. He really took courageous positions on this and it cost him his life. We knew that he was under heavy threat and we had arranged for him and his wife and his kids to come to the United States in protected status until things cooled off. We had this all set to go and I remember at the national day reception the Dutch Embassy, I was talking to him and I said, we're all set to go, we're expecting to go this week or so. When do you want to do this? He said, I can't go yet, I've got so many things to do. I can't go right now. In a few weeks we'll go. On that night on the way home he was blown away by cocaine cowboys as they call them, the guys on motorcycles. He was killed. It was a tragic, but explosive demonstration by the Colombia public about what was going on in their country.

*Q: I remember sometime later there was a lot of talk about the justice system really wasn't designed to deal with this. I mean was this basically true of any justice system in the area or did it just happen with anyone with a gun or were we seeing any problem?*

WATSON: I would say that any justice system faced with the kinds of threats that this one was faced with would collapse even in this country. I have my own little two-bit theory about which, I haven't thought about this a lot, so it gets down to bare bones. It was more sophisticated once, but what I see as what was happening in Colombia was it goes all the way back to that agreement in the '50s and the civil war issue, conservatives and its consolidation problem in the hands of a few and ignoring everything else. Things ran along well, the economy ran along well, upper classes were doing well. Colombia is not a country of as much abject poverty as a lot of other places. Its a country with a series of large cities, it's not all concentrated in one city. A lot of the agriculture was coffee, which produced quite a lot of income for small farmers. It was a reasonably successful, reasonably middle class economy and of course there were exceptions to that. Compared

to everybody else down there, it looked pretty darn good. It just sort of rolled along. They didn't pay any attention, attention to the guerrillas. Whenever something really bad would happen the army would chase them down. They didn't try to wipe them out, they didn't seem to want to. Meanwhile, the narcotics thing began and way back when I was a undergraduate, I read a book by a guy named Hagen, a professor at Harvard, who wrote books about entrepreneurialism and case studies of certain places. One of the places, why I remember this I don't know, one of the cases was Colombia, a place that was just more successful than any other place in the general area. Singapore might have been another, places like that all over the world. Places where some combination of factors, where the people are more entrepreneurial, they are more successful, they take more risks, they overcome those risks and make more money and create more business and they do more things and Colombia was one of them. That's what happened with cocaine. These guys put together a very impressive operation. Society essentially ignored them as I said before. It was sort of a gringo problem until it was too late. The country's institutions were not ready to handle this. The institutions, they were really brittle rather than flexible. They were designed for this kind of static situation that they had and all of a sudden you have this powerful force with unlimited resources, billions of dollars, unlimited greed, unlimited thirst for power and influence and they couldn't handle it. Then it's even more complicated when the guerrillas, some element of the guerrilla forces, end up cohabiting with the narcotics people. When we discovered a cocaine laboratory in southeast, south central Colombia, that was discovered we were tracing the chemicals. That was an eye opener. That was the first really clear evidence. Marijuana, there was some M-19 being involved in the marijuana stuff. This was really serious stuff and a huge laboratory, bigger than any laboratory that has ever been found and guarded by soldiers of the revolution, the revolutionary armed forces. The biggest guerilla and one that is still, the one that has been negotiating with president _____. Then the idea is that the narco guerrillas and narco terrorists and all that stuff. Then you had all of a sudden income from the narcotics thing flowing into the hands of the guerillas. All of a sudden and overnight a threat that was probably more serious than people saw it, but probably not life threatening to the regime.

*Q: Were we seeing this?*

WATSON: Oh, yes.

*Q: We were.*

WATSON: We saw this, but it didn't matter. The Colombians had to see it. The final analysis, Americans have this fault of always somehow thinking that what we decide here in this wonderful capital city is somehow going to determine things and we even talked about that with a sort of we won the war in El Salvador and stuff like that. Give me a break. Sort of naive. In the final analysis the local folks do it and we provide sometimes resolve, guidance, support, resources, etc.

*Q: Yes, it depends on the people who live there.*

WATSON: We always look at it through our own way and see ourselves as sort of big on the stage and the local people as small where it is completely the reverse.

*Q: We lost track.*

WATSON: Yes, it's ridiculous. This was transforming this discovery, really endangering, we could see it was giving even more power to the narcotics guys who were becoming increasingly sophisticated.

*Q: One of the things I've heard about the Colombians, even the Colombians in Miami or something are more prone to reach for their machine guns or something. Could you talk a little bit about the violence in the Colombian psyche, was it really different, or was this opportunity or what?*

WATSON: I have never figured this out and I've always tried to avoid leaping at the superficial explanations because I don't do that and because I don't really know. I don't have any true understanding. There is no doubt that Colombia is more violent than other places. It's absolutely relevant and the facts are there. My wife saw people getting in a fight at a traffic accident and pull out guns and killing each other, right in the middle of the street. I mean she was right there. This stuff happens there. It happens other places, too, but it happens more often in Colombia. Exactly why that is, I don't pretend to know.

I read books on this when I lived in Colombia. I can't remember them anymore, but it's something the Colombians themselves try to analyze. Although some Colombians still deny it's the case. It's no doubt that more violence occurs there. I had experiences that I don't want to go into here, but I had experiences, this conversation was information I had not from any sources in the embassy, my own Colombian sources, about how these kidnapping rings worked and who they were and exactly how they negotiated that would make your hair stand on end. The kidnapping rings knew virtually everyone who had kidnapping insurance. They knew how much that insurance was, so they know that the negotiations begin at that point. They don't end, they begin there. We know you have $10 million in kidnapping insurance, so we want all of that now. We want another $20 million. They had people in the most sophisticated, they moved them out of the country, they had them on the ground, unbelievably sophisticated stuff. They had ways. A friend of mine was kidnapped and held in a house for a long time, but finally he persuaded them. He is still there, a businessman, in carpet, a Colombian businessman. He managed to persuade one of his kidnappers that he should be released. The kidnapper went out and went to a pay phone and called in the police said where he was. The police came disguised as telephone repairman and went outside the house and cut the wires, with the boom on a crane and had people stationed other places, all workers, street cleaners, something out of a movie. At a pointed moment they swung that crane over, burst through the window, subdued the guard, protected him, ran down the stairs, caught the rest of the guys, pulled my friend back out the window and got him away. It's hard to believe whatever goes right. Some guys are good at that stuff. That was just, that was one that turned out where a person was not killed.

Society, everybody lived within their means with lots of security. In the embassy we had our people go in different routes to work everyday, picked up in armored vans, all that stuff. I had to do all that. One of the most difficult things, maybe I mentioned this when I was talking about Bolivia, but I always found dealing with security issues difficult. At one point the four most dangerous places in the world were considered to be Bogota, Lima, El Salvador and Beirut and I was in both Lima and Bogota. I also had been in La Paz back when it was dangerous. It was never as dangerous before or after, not even close, not even 10%, but it was dangerous. We had bullets flying over our heads, chipping off the cement in La Paz when the military coup were taking place. It was a wild time, but the trouble is when you have a large mission and you're dealing with security issues, you have to take every threat seriously. There are all kinds of threats and some of them are bogus and some of them are just misinformation. As soon as you decide that a threat has to be dealt with, you have, I always figure you have about 20 minutes with which to come up with a solution. Around the embassy the word will run that a threat had come in that we're going to be bombed or someone's house is going to be hit or one of our vehicles is going to be mortared on the way home or someone's going to be kidnapped or whatever it is. If you don't get your team together and you don't have a solution in about 20 minutes, you lose everyone, the panic sets in and you lose the confidence, the leadership, you've got to move. I had a five person group, it didn't matter where they were from in the mission and whose judgment I thought was good, smart and cool, level headed and think about this. We would sit down and within 15 minutes come up with some way to deal with this. Then we would call a meeting of the country team, security watch committee as it is now called to discuss this. We went into that room. We were all ready it looked like. We were in most cases dealing pretty confidently before the panic can set it. You've already got the action you're taking to do it. Then sometimes the discussion in that meeting would actually be good and some really good ideas better than the ideas than we had and we'd work it out. The whole point is rather than going in there and saying, Jesus Christ we have this threat, now what do we do? We'd go in there and say, we've gotten this threat, this is how we analyze it and what we're doing, at least we'd get some structure to the conversation. That never gets easy.

*Q: What about families?*

WATSON: Oh, yes, there were people, I remember there was one military wife who never left her apartment. She was so terrified, she would never leave her apartment at all for any reason. I had to ask, I think that family was in the military group that was supposed to be with the attaché and I think I had to ask the commander of the MIL group, I said, maybe they should transfer this fellow because it wasn't doing him any good. Casting no aspersions on him whatsoever, should not affect his career negatively at all. But this was truly an inhuman situation for this woman and probably her whole family. He doesn't know what to do. He's got a wife that's scared to death and he doesn't want to look like he can't handle the job and so you've got to help him out.

*Q: What happened when Ambassador Tambs came in because I mean Tambs has a*

*reputation, he was a professor with all sorts of very strong conservative ideas. Later he went elsewhere, but you caught him first hand. How did this work and what was, can you talk about this?*

WATSON: I'll talk about it. It's obviously a pretty tricky subject. There were some amusing aspects to it. After the Reagan visit, Tom Boyatt left and Lew Tambs was coming down. I'd heard all sorts of stories about Lew Tambs. I've always considered myself to be sort of at the liberal end of the political spectrum and he was obviously ultra conservative. I was trying to behave in a way in which I would be perceived as being pragmatic and respective of ideology. Lo and behold I heard from Washington that Tambs was thinking seriously of getting rid of that guy, Watson down there, because he had heard he was too pragmatic. I went up and met with Lew Tambs at the army and navy club somewhere in Virginia where we lived, we had lunch together. He was the Indian affairs director at the time. We got along okay. Lew Tambs had just gotten remarried to a young woman who was extremely nice. If I remember correctly, she had never been out of Louisiana, never been overseas, never been out of Louisiana, never even out of the state. My recollection, maybe it's an exaggeration, but this put her in a very difficult circumstance, with this guy who was about twice her age, it was a difficult situation. My wife and she talked; we were in Colombia and they were in the U.S. My wife and Phyllis talked on the phone and when they hung up neither one understood a word the other one had said. My wife was from outside Boston and Phyllis was from Louisiana. They both now joke about it. Neither one understood what the other one was saying. They were just being polite. Tambs came down and I don't want to sound boastful, but I think it's fairly described, you know, I just decided that my job no matter what I thought, ideology, he might not even know. That was not my job. My job was to run that embassy and to deliver it to him as ambassadors do with it as you want. I was the guy and the mechanic running the machine. The engineer in the bowels of the ship keeping the engine going so he could steer it where he wanted it to go. Another part of my job was to give him my advice. He didn't know anything about embassies and to give him my advice and be helpful to him, steer him between the swords and the daggers, but always in private. Always be the dutiful lieutenant. Well, after his first few weeks, he was still suspicious of me and you need to remember when the Reagan administration came in after the Carter administration, it was the most violent transition I think everyone has ever seen.

*Q: Particularly on the Latin American scene.*

WATSON: Bill Bowdler was assistant secretary, mild mannered, absolutely decent career officer, the assistant secretary of State for InterAmerican affairs and was called up by somebody and saying you have until noon to get out of your office. It was that kind of thing. Jim Cheek was thrown out. He was handling Central America. He left the whole Foreign Service.

*Q: I tried to interview him.*

WATSON: It was the most violent transition you can imagine. So these guys came in

thinking basically whatever the Carter administration was doing was wrong by definition. So, we don't know what we're doing, but whatever is the opposite of what they were doing is right. That's how they became. That sounds simplistic, but that's exactly how they were thinking. I have a million examples of that. Finally they got their heads screwed on right. They started to realize that human rights was something actually developed in the congress. The whole human rights reporting required by the State Department was placed on it by the house of representatives during the Ford administration and Carter was smart enough to embrace this. Carter also believed in this strongly. The Reagan people quickly realized that defending human rights is a major way to defend democracy and after all we do stand for democracy and all that kind of stuff. They rather quickly got their bearings in most ways, but at the beginning it was pretty wild. When Lew came in I'm sure he was suspicious of all this. Very quickly it became clear, first of all that I was loyal and I was going to do what I said, I wasn't running around his back and saying anything to anybody. I had to be very careful in that regard. Secondly, the issues we were dealing with didn't really fall into any particular spot, on the left or to the right of the American political spectrum. Lew had a way of producing things and he would talk and he'd say, marijuana and Marxists, coonies and cocaine. He had another one, too. Democracy and drugs. Those are our issues here. Once you get to that level then your discussion are about tactics, but not about fundamental direction of what you've been doing in the country and all that stuff. So, the found this, we didn't spend any time on political differences and discussions and those kinds of things. We were trying to find ways to work with the economy and authorities and a list to achieve our objectives.

*Q: How did he work with the Colombian government? Was it a learning period?*

WATSON: Yes. Lew Tambs talked to the press all the time and they didn't always appreciate it. Sometimes it was good things, sometimes it helped further the process of awakening the Colombians to the danger they were facing. I don't even know, it might have been resented. I think our relationship, some people may disagree. I think dealing with the kind of society Colombians are, upper class Colombians prefer dealing with professional diplomats which may be surprising to some people. They actually think much more positively with professional diplomats than they do with people who aren't; even though as I said a rather weak professional service, had a whole bunch of people irrespective of what party they were in, ended up in high diplomatic posts was sort of a virtual career to them. I mean once again this will sound boastful, but when I left the country the foreign minister gave me one of the decorations which they never give to deputy chiefs of mission. They did it because they rightly or not, they knew that actually I was running the embassy. I never said that. Lew was very nice about it. His ego was not such that it was out of control or that he was always insecure. He could handle this kind of thing. He probably knew it and he felt the same. He had things that he was doing and he let me run everything else.

*Q: Did you find often with a political appointee one of the great strengths is they can call the right people who are in power in Washington? I mean did he have that or not?*

WATSON: Not that much at that point. I don't think that he did. He wasn't really an intimate. He was a guy who was out there on the right wing fringe of things, but he wasn't an intimate part of the Reagan group. He knew a lot of those people up there, but he didn't call them.

*Q: Well, you mentioned that George Bush came a couple of times and Ronald Reagan. Is there anything you'd like to say about those trips? What was your impression as Bush as Vice President when he came, was it a business trip?*

WATSON: I always liked Bush, still like him, I have seen him a lot during my career. Sometimes in Brazil when I got there, a couple of times. Saw him a lot when I was up at the UN. I've seen him a couple of times since. I thought he did a good job and he's smart and focused.

*Q: How about Mrs. Tambs? I would have thought that this being such both a high position and all the security it would have been pretty difficult for her.*

WATSON: For her, she handled it with great aplomb and should be commended for it. She may have gone to bed with tears in her eyes, but you didn't see it during the day. She talked a lot to my wife about this stuff. They got along well. She had I think she had a baby while she was there if I remember right. She had two or three kids and she didn't, she wasn't trying to make any kind of big mark on Colombian society. She was perfectly decent, represented the United States in her position.

*Q: Did you see the effects of narco corruption moving in at that time into the society, well, I take it now it's practically epidemic.*

WATSON: Yes, you touched on this earlier. Even in those days the reports were already intimidating. The technique that people talk about now, then the traffickers would go to the judge and put $1,000 on his table and say, either take this or I'll kill your wife. Once he takes that and they photograph that, the ball game is over, he's in their pocket and that's it. The military didn't want to get in their anti-drug party, because the general who was the minister of defense feared correctly that once the military started to get into that they would be corrupted. Performance of duty of fighting guerrillas or defending Venezuelans or anyone else.

*Q: Well, I think today of Colombians and sometime back, we always think of drugs. Was there anything else that we were interested in, I mean, was coffee, the coffee market of interest or anything else or UN votes?*

WATSON: Oh, yes, sure.

*Q: The Central American situation?*

WATSON: Absolutely, all those things. They were part of the contradora group, sure. At

that time we had the Falklands and Malvinas war in 1982 and the Colombians were playing a role along with the Peruvians and Brazilians trying to mediate between the Argentines and the Brits and keeping us apprised of what was going on.

*Q: This is tape seven, side one with Alex Watson. You're off to Brazil as DCM and this is when in 1987?*

WATSON: '84.

*Q: And you were there from 1984 until when?*

WATSON: Until 1986 when I went off to be ambassador to Peru.

*Q: All right. Who was the ambassador in Brazil when you were DCM?*

WATSON: My old friend Diego Asencio was ambassador. Now, how I came to Brazil is kind of amusing I think from an in-house perspective if not beyond. I had decided it was a good time when I was in Bogota now that I had spent all of my career virtually in Latin America, it would be a good idea to try something else. I had already been deputy chief of mission twice, so I thought I should do it one more time and so I sought the position in Australia and in Kenya and in India and several other places. Those are the principal ones, maybe someplace else in the Middle East. In every case I was turned down because these were the plum jobs reserved for the people in those areas that had had hardship posts and things like that. They almost laughed at me when I talked about going to Canberra or Nairobi. In India Harry Vaughan was the ambassador and he got 42 candidates for the DCM job, he got it down to two and he picked the other guy and with reason. The other guy was coming out of Washington where he had been dealing with issues that were relevant to U.S. India relations so I had no hard feelings on that. Deane Hinton had tried to get me to come to Pakistan as DCM, but I was first going to have to be consul general for a while at another post and then shift into the DCM later on. I said, that is just too tenuous for me, with all due respect, I love you madly, but I'm not going to do that. So, I was headed for the senior seminar which I really didn't want to do. Out of the blue Diego Asencio called. I had been in touch with Diego. I had been trying to convince him that a couple of good people coming out of the embassy in Bogota he should look at for the embassy in Brazil. I wasn't thinking of myself at all. Bob Ryan was scheduled to be deputy chief of mission in Brasilia. Then Bob was nominated to be ambassador I think to Mali and so Diego was frantically looking for a DCM. Any port in a storm. He called his own buddy, Alex Watson. I said, well, this is very hard because they want me in the senior seminar and Steve Low is running that whole thing and he says there is no way I'm going to get out of it. Diego said, watch me. I ended up as DCM in Brasilia, which is fine, because I really liked Brazil and had been there before as you know and I knew a lot about Brazil. I knew relatively more about Brazil than most of the other countries in the region. Off we went to Brasilia in 1984.

*Q: What was the state of relations with Brazil in 1984?*

WATSON: Well, they were pretty good. It was a very interesting time as I recall because it was a period of shifting from the military regime, which began with the coup in 1964 to a civilian democratic regime. You were in the last of the military governments obviously with General Figueiredo and they were moving towards a rather complex election and relations with the U.S. were pretty good as I recall. We had some trade issues as we always had. One of the big issues was one I would say called incromatics which is dealing with the high tech computer industry where the Brazilian policies during this period were a highly nationalistic effort to foster the development of a domestic industry, good old fashioned American development policies, closing the borders and giving incentives to the local folks to try and develop the industry. It didn't really work very well because the industry was just moving too fast and you really had to have a certain technological base to be able to keep up with it. They were open to big mainframes, but not to small computers. I spent lots of time working on that issue. There were other trade issues as well. The computer, the Brazilian management of the whole computer sector and also combined with its nuclear pretension at the time developing a nuclear submarine and things like that. This all made it difficult for the U.S. to authorize the export of certain kinds of very high speed computers and things like that.

*Q: That was the Cray computers.*

WATSON: Cray computers of Brazil, that's right, good memory. In fact, subsequently when I was assistant secretary we worked these things out, but it was a difficult and contentious issue and we had other trade issues such as the ones you always have in the aviation area. What airlines get how many flights and how many seats and units and cargo space and I've sort of forgotten the technical terminology for all these things, but I spent some time. We had some state visits as well that were interesting, particularly of the president elect Tancredo Neves, who then died, got very, very ill before his inauguration and could not be sworn in, the vice president was sworn in, then the president elect died and the vice president became president, Jose Sarney. That whole electoral process was an interesting one and a radical shift for Brazil as they voted in this elderly political figure that had been at certain points in his life associated with Getulio Vargas, a former dictator and twice elected president of Brazil back in the '50s and somewhat on the left, the moderate left of the political spectrum in Brazilian terms in those days. The difficulties surrounding his illness.

*Q: Because of his age and all was he seen as a compromised figure, someone you wouldn't challenge, I mean people would say, well, let's get him in there and work it up so we'll really put a real leader in there?*

WATSON: No, I don't think so. I think he was pretty much in charge and in good shape as the campaign went on and became a very popular figure and I don't think anyone doubted that he would be running his own government. He was vigorous even though pretty old. I mean his illness came about by failure to attend to some kind of infection in his abdomen which turned into peritonitis and by the time they got to it, they didn't take

him to the best doctors and by the time they got him down to Sao Paulo it was already spreading all over his body and he died. It's really a tragedy. With the proper medical care early on he probably could have been saved. That event tended to resuscitate the old Brazilian joke which is what is the best, what is the name of the best hospital in Brasilia, answer: the airline to get out of here and go someplace place. He chose to have his own old friends sort of personal physician about his own age take care of him when he probably should have gone to some more recently educated individual.

*Q: Were you there at the time when this happened?*

WATSON: Yes.

*Q: What was our reading on the vice president sort of before, I mean the vice president elect?*

WATSON: Jose Sarney who became president. Well, he had been a bit more conservative than Neves and came out of the military sponsor government party, the Brazilian Democratic Movement Party. I think he was viewed as sort of a relatively decent, but not very inspiring political leader from the northeast of Brazil and he was from the state of Maranhão if I remember correctly, a typical sort of conservative northeastern politician pretty good at pork barrel stuff, not an inspiring leader and somebody who had worked his way up in the political hierarchy by learning to get along to go along. When he became president he handled the difficult situation of becoming vice president and the sort of acting president in the absence of a real president who was in the process of dying and then the death. He handled all that stuff gracefully and well. When he became president he was I don't think not considered to be terribly distinguished president and there were a lot of allegations of some serious corruption around him near the end of his term. I was gone by then.

*Q: How did Diego Asencio deal with the Brazilians?*

WATSON: Everybody loves Diego. He was very good. He had been there before. He had been political counselor in the embassy when I was the consul out in Bahia and that's how we became friends. His Portuguese was fluent and excellent and he was very gregarious and he traveled around the country and made speeches and talked to folks. I think the president liked him and the people in the foreign ministry enjoyed working with him and he knew a lot of people up on the Hill from his days as, their Hill, their capital, congress as the, from his days as political counselor. Even in those days when the congress was officially closed by the military there are still a lot of congressmen hanging around here so we all got to know quite a few of them back in those days because I'd been in Brasilia before as I think I mentioned before I went to be consul in Bahia for six months. Even in that short time I got to know a great number of political figures that I renewed contact with later on when I came back.

I'm trying to think of what else happened. One of the most interesting things, one of these

footnotes of history was the death of Joseph Mengele when I was there. This is perhaps not the place to go into any great detail, but there were some interesting wrinkles to it.

*Q: You might explain who Joseph Mengele was.*

WATSON: Joseph Mengele was the Nazi doctor, I guess it was Auschwitz, was it?

*Q: Yes, he was a dentist actually.*

WATSON: Yes, well, I don't know if he was a dentist, but he was a physician that was allegedly and I think it's true, but I'm just not too familiar with the history to be certain, but who was doing experiments on people in the death camps. I'm pretty sure it was Auschwitz where he was, not one of the other ones, death camps where most of the people were Jewish and doing hideous experiments on them and he became almost a, his reputation almost became a caricature in some ways of the most extreme aspects of the Nazi regime. Joseph Mengele was an absolutely notorious figure long before he came to surface and dead in Brazil. The movie The Boys from Brazil, yes, was based on him and that sort of stuff, doing genetic experimentation and this kind of stuff. He had been living. He was always rumored to be everywhere. When I was in Bolivia I may have even mentioned this; we had a report that he had, that he was on a plane flying into Bolivia. I had to go out to the airport I think I may have mentioned this and I walked up and down the plane looking for him. Here Mengele, here Mengele as if he was going to stand up, but in any case. So, people were looking for him all the time and he turned up dead and having drowned in southern Brazil. We really weren't sure if it were he or not. We had the enormous good fortune, most people don't know about this perhaps to have as our consul general in Sao Paulo a very successful U.S. Information Agency Officer named Steve Dachi who by profession before entering the Foreign Service was a forensic dentist graduated, you know about this?

*Q: I've interviewed him.*

WATSON: Oh, he graduated, well, you ought to get the story from him.

*Q: But I'd still like to get it from you.*

WATSON: He was, he graduated from the University of Kentucky. Steve was a Hungarian immigrant to the United States if I recall correctly. I think he went to Kentucky as an undergraduate and then went to graduate school. In any case, here we have a case where the most important identifying features of Mr. Mengele were dental including a certain kind of an abnormality in his skull which is where the hair grows backwards inside and cuts and penetrates all the way inside of your mouth or something like that. Steve had actually done some studies of this in dental school and he had his mother-in-law go out to a warehouse in Hyattsville, Maryland and scramble around and find his old slides from those days and send them down there. He was out there over at the morgue and this is a big case. He's out there looking around.

*Q: A world class case, yes.*

WATSON: There's another dimension which I'd like to mention at the very beginning as soon as it was reported that this cadaver might be that of Joseph Mengele everybody on earth wanted to come. The U.S. has this whole unit in the Justice Department that deals with these kinds of things. So, the U.S. wanted to send people down. The Germans wanted to send people down and the Israelis wanted to send people over. The authorities in Sao Paulo were resistant to this interference by all these foreigners as police forces around the world normally would be. I remember it was on a weekend and they called up the deputy foreign minister in Brazil called the secretary general of the foreign ministry _____ who was ambassador here and a guy I had known since I was in Brazil the first time. I got him on the phone and I said, Paolo, do you have any idea what's going on here, let me bring you up to speed. He was aware of the Mengele thing, but didn't know about it. I said, you guys could have a huge public relations problem here if you don't find some way to collaborate with these foreigners that want to come in. I'm not just talking about the U.S. guys. I'm not even making a representation on the part of the U.S. government; I'm calling you as a friend who knows something about this stuff. I suggest you take a look at this stuff and see how you want to manage it because you're not going to be able to withstand the international pressure to have people coming here and look at this.

*Q: It looked like a cover up.*

WATSON: You try to manage it without that kind of participation it will have all kinds of consequences as you can imagine. He didn't mean to be told by me about this. He figured this out immediately and he called down to Romeu Tuma who was the head of the Sao Paulo police at that time and within a matter of hours these people were coming in as collaborators. I don't remember all the details anymore and I'm not even going to try to since you've gotten them from Steve Dachi, but Steve and I were talking on the phone every day about how we were managing this and how much involved we wanted to be and not be and how much we wanted him involved and not involved. Obviously we wanted to be helpful in a technical sense to the extent that we had this unique asset there, but to the extent that there were other people who could this as well or better than maybe we'll step back a little because that's not really his job anymore, he's no longer a forensic person.

*Q: Consul generals don't normally do that sort of thing.*

WATSON: That's right, but also, he needed to help manage the U.S. presence there, the guys from the Department of Justice and make sure that they get the access they needed and make sure that the press understood what was going on and all the stuff you have to do in something like that. My recollection of this is that Steve handled this whole thing brilliantly well and eventually his work actually contributed to the positive identification that this really was Mengele. There were a lot of other questions about when the remains

were dug up that remember he had died a while before and had been buried and dug up if I remember correctly. What they were trying to do was to identify this cadaver and skeleton and stuff and that's why this was important because it had gone right through the bone and all that stuff. I think he did make a positive contribution to the positive identification of this nefarious person. That was kind of a side story that took up quite a while.

*Q: Was there a concern that there was maybe no longer significant, but at that time a number of Nazis living in Brazil?*

WATSON: Well, there was for many years, not just a concern, but a presumption that there were Nazis under pseudonyms of course living all over southern South America, particularly Paraguay and also Argentina and Brazil. We all know about the one that was in Bolivia that was extradited back to France to Lyon where he was tried.

*Q: Barbie?*

WATSON: Klaus Barbie who was there when I was in Bolivia, too.

*Q: Where did Adolf Eichmann come from?*

WATSON: Eichmann if I recall was in Argentina. I think that's right, but and there are others in Argentina now more recently that have been cause celebre. There is no evidence and I wouldn't suggest for one instant that any authorities in Brazil knew that this was Mengele and knew where he was. He was a guy living quietly in a little house in the countryside with his trees around him and things like that. He came and went and the more you start to unravel and talk to people in the neighborhood, maybe if you'd been a very inquisitive investigative reporter or detective, you might have figured something out, but he had a different name. I don't remember what name he used now. He'd been there for a long time. He was kind of a person that kept to himself, but was not viewed negatively by anybody in his little community at that point.

There were economic issues because Brazil as usual was trying to come to grips with inflation. It had taken off before and during the military government and then they institutionalized the indexation to the rates of inflation. This then compounds the inflation in effect and the Sarney administration took some rather dramatic steps to try to deal with inflation creating a new currency and some other things that had some impact for a while. But then because it didn't get to the underlying causes of it all it sort of started to come apart again. That was something else we were paying a lot of attention to. I'm trying to think what else.

*Q: Were we just basically observers of the Brazilian economic thing or trying to open it up for at least our products?*

WATSON: Well, we were always on these trade issues trying to induce the Brazilians to

move toward a more open trading system a less restrictive one and reducing their tariffs and that sort of thing, a lot of which they've done since. Also, they were concerned about their inability to get inflation under control and what that implied for the exchange rates, it implied for investments, it implied for the poor in Brazil who are always hurt worse. As soon as you get your paycheck it would disappear because the inflation was going at such a fast rate. All of the sort of financial ledger demand which had to take place and unless people with income could do that, put their money into overnight accounts and all these kinds of games people were playing, all of them legitimate, but not necessarily the best uses of capital, but designed to protect themselves from the ravages of inflation which of course the poor can't do. We were concerned about that as well.

*Q: How about the big banks in New York, Citibank and all? Was this the time when they were loading the Brazilians down with loans or was this before or after?*

WATSON: I think this was after that if I recall correctly that it was in the '80s is when there were these big loans after the oil shock and everything. I think those were still going on, but I think most of them happened in the early '80s as opposed to the mid-'80s when I was there, but there was still concern about it. We were concerned about Brazil's ability to meet its debt service on these things.

*Q: Was Brazil working externally to be sort of the South American leader at this point?*

WATSON: Well, it was during this time that they sort of cooked up *Plano Cruzado* and I remember talking with Ambassador Frank _____ who was the head of the economic bureau if you will of the foreign ministry at the time they were creating *Plano Cruzado* and it was really, that was just an idea, just starting to work toward it. Make no mistake about it, it had a clear political dimension. This was to not only open markets for Brazil, being the largest economy in the region, it was expected to benefit and the others were, too; it also was a device for strengthening the ties with its immediate neighbors which would be to Brazil's benefit. It was the largest and perhaps the most influential country, the others being Argentina, Paraguay and Uruguay, the latitude is quite small in Argentina, a country with traditional rivalry with Brazil, but in fact over the years a less powerful economy by far than the Brazilian economy.

*Q: You mentioned the computer world. Had the Brazilians seen this as the key to projecting itself within in the both internally and externally as something to master and manufacture?*

WATSON: I think it was a combination. It was good old fashioned Brazilian statist economics that had been undertaken and initiated in some ways back in the '50s and then reinforced to a considerable extent by the military regimes. Most of these politicians who came back and came into power in 1985, were from that time frame so they thought in those terms and even the ones that were younger. So, that's how the people sort of thought. There were the outside voices, and others, who screamed for more liberal economic regime so that was there. That was sort of a general approach.

The whole point is to reduce imports and create a situation, an import substitution model, so they had that whole way of thinking. Secondly, I think the Brazilians in perceiving that the computer world was the one of the dramatic new industries where a country could get really get a foothold, could make a name for itself and have a lot of business, etc. and so they wanted to develop that. No reason why it couldn't develop an industry like that. But once again you combine those two things, plus old fashioned nationalism was there during the military regimes and some of these people from the left are in the spectrum as well. Put those three things together and you get this recipe, but they didn't understand that the way they could best develop this industry would be to invite the American firms, particularly, but also maybe from other countries in there and then start to take advantage of the spin offs and develop the ancillary industries and then eventually maybe. I had a strategy at one point there. Diego sort of let me handle this stuff. My strategy was, well, anyone knows that a sophisticated industrial sector is going to need to have really a first rate computers in the future. We all go down to Sao Paulo and work with Steve Dachi, the consul general there I mentioned a few minutes ago, go around to the various industries. Steve would do most of this because that was his territory. We would talk to the big manufactures and say, you really need to have access to this technology or you're going to fall behind the rest of the world. Your government up in Brasilia is retarding your access to this by this rather primitive effort to keep it all out while it will take them a few years to develop it on their own. We would submit that it's in your interest to resist this policy and try to convince the government before they sign any others that they ought to adopt a more open policy on this. Well, this was not successful you may observe and one reason for it. I can remember this moment very clearly. I felt kind of naive. I was talking to a businessman who will go unnamed here because he's still around. Among other things, he ran a chain of hotels all in Brazil. I was talking to him about this theory. He said, well, wait a second, you've got to understand one thing. We have computers in all our hotels. They are Apple computers and they come in through Paraguay and we pay for them by the pound. That's how you buy computers in Paraguay by the pound, like $12 a pound. We bring them in, we have our own boxes made with our own labels on it and put these Apples inside there and you go to any of our hotels and you'll see these computers there. This is the most inexpensive way for us to do this by far. We have no interest, no interest in rocking the boat in this area. To the extent, this is really for personal computers and things like that, but that was the contentious area because the mainframes, there were limitations of what could be done. IBM and the big mainframe guys were in there making mainframes even though I think if I recall correctly there were some requirements that certain components, like some of the tapes and things had to be made locally or something like that. I realized that wow this is more complicated than I thought in getting these guys to stand up and make a fuss when they were benefiting by getting this contraband in from Paraguay. It's probably not going to be very successful.

When I had been in Brazil before I had noticed that the relationship between the embassy and Brasilia and the consulates general in Rio de Janeiro and Sao Paulo were extremely strained and part of that was because the embassy used to be in Rio and then it moved up to Brasilia so they never got over it not being the embassy. For a long time they had more

people in Rio than we had in Brasilia, like the ambassador and the top king was in Brasilia. There was a lot of tension over control. I remember sitting in my little post in Bahia saying if I ever get a position of employment in the embassy in Brasilia I will change this. I remember that when John Crimmins had been ambassador, Bob Sayre was inspector general. Bob Sayre I think criticized the embassy for trying to have too tight a hold over the consulates general. When Bob Sayre succeeded Jack Crimmins as ambassador he tightened it up even more. I always thought that was kind of ironic. When I came in that was after Sayre, there was Tony Motley and then Diego Asencio came in. I said, we're going to loosen this all up and this is ridiculous. There is no reason why every telegram that goes out of Rio and Sao Paulo has to come through Brasilia first and be edited by us. All it does it slow everything down. It's certainly a blow to morale as well as to efficiency. We're going to replace this primitive system with one which requires more frequent consultation among all the relevant people. This would be a clear message from the embassy to the consulates general what Washington is interested in and what we're interested in. If they want to do well, that's what they will report on and give them some clear understanding on where we stand on these issues so that they can shape their commentary and stuff in light of that. Nobody wants to have telegrams shot out by the ambassador saying please ignore this telegram we just received from Sao Paulo. You don't have to be heavy handed if you have communication. That is what we did and it worked a hell of a lot better. I'm sorry to say that after I left I understand it went back, slipped back toward the previous pattern where the DCM sat around spending most of his day editing other peoples' cables because that was a waste of time.

I also had to close a post. I had to close my old post. It broke my heart. Salvador the oldest consulate in South America unless _____ was and there was always an argument which came first, I never knew quite what the answer was, obviously I maintained that it was Bahia, Salvador de Bahia. What happened was the following. The Department said in its post closing frenzy which is all it knows how to do to reduce budgets they told us we had to close Porto Alegre in Brazil. We put up a valiant defense of why Porto Alegre had to stay open and this that and the other. We won, we convinced them. They said those arguments are telling. They said, okay, we're not going to close Porto Alegre, but you've got to close another post, which is completely unfair I thought, making a battle. What was I going to do, we only had two other posts. One was Salvador de Bahia and one was Recife. I thought well, frankly having somebody in the northeast of Brazil was Bahia because there was a section under development that had moved out of the traditional northeast and in any sense it will always be northeast in a cultural way, its economy was much more linked to the rest of Brazil than it was to other parts. It was a much bigger state, a richer state, much more industry and tied in to some extent to Sao Paulo and Rio. It could be dealt with more easily out of Brasilia and elsewhere so I decided that I would keep Recife and had to close down my old post. We did a trick. We did several tricks. We closed the post, assigned a principal officer to Rio and then detailed him back to Salvador without the Department's actually knowing we did any of this. So, nothing really changed for a while until he got transferred. Diego Asencio opened a post without any permission from anybody. The president elect had told him he wanted a consulate in the district he was from and Diego was trying to please him and the Department wouldn't approve it.

So, we just got a guy assigned to Rio and detailed him. The U.S. Information Agency wanted to have, they already had a cultural center in Bella Horizonte, so the USIA had a presence there and so we could move State in with the USIA presence and there was our little semi-official consulate for a while. Those were just little games we were playing. Diego was always very inventive. He did the Bella Horizonte. He was doing that even as I was arriving or shortly after I got there. I learned from that to be able to do the thing in Bahia.

*Q: Did you find in closing a post officially or something, do you get screams and yells from the local people?*

WATSON: Of course they do, of course you do. How important that is is another question to you. Maybe it's not very important. I always thought because I was out there in one of those posts. I was out there in a post that was called a listening post. A lot of the functions, I got a lot of the functions transferred to it, as I mentioned before, but a lot of those posts have a lot of limited things they do anyhow. They don't issue immigrant visas. Sometimes they don't even issue tourist visas, so they don't have an extensive support apparatus. They are not in most countries; they are not a security problem. They don't have any marine guards or anything like that. So, the cost. I figured when I was in Bahia, mind you this is 30 years ago, it cost $65,000 a year to run that post, all the employees, my salary, the rent, my secretary, administrative guy, the driver, I think that's about all we had, and maybe one handyman, all travel, everything. That's nothing. I thought that it gave us a presence in a part of a huge country where regions are important we would otherwise not have had. It also gave us information if you had the right people that were good at this stuff, information on these areas and you also; it's a wonderful training ground. That was one of my strongest points. You want someone having been one of these people; you want someone to be tested. You throw them out there on their own say here you are, figure out what you're going to do, this is how you have to report. You learn a lot about yourself, what you're relatively good at, what you're relatively not so good at. You learn how to set your own priorities and agendas. You learn how to focus, and you're sensitive enough to what's going on in the world in this case in Brasilia and Washington to be able to say something they want to hear. I think they're invaluable and I think when the Department screams about not having managerial competence, you could give some of these younger officers more experience out there running things and more training than I ever got and more counseling and mentoring along the way. You would have a chance to help people develop some of their managerial skills a lot more efficiently than they have so far. I hated to close this small post.

When I first went to Brazil, we had to close a post in _____ in the north of the Amazon, we had just closed the one in _____ which is just to the south of Sao Paulo as well as Porto Alegre, Rio, Sao Paulo, Bahia, Recife. We had a consul general up in _____ and maybe a couple of other consulates general. Since that time we're just down to Brasilia, Rio and Sao Paulo. I guess we still have something on Porto Alegre. I think we do and maybe Recife.

*Q: I think it's a mistake, but to close these things down, you can bring it down to a bare minimum. You were mentioning the nuclear issue. This was a theme that went throughout the time. Where did it stand and how did you deal with it with Brazil because Brazil and Argentina were both making nuclear noises. I mean it's the last thing in the world anyone wanted.*

WATSON: We spent years, the government spent a lot of effort on this. Ambassador Kennedy at that time was ambassador at large.

*Q: Richard Kennedy.*

WATSON: Richard Kennedy and he had nuclear stuff in his portfolio if I remember this correctly. He came down I think at least twice in the two years I was there to talk to the Brazilians and try to encourage them and the Argentines to do the right thing. Eventually they did it all on their own. Once you had civilian governments in both places it made a big difference. On my last trip as assistant secretary to Warren Christopher to Latin America he signed the deal in Brazil which allowed the sharing of missile technology and things, all of which had we had been not able to do because of the nuclear dimension which was poisoning our ambassador to do that. We had Dan Golden from NASA down there with us who signed all these things in the foreign ministry. I got a sort of mild satisfaction that he hadn't _____ this issue for a long time. Sort of like the computer issue we saw in _____ when he was ambassador here and in Lima he was the secretary general of the foreign ministry and I really worked out and USTR deserves a lot of credit for this. It worked out an arrangement to accept the, yes, this is now in the '90s, sets that _____ issue on the side and once again allowed when Al Gore went down there. We all went down there on a lightning trip to be able to sign some scientific, some broad scientific cooperation agreement which also had been put on hold for years because of the inability to resolve this issue. Those were some of the things. I'm sure there are many other things I can think of later on I can add back in here.

*Q: What about Brazil on the international thing, the UN and other places? What was our impression was Brazil helpful, not much of a player or what?*

WATSON: Well in the multilateral area Brazil has always been a pretty good player. They take it very importantly. The fact that they always give the first speech at the UN general assembly as a result of their leading role in putting together the UN in San Francisco. They always give it great importance and their diplomacy is oriented towards the maximum advantage of those organizations and they're very effective and they were difficult to deal with at many times. Often I used to think that Brazilian diplomacy was a little bit like the Mexican which is a little bit like the French. They had a diplomacy which was designed to at least in some terms look like it was to the left, opposed to the U.S. and many of the other industrialized democracies and appealing to the less developed countries. At the same time their internal system was an extremely right wing dictatorship run by the military, not that Mexico and France are exactly like that, but the dynamic of abusing a foreign policy in this kind of presentational way quite different

from the reality in their own country. They fended off criticism and would hide behind other developing countries and say on their failings on human rights got reported. They were always fierce advocates of their positions and they are very good at manipulating these other organizations. People within the organization would be supportive of their position and they're quite good at that stuff.

We had been there before when I was in Colombia, that's where he made the classic remark at dinner in Brasilia about how glad he was to be in Bolivia. They never have forgotten that. It's like when de Gaulle left Brazil and was quoted as saying this is not a serious country. That will stick in people's historical memories. When I was there Vice President Bush came for the inauguration of Sarney. We didn't have as many visitors as we do now or as we should have had. Quite a number of members of congress, Bob Graham and Dick Lugar were the internationally oriented members of the senate came, quite a few congressmen came through of various persuasions. We didn't have as many cabinet secretaries at all as we have now.

*Q: What about the conflict in Nicaragua and El Salvador and all that? How did that play in Brazil?*

WATSON: Very far away. Not very important.

*Q: It was not sort of saying well the gringo is sticking at this and Latin Americans.*

WATSON: Well, if they needed to say that, they would, but they were not part of the contadora group or anything like that. They weren't really engaged in that. They were much more interested in organizing things in the southern half of the Western Hemisphere.

*Q: Well, by this time, Argentina, I guess we're about ready to finish on this, Argentina was not seen as a particularly threat or not?*

WATSON: Well, it's hard to know, it's difficult for me to judge that. Certainly in the circles where people were paid to think about threats and where their significance is enhanced by the significance of the threat, military places in particular and probably some elements of the foreign ministry, Argentina is viewed as a serious rival that has to be dealt with. I think that the more sophisticated people saw it as a way to deal with this was the _____ way as opposed to any browbeating. The nuclear issue was still open and like it or not the foreign minister didn't control that issue. It was the ministry of science and technology and even more importantly the military ministries, so that was a difficult one to get hold of.

I just want to make a note here on the record on this informatics issue or high technology or computer issue. John Whitehead, the deputy secretary of state at that time, was enormously helpful. He came all the way down to Brazil and helped me out in dealing with this issue to keep the Brazilians from taking a step that really would have forced the

issue with us in a dramatic way in these international situations. I still see John Whitehead at the board of governors of the Nature Conservancy. I still see him with some frequency, but I just wanted to note that for the record.

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*Q: Today is February 15th, 2001. We moved back to 1986. You're off to Peru as what?*

WATSON: As ambassador.

*Q: As ambassador. Now how did that come about?*

WATSON: Well, let's see. '86 was, that was the second Reagan administration and I guess they were replacing ambassadors that had been put there in the first Reagan administration and the departing ambassador was David Jordan who was a professor at the University of Virginia and the embassy was in serious trouble at that point. I don't think it's fair to go into any great detail.

*Q: Well, let's talk about it, I mean what do you mean by serious problem, because I'm trying to get across the idea of problems.*

WATSON: The management of the embassy was absolutely chaotic. The ambassador and the deputy chief of mission were at each other's throats almost not speaking to each other and when they were they were screaming at each other. Some people told me, I was not there. The administrative counselor had a medical evacuation in the embassy for stress as I understand it and it was in chaos. Yet here was an embassy that was facing the Shining Path insurgents and the MRTA and major drug problems and it was really in difficulty. I know that simply because I was in Brazil and the deputy assistant secretary who was responsible for working with our embassy in Peru had to go down there on an emergency basis to try to straighten this out. I can't remember quite why, but for some reason he talked to me, even though I was in Brazil, about it. There was a substantive reason for doing that, but I can't quite recall now what it was. It wasn't just gossip.

*Q: Was this personalities or was it career versus non-career?*

WATSON: Both. It was non-career and career. I'm a little uncomfortable going into this in too much detail at this point. My knowledge of it of course is about the time before I got there is secondhand.

*Q: Yes, but of course you came in. I mean were you sort of given the task of cleaning up the mess?*

WATSON: I had a reputation that, yes, I think I had a reputation of being deputy chief of mission three times and as I mentioned before in my time in Bolivia, the 24 months I was there I was chargé for 18 months. In Colombia I think it's fair to say that I did a lot more

things and did a lot more things outside the embassy, a lot more relating with the government at various levels that many DCMs do. I was one of the senior guys dealing with Latin America in the Department at the time again, so I think it was a principal deputy to secretary. _____ called me up and asked if I would be interested and of course I said, yes. Then there was, then the nomination prospered.

*Q: Did you have any trouble with the confirmation hearing?*

WATSON: Yes. I had to wait a long time compared to what some people had to wait. It wasn't that long, but long enough so it started to become a financial burden because in those days and it may still be the case that you do some temporary funding to come to Washington and housing. Okay. They can have this room now. They said it was reserved for somebody else and no one is in it, so I said I'll take it until they throw me out.

*Q: You were asking about confirmation at that point.*

WATSON: I don't remember even what the reasons, but it took quite a number of months to be confirmed. This was the same time that Melissa Wells was being held up by Senator Helms as ambassador to Mozambique. I think it was over a year even though they have quite a conservative administration, the Reagan administration, and quite a conservative fellow in Senator Helms. But he was violently opposing any effort by the U.S. government to bring about peace in Mozambique in the throes of a civil war if it meant dealing with the left wing, perhaps even the communist regime there. In any case there was a lot of this stuff going on. I don't recall if there was anything against me. I think my hold up was just a function of the general problems there. I did not actually get to Peru until November right around Thanksgiving.

*Q: November of '86?*

WATSON: Of '86 and left Brazil probably in July or August.

*Q: Before we go into what you did there, what was the situation, you were getting, you had heard when you were in Brazil and you were obviously talking to the desk and reading your way into the situation. What was sort of the political economic situation in Peru?*

WATSON: In Peru at that time, there had been a military regime at the time of a coup in '68 until the return of elections in 1980. In 1980 the fellow that was thrown out in '68 won the election and came back in, Fernando Belaunde. Then there was an election in I guess it must have been '85 when Alan Garcia of the Alianza Popular Revolucionaria Americana (APRA) party was elected president with quite a strong majority. He was a very handsome, dashing, articulate, young guy in his '30s that really had the whole world at his feet at that point, but he blew it. In any case that's how it was. He had visions of being, and this may sound a little crazy, he had visions of being something like a second _____, a person that would be the real leader of the hemisphere for his time in office

around which everybody would rally. In order to do that, he took a nationalist point of view on things not quite realizing that that had become a little bit passé in most places in Latin America at that time. That's partly because his experience was so narrow he focused on this one party, the APRA party that denied election back in the '60s.

*Q: This is the workers party?*

WATSON: No, it was a middle class nationalist party. In fact you might even think that its moves in someway stemmed from fascist parties in Europe although it would be very unfair to call it fascist, but it came out of that kind of middle class thing and it became sort of, it was one guy who ran this party, Haya de la Torre, for 30 or 40 years. It was a party that was perceived to be of the democratic left. It was a party that got a lot of support from the U.S. government one way or another over the years. It was a party that was in some ways a little bit like a cult as opposed to being just a party. They had tried to develop their own ideology and _____ had for a long time been imprisoned in exile in the Colombian embassy in Peru and the military was after him. He lived in Mexico and others. He had dreams of being a real leader in Latin America himself and he was to a certain extent. There wasn't anyone quite like that around and it was a party that was the least effective political party, some real ideology and some ideas unlike most of these things with a temporary person ____. Whether you think of it or not, that's another thing, but it was a legitimate and probably the only real party in Peru. It was denied election. It won the election in '62 and the military stepped in and stopped Haya de la Torre from coming to power and they had another election in '63 and that's when Fernando Belaunde came to power the first time and he was overthrown in '68 as I mentioned. I think this history is important to give you an idea of where Garcia is coming from. So, these guys came to power in '85 sort of with a mentality much more focused on '62 or '63. You have to remember that Fidel Castro was out there and perceived in those days to be kind of exciting. It was for quite a while. You see the many quarters in Latin America to be the wave of the future and an exciting personality and that kind of demagoguery and power and capacity to take on the U.S. and everything and was attractive to a lot of people including _____, even though _____ had gotten a lot of support from the U.S. government over the years. In any case that was the case as Garcia came in then and I'll tell you what he did in a minute. But, the reason why it's important to talk about the end of the military regime and the beginning of the return to a civilian democratic rule in 1980 is that that's when the Shining Path came out of the closet if you will. They had been working up there in San Cristóbal of Huamanga University in Ayacucho for years training people and they had not become a violent, subversive group until the democratic election. I think they saw it as a military situation which was a leftist radical military situation, a very unique experience in Peru, but they screwed up pretty early on and they became extremely corrupt and they shifted from the leftist thing to a more moderate thing and then into democracy. I presume the Shining Path thought that the longer the military regime was around the better for them. When they moved to democracy that's when they came out of the woods and started killing people and setting off bombs. So, you had Garcia taking office and the Shining Path is already pretty powerful. You had the other group, the MRTA (Tupac Amaru Revolutionary Movement), that was more of a

traditional if you will, Castro like leftist group. The Shining Path as you may be aware, the leadership there was trained in China and even there at the same time as Pol Pot and his people were there. I tried to find out, but I never could establish whether Guzman, the head of the Shining Path was in the same place at the same time as Pol Pot. But their thinking was similar.

*Q: Pol Pot who was the Cambodian Khmer Rouge.*

WATSON: Cambodian Khmer Rouge. Absolutely.

*Q: But there were certain elements of absolute ruthlessness.*

WATSON: Absolutely. Absolutely. I mean they're not identical by any means, but there were similarities. I just wanted to say without overstressing this point to try to make sure that it's clear that where in the political spectrum MRTA was. Garcia came into power and the U.S. government sent the Secretary of the Treasury, James Baker to be the head of our delegation there. In his inaugural speech Alan Garcia announced that he wasn't going to pay his foreign debt. Unilaterally he's not going to do that because he couldn't afford it right now. That got him off on a terrific foot with the Reagan administration as you can imagine or any administration would have reacted the same way I think. When Jim Baker came back he made sure everyone knew what we thought and he thought and everyone else thought about this performance.

Then I remember there was a time Alan Garcia went to New York to the UN General Assembly opened in September. This was probably in '86. There he met George Shultz who did not take a shine to him either. Here you had perhaps two of the most important figures for foreign policy in the U.S. government in the Reagan administration thinking bad things about Garcia. Meanwhile, of course, the narcotics industry was burgeoning there, basically run by the Colombians, but with the Peruvians providing a lot of the raw materials as were the Bolivians. The Bolivians to a greater extent than the Peruvians ended up with their own supply groups that they owned up to a point and the Colombians seemed to tolerate until they got too big and they'd come in and blow them all away. In Peru as far as I can recall now, it was sort of like a colonial relationship in which the Colombians had all of the money and the power and production facilities. The Peruvians had coca and they are the first two levels of processing from leaf to base to paste to base and then move that to Colombia for refining or some refining done with the hydrochloride in Peru, but most of it was done in Colombia. So you have a government that comes in with a strong popular mandate, led by a very attractive young guy who has been brought up in kind of a cult like situation so he starts to see himself as _____'s successor in every way as being infallible and all that sort of stuff. You have the narcotics industry burgeoning. You have the economy staggering along and you have two violent guerrilla groups in activity in the country. You have a military that has only shortly before left power. I think that's sort of the end of it. Peru as a country is, as far as I'm concerned, the most interesting country in all of Latin America, certainly one of the most complicated and one of the most conflicted. I used to see it in a rather simple way as the

country with three different fault lines. One was the coast, which is inhabited largely by European immigrants and the highlands, rich and poor and ethnic Europeans and the indigenous people. Those fault lines were all superimposed on each other with enormous stress there.

*Q: When you went out there what were American interests?*

WATSON: I can remember participating and actually drafted my own instructions to myself. It was a long time ago, but certainly to try to strengthen democracy and avoid any other return to power of the military in Peru. It was certainly to try to get the Peruvians to pursue rational economic behavior, which would include getting back into the good graces of the global financial community, which it was not after announcing this debt default. It was of course to work on trying to find ways to reduce the narcotics trade and industry in Peru.

*Q: How about the Ecuadorian? Was that an issue at that point?*

WATSON: No, not really. There were all these tensions between Peru and Ecuador and we were interested in not seeing those flare up, but they weren't one of our policy objectives. To Garcia's credit, I mean he now has such a bad reputation and no one gives him credit for anything, but he deserves credit for two or three things none of which worked very well, but the intentions were there. If I recall correctly, he sent his foreign minister up to Ecuador. It was the first time that something like that had happened in a long time, trying to look for ways to resolve that. He also took similar steps with the Chileans and actually got quite a ways to resolving some of the questions with Chile at the southern border which were residual from war years ago. Still there was a lot of tension and hospitality about a territory that was formerly Peruvian and now in the hands of Chile; not as much as the Bolivians which lost their access to the sea which is still a mantra there, but still important. Garcia did a couple of other things at the beginning of his administration which I think made sense at least in terms of their intentions. One of them was to try to strengthen the rural economy that the indigenous people live in by and large and by raising the prices of food stuffs to the price of production and things like that. In fact, if I recall correctly, this policy did produce much greater harvests than they had had in the past. These guys could get their return for their labors and he also tried to direct income into the more remote areas of the country by just budgetary transfers. The trouble is, if I recall correctly, they did it largely through their own political party and so it got sort of lost, dissipated off into little areas and maybe into peoples' pockets and things like that rather than fundamental development and infrastructure and other things that were investments that were needed out there.

The third thing, he did a much better job than _____ had done of reigning in the military, which had been involved in lots of rather serious human rights violations. The Garcia administration was, nobody was perfect in this regard, he made a very strong effort to bring the military under control and to stop this thing. ____'s efforts worked very well, as I said transferring the funds out there largely participated in the peoples' pockets,

strengthening the party more than the people, although some of it must have gotten to the people. The price supports can only work as long as you've got money to pay for them. You can't pay what you have to pay to have the price supports work, all of a sudden you're out and you break the bank. He did a little bit better, but then on the other hand, he did get into some difficulties where there were lots of rumors about forthcoming military coups during this time. That was kind of the situation and I can talk more about any aspect of it.

*Q: Well, first, let's see, you went out there, I take it probably number one on your agenda was to straighten up the mess in the embassy or was this being taken care of by getting, I mean.*

WATSON: It was one of the important things on my agenda, but from a policy point of view the people, certain people in Washington cared about that, but the administration per se at the upper levels, that was just the way.

*Q: Why don't we just take care of that side. Did you get rid of people or just added new personalities?*

WATSON: A couple of things. It's important to note, yes, first of all I brought in a new AID director, not that the AID director who had been there was a problem at all, but he was excellent, John Ewell and I was really looking forward to working with him, but AID snatched him out of there and sent him to Honduras just before I got there. I asked one of the most senior AID guys, a guy I'd known from my days in Brazil, had been in one way, a certain way, probably one of my many bosses there when I was consul in Bahia _____ had come down to be the AID director. In the beginning you had two of us there. I also had a new political counselor that came in that I did not pick, but turned out to be excellent and is now the current ambassador there.

*Q: Who was that?*

WATSON: John Hamilton who had just gotten there before I did. There were some other people.

*Q: The DCM, was he?*

WATSON: The deputy chief of mission was John Ewell who was a very able officer and he had good connections out in the town, but the problem with John was that he was too much an element of the previous problematic situation frankly. As far as I was concerned, he had to move on. He did move on to become political advisor up in _____, but another person Doug Langan came in to be the deputy chief of mission. Then in the natural course of things you had other people throughout the mission. But I can tell you, when I got there this is one of the more dramatic things in my career in a way, at least as a bureaucrat. I got there and the first thing I did was I started to walk around and meet everybody and go to all these places and say a few words, meet with the heads of all the other agencies as well

as the U.S. sections. I remember meeting with the DEA chief there, just the two of us, doors closed and I would say with tears in his eyes, I don't think I'm exaggerating, he grabbed hold to the edge of the desk, leaned over and put his face as close to mine as he could almost and he said, "Please, Mr. Ambassador, do something. Give us some leadership. Tell us what we're doing here." I think that was symptomatic of what was going on there. I had a brand new administrative counselor, too, who was not perfect, but whipped things into shape. I had a new economic counselor. So, we had a lot of new people there and a lot of immediate issues I had to deal with.

First of all it was getting the administrative mission of the embassy to work right. We got that going very quickly. Bear in mind in a place like Peru at this point, I'd already been in Bolivia, where we'd had civil wars and things going on and people being shot at, the embassy being bombed and all that stuff. I'd been in Colombia, one of the most violent places around and dealing with security issues. There were few people in the Foreign Service that had more experience dealing with really heavy security threats and at that point the four most dangerous posts in the world were considered to be Beirut, El Salvador, Bogota and Lima. So, we had to get the security questions answered.

*Q: The security was strictly the Shining Path problem.*

WATSON: The MRTA.

*Q: Oh, the MRTA.*

WATSON: And potentially the narcotics guys. The narcotics guys were after us in Colombia, but the narcotics guys in Peru are mainly out in the jungles. They took a lower profile and they weren't coming after us although we were going after them in the sense of sending teams and pulling out the coca and all that stuff. I don't have enough time to go into all this today, but we built a base out in the jungle and it's a very long story about that. It would be funny if it weren't sad. The incompetence of the U.S. government. In any case, we had a damn serious security problem and this was shortly after the bombing of the building in Lebanon where a great number of American troops were killed. George Shultz, the Secretary of State, took that very personally. He, for reasons not entirely clear to me, he took that as his fault. Shultz as I understood at the time, I recollect that the first thing he did every morning when he got to the Department was to have a security briefing of what was going on around the world. The fact that he did that was enormously helpful to me. I'd found a situation of enormous fractiousness, nobody obeying any authority. The security guys of course trying to put everybody under the astrodome or something so that no one ever goes anywhere and no one ever goes out. The AID people and you had the U.S. Information Agency saying, well, no one is going to hurt our people, we're the nice guys. We're not the bad guys, like you narcotics people and besides we have to have all these contacts with the people. We can't be stifled like this. Both positions of course are ridiculous. My first job I thought in terms of managing the embassy was to get this issue under control. To do something before something really bad happened which could easily happen. I remember using the following argument. The Secretary of State, the first

thing he does every morning is to have this meeting on security. He cares desperately about this. He feels it in his bones. We have a very difficult job to do in Peru. It was a difficult country. Your assignment is extremely difficult for all these reasons I've just said. We are going to get support from Washington to do what we are going to try to do here. We absolutely must avoid being on George Shultz's black list on security. I don't care what you think about the security stuff, I'm saying to you, this is what we have to do. We had to be prepared and to avoid catastrophe. We have to do our jobs of course. We've got to work together to that end and we just can't sit here glaring at each other and being recalcitrant and fractious about it. Lo and behold that actually worked and we started a much better system for security of all of our people. It didn't mean no more incidents, we didn't lose a single person. We had some local guard people hurt by fragments of bombs that went off, not to get killed, but hurt and despite the fact we were getting threats on a daily basis including personally to me and that kind of stuff. I felt it was a pretty sad start. Tony Walters came in to be the security officer and he did a good job. He got this message. He was firm and has good judgment, but not trying to be absolutely totalitarian about it and made a lot of progress. So, we got the embassy machine working better. We got the security apparatus working better and we built a spirit of collaboration of the embassy team or the country team around rather clear objectives that we had. I think we did pretty well in that regard.

*Q: Well, moving to you know, when you got your house in order, what about dealing with Garcia and the Peruvian government? How had that been done prior to this?*

WATSON: Speaking of house, maybe I should add here for the heck of it. Before I went down there all of the geniuses that deal with houses and the building and property in the State Department were telling me that we should not move into the embassy, the ambassador's residence, that it was falling down, it was a piece of junk, that I should just give it up and go rent a house somewhere else. Now, tell me where are you going to find another house that's got, this is before all the Inman stuff that was coming. Still you need to have a place that is more secure. In any case, I found that troubling and so I called up Harry Shlaudeman, one of my old bosses and mentors who had been ambassador to Peru and he says, it is the best God damn residence he'd ever lived in. He'd been the ambassador in Argentina, too and he had a little palace there and everything. We went down there and found that the geniuses were nuts. Sure, the house needed some repair because under the previous embassy management none of the funds, the building maintenance, went to the residence of the ambassador. They went elsewhere. I don't think the ambassador actually knew that there were funds available. This is just what I heard. With very little funding and my wife and the general services officer following around in warehouses, there were all kinds of wonderful old pieces of furniture that had been deposited over the years that people didn't like anymore, finding huge bolts of cloth that had been ordered and then never put up. You could make those into curtains, slip covers and into all sorts of other stuff. Also, finding scouring through the budget to find all sorts of money that had come in under previous ambassadors and previous regimes to redo the kitchen and stuff and it never having been done. Money just sitting there, nobody is using it for anything. Not a large amount, but enough to make a lot of progress and turn the

residence back into the way it should be; into a very nice residence. I should mention that this residence was built in 1942 or so in Roosevelt's time. They built residences simultaneously, in Panama, Bogota, Quito and Lima. Each one quite different, each one kind of incorporates the architectural features of the country, same architect. This was a house that was built first of all with a basement. Most houses in Lima did not have basements. It was also built with a chain link skin inside the wall, if you can imagine this, a tissue of chain link that went up the walls over the roof and down to give it some strength for the earthquakes. It was the first building like that built in Peru. I sat down once with the octogenarian owner of the construction company who built it and he told me wonderful stories about flying all the way up to Washington to sign the contract and he found some old drawings in a warehouse and I had them framed and put up on the walls. These are the artist's sketching of what the major rooms are going to look like with elegant people standing around with cocktails in their glass, like something out of Beardsworth. Anyhow, we put together, so the building had certain real important features such as this resistance to earthquake and of course a fairly large yard sat back quite a bit and the walls were very thick. That was very important because they did mortar the house while I was there, it hit the roof and fragmentation bombs. Now that I'm thinking about it, ripped the American flag to shreds, ripped the wooden balustrade on the top of the house into pieces and made about a three quarter of an inch dent in the concrete roof and that's all.

*Q: Who mortared you?*

WATSON: MRTA. We had an eyewitness. The new AID office was set up there when I was there diagonally across the street and across the park. One of the AID employees was arriving at work early and this all happened about 6:15 in the morning. He was arriving at work early and he saw the red I think it was a Toyota drive up, the guys jump out and sort of park, put the mortar down, I think it was four mortars in there, fire them off. Maybe it was five and they went up in the air. One came down in the street outside the residence grounds and blew up. One came down inside the residence grounds I think. One came down on the roof and one off and one went over the residence and into the high chain link fence on top of the wall surrounded sort of by bamboo and it went through the bamboo and was caught in the fence and was hanging low by one fin. It was a hairy moment when some people just slammed a ladder up there and ran up to grab this thing. They got a hold of it and it was interesting. It was Portuguese mortars.

*Q: Out of Angola, maybe?*

WATSON: My guess always was yes, they were Portuguese, to Angola, to Cuba to MRTA to Peru, my guess. We had analysis of it and I don't think we can actually prove that, but that guess of mine seems to be pretty much on target. This is very late in my time. I'm getting way ahead of my story. There are a lot of tales.

*Q: We'll came back, we'll take our time in Peru here. When you were there the government when you first arrived.*

WATSON: Well, it was amazing. I had had a dinner up here hosted by the Peruvian ambassador in Washington who still lives here, a long time representative of Peru, I think at the World Bank or Inter-American Bank and I think he had been an employee of one of the banks for a long time. A wonderful guy and I met some Peruvians and then went down there. I got there and Garcia would never receive me to accept my credentials. I got there maybe the first few days of November and I'm sitting around and sitting around being very scrupulous not to do anything public until I presented my credentials knowing that this was a very tricky situation, a volatile president. I didn't want to start off on the wrong foot and no indication that he was ever going to receive me. ____ subsequently, then _____ came down to participate on Thanksgiving Day in a panel organized by a nonprofit organization there which was sort of a foreign policy think tank, like the Council on Foreign Relations here, and I was to appear on the panel with him. I said I'm not appearing on any panel until I present my credentials. So, ____ went to his boss, President Garcia, and said, you've got to receive Watson's credentials so that we can go ahead with this program. This is ridiculous. He can't do it. The night before Thanksgiving, Garcia decides he will receive my credentials the next morning. So I have to inconvenience the people on the country team that accompany the ambassador to present the credentials on Thanksgiving Day and go there and sit down with Garcia and his foreign minister _____ and _____ was there and talk to these guys. Garcia was extremely charming, gentile and nice. I remember sort of one remark that _____ who was fairly short and I'm six five, Garcia was about six four or five and _____ the foreign minister was about six. John Ewell, the deputy chief of mission, came with me, too. John is probably six three. There we are and _____ made some comment about the height and I said, well, it seems to be that the foreign minister is the tallest which happened to be true and Garcia said, "No, Mr. Ambassador, I want you to know that in Peru the president is one centimeter taller." I thought oh, I see what's going on here. It was a joke, but there was something, that kind of a joke indicated _____.

Dealing with the government was quite difficult. Despite trying a lot, I never managed to get the kind of intimate relationship with Garcia that ambassadors sometimes get with the local or the presidents of the country. He clearly wanted to keep us at some distance. He would call me up every now and then and I'd go over and we'd have these meetings one on one and he would usually receive important visitors that I had and that kind of stuff and try to regale them with spellbinding skills and that kind of stuff. It was very difficult. It was an extremely difficult government with which to work. On foreign policy issues there would sometimes be contrary because they wanted to sort of step out and not look like they were following the U.S. and that kind of thing.

*Q: At this point I mean this is, was this more an effort to sort of show a distance to the United States or was this the way he dealt with other people or was it just the United States?*

WATSON: There was no embassy that was close to him. No I think there was no ambassador any closer than I was, but he kept everyone at a distance. He was busy doing

his domestic political wheeling and dealing with stuff. He wasn't hostile, but my ability to influence him to do things was severely limited. I realized early on that my mission there was to a large extent damage limitations. Garcia was going to be very difficult.

*Q: This is tape eight, side one with Alex Watson. You were going to give me another one.*

WATSON: Well, I just thought, when I was when I had lost _____ as the AID mission director in Peru and he transferred to Honduras and then the AID and I had the idea that _____ would be his replacement. Well, there are a lot of people who were saying that _____ is very difficult, he's too headstrong, he does whatever he wants, you can't control him, you don't want him. That whole thing bothered me. I liked _____. We'd known each other in Brazil. I respected him. He was older than I was. He was one of the most senior guys in AID. He had done a very good job as far as I could tell, but I was getting this, so I called up Deane Hinton who was one of the great guys of the Foreign Service. He did about everything including having been an AID director at one point in his life. He was at that point the ambassador in Pakistan. When I was in Colombia before going to Brazil, before going to Peru, he tried to get me to come to be deputy chief of mission in Pakistan. Although we didn't know each other really well, we both had been through the economic bureau of the Department, which in those days was a very special group of people sort of, run by this woman, Frances Wilson.

*Q: Frances Wilson, oh yes.*

WATSON: So, there was a kind of a I wouldn't say cult, but it was a kind of a club. Anyhow I called up Deane and said, well, _____ had been the AID director in Pakistan and Dean in his typical fashion said, "Alex, _____ was the best God damn AID director I ever had and besides any ambassador who can't control his AID director doesn't deserve to be an ambassador." That's all of our conversation, plus the pleasantries before and after, that was it. I loved to recite that because it was absolutely on target. If I would not take somebody because I thought I couldn't control him even though I thought he was good, that would be terrible. Really. If it turns out that I can't control him then one of us probably has to go and it would have to be him. Let's see if we can work this out. Anyhow that was that.

*Q: With Garcia, was there anything, you say it was damage control, was there anything you kind of wanted him to do?*

WATSON: Oh, sure, God lots of things. We wanted rational economic policy for a whole variety of reasons. By the time I left Garcia's mismanagement of the economy had gotten to the point where they were having 7,000% inflation per year.

*Q: Oh my God.*

WATSON: Every time we would work with whomever we had as finance minister and central bank president and I knew extremely well his economic advisor, a guy from

Argentina. Every time, some of these guys were just sort of incompetent pretended they knew what they were doing, but they didn't really. Others like Daniel had sort of interesting type of economic theories from the Peron days in Peru and stuff. We worked and tried to get a rational set of proposals out there that would help Peru deal with its debt question and reintegrate itself into the global economy in a functioning way, but it was hurting us. I couldn't get any loans made by anybody. Every time we'd get to that point Garcia personally would undermine. He'd get up there apparently in his cabinet meeting with a blackboard and a piece of chalk and act like he is a Nobel Prize winning economist and tell everybody how it was going and all that kind of stuff. Who is we? We were Enrique Iglesias who was the president of the Inter-American Development Bank and well respected around the hemisphere and fairly close to Garcia who by the way the U.S. government opposed becoming the head of the Inter-American Development Bank and supported a Peruvian who Garcia would never support. It was really an indication of rather unsophisticated politics on the part of the American administration. But the Treasury Department somehow didn't like Iglesias because he came out of this sort of what's the term I'm looking for, Raul Prebisch school of Economic Development import substitution the School of Economic Development. Enrique has proved to be a brilliant director of IDB and went after the fellow from Peru who was really a good guy. Unfortunately has passed away now, but was never going to fly because Garcia was never going to support him. There was no way anybody could take that job without the support of its own government. It was crazy, but my job was to try to get this guy in there. Anyhow, Enrique got the job and didn't seem to hold any of this against us. I'd met Enrique before when he was foreign minister in Uruguay and we'd gotten along pretty well particularly during the time when the third _____ president, _____, came to visit Garcia. Although all the public statements were sweetness and light, underneath that was the worst visit _____ ever had apparently. So there was the U.S. government, me, Iglesias at the Inter-American Development Bank, the World Bank, a young Spanish guy whose name I can't recall right now would come down over and over again and off in the background the IMF. We'd put together, working together quietly getting this program ready. I'd come back to Washington and talk to people up here and go over to the treasury and talk to them. It was not hard, it was pretty easy. I'm no brilliant economist, but you could figure out what needed to be done and at least the first steps to get this whole thing done. We'd get it all sort of set up and Garcia would torpedo it time and time again. But what I think happened and maybe others can judge better than I, I like to think that the way we handled this made it very clear after a while to the Peruvian people what the source of economic problems was. I think I can safely say at the time the Garcia administration ended and by the time I left, most people who have any reason to think about these things and deal with these kinds of issues, realize that the fact the international financial community have done everything possible to help them out of this situation and had been thwarted by their own government and I think that was a valuable contribution. The IMF was no longer _____ that. It set the stage for _____ to come in there subsequently and do the largest at that time and maybe still, the largest single debt restructuring ever done with the help of the U.S. government.

*Q: Was there any reflection from what was happening down in Chile with the Chicago*

*boys and rechanging I mean or was that a long way down the coast?*

WATSON: What we have to remember is that it's a little hard to remember the sequence, but _____ had a lot of troubles. Now it is perceived in retrospect as having done this brilliant economic thing, it screwed up for a number of years when they tried to peg the exchange rate and everything else and had all kinds of difficulties. Peter Shay's people sort of got it right at the end of his administration and got it right very well. It was probably viewed by the Peruvians as just succumbing like lackeys in the international community, real liberal stuff, that's not right, what we've got to do is have a social revolution and help the poor folks and all that and of course people who are hurt by inflation most in every situation the poor because they can't defend themselves.

*Q: Did the Peruvian ambassador who you said you met before you went down and came back and all, did he understand what Garcia was doing and how he turned Baker off and Shultz off?*

WATSON: Oh, yes. He would shake his head and wring his hands, but this is the hand I'm dealt and I've got to deal with it. I should tell you something else about the running of the embassy. Things are sort of coming back to me chaotically. Inflation was so bad that we started a system of revising the wages of our local employees on I think a fixed, semi-annually or quarterly basis. This had never been done. Never been done in the Foreign Service. We just said we're going to do this with the Department's acquiescence, because our people were getting killed. I mean they were losing, as soon as they got their salaries it was gone before they even got home. We won a lot of awards. I mean, the economic counselor got the Salzman Award as the best economic officer. The personnel officer won the first Personnel Award. My secretary came in second for the best Secretary. Our Admin Officer came in like second or third as best Admin Officer. I got _____ the Rivkin Award for the best manager of the year. I made an effort for not so much me, but I made an effort to nominate people that were on my team that I thought were good for this and really pushed this and it paid off and we did pretty well and that contributed to morale. I remember the personnel officer taking some risk and really doing enormously difficult stuff to get the Department with the help of some of the rest of us, too, she took the real lead on it to find a way to be able to treat our local employees as best we could in these circumstances.

*Q: Did we as, I mean early on did you all see the Garcia government as basically being so seriously flawed a government that you almost had to say, well, okay, we'll keep a low profile, keep going here, but something is going, I mean this is not going to be around for long or how did you feel about this?*

WATSON: Well, I, no, I don't think we thought it's not going to be around. We thought this was a real dangerous situation, dangerous because the government, despite all of its belligerence and stuff. I should explain another thing about this on Peru at the beginning. During the military regimes of '68 to '80, they ended up buying all of their military equipment from the Russians, more than any other military anywhere in the Western

Hemisphere outside of Cuba. So, they did not have any U.S. equipment, almost none and the Cold War hadn't ended yet. It collapsed in '87 so there was lot of concern about Cuban/Russian/Soviet penetration, just another dimension of all of it. We had a very fragile democratic policy that had gone through one iteration and now you had Garcia and he was provoking us all over the place and was dangerous. You also had the Shining Path growing in strength. I used to liken it to a botulism which is a bacteria that lives in a vacuum, sometimes in canned food if it hasn't been properly prepared. Botulism dies shortly after it is exposed to air, but it lives in a vacuum. I used to think the Shining Path is like botulism and the vacuum was the vacuum of the state's authority. You've got to remember Lima and Mexico were the most important places in the Western Hemisphere during the Spanish period and Lima still had that aura. Argentina didn't exist because it was Portuguese and all these other little countries. Lima was the center and there's still that attitude even in Peru and it's also the kind of thing that affects a guy like Garcia who sees himself in historical terms. I'm in the most important place. It may not be in anyone else's mind the most important place, but in their minds it was. In terms of the way the country is running, highly sensible, you know, even more so than a place like Argentina which has some other big cities and things are centralized to me. When you're there you have the feeling of the state is kind of a powerful thing, but as soon as you get outside of it, it's not there. Corrupt, weak, pathetic and so there is a vacuum. In that vacuum is where this tiny path could be. Odds are if you put a police station there, all the police guys go away and there's nobody there, peasants aren't around. Fujimori started to fill that space and whatever else they say about him he did quite a brilliant job.

*Q: Did Fujimori cross your path at all while you were there?*

WATSON: Sure, I know him well. I didn't know him well enough to ever predict he would be the president of the country. In fact if you had said he was going to be president I would have said you were nuts and that may be a commentary on my political acuity. He was the dean of the La Molina National Agrarian University. Professionals in the field have told me, I don't' know if this is right, but they told me that before the military took over in '68 it was probably the best agricultural university in South America. At least, not the best, but certainly one of the best. AID worked very closely with them and did a lot of stuff. Also, Peru has the tropical potato research center. There are some significant agricultural scientific resources there and during military rule a lot of the good people left. After the military left and the good people started to come back to La Molina and AID started to support them again. I don't remember now exactly who nominated him or how that exactly happened, it was before my time. When I got there he was already there if I recall correctly. He was a mathematician, but he had done some graduate work I think in agricultural economics at the University of Wisconsin. In any case I went out there at least every six months and talked to him and sat down with him. He reminded me when I saw him subsequently in New York when I was at their mission to the UN that he had decorated me with a decoration of the university. I had totally forgotten that.

*Q: The order of the golden potato or something?*

WATSON: He was a guy who also had a little TV show every now and then, sort of political stuff. He ran for president as a way to attract attention to his candidacy for the senate. People were concerned about Garcia. He was a pain and so the Shultzes and the Bakers of the world saw him as someone who was problematic, was not helping us in places like Central America, Panama, stuff like that and other places. There were other places around the hemisphere where he had proven himself to be a thorn. The other thing that was of far more concern to me was the disillusion or attenuation of the country. I mean the country was falling apart. The government was being weaker and weaker. The military sort of doing whatever it wanted. Garcia off on his grand rhetoric, he'd stand up on the balcony and give these big speeches and that kind of thing, ala Peron or Mussolini, or something like that. The Shining Path getting stronger every day, the economy totally out of control. The country was sort of bankrupt and we saved their ass several times with considerable support, the poor people and stuff like that, but it was, that was from my point of view and the growing narcotics traffic, it was a serious problem. It was like a big sore in the body politic in South America in many ways and it had, the tragedy was that Garcia had so much potential, he was young, he was attractive, he was quite smart and he had this big mandate. He could have really moved that country forward if he had not been so deluded.

Now there are all sorts of stories about his personality. I tried not to act on all of these rumors. I mean some of them are so salacious you almost got to listen to them, but there was all this, there was this thread running through this, the high command of the _____ party was all homosexual not that that really matters, but _____ had surrounded himself with all these young guys including Garcia and all this which in that kind of society would contribute to a kind of a closeness and cult like, sort of a secret society. God knows if that was true, I don't know. There was also the idea that Garcia was a manic depressive and had to control this with lithium. He was taking lithium all the time. There was all this stuff Garcia was taking coke, too, having all these wild parties and racing around the streets in a black leather jacket on a motorcycle in the middle of the night. There's probably some truth to all this stuff, but you can imagine telling his services were producing this stuff in droves. I was trying to be very careful. That's the kind of stuff that is so easy to spread.

*Q: Oh, yes.*

WATSON: It's so much in peoples' interests to say, it is to difficult to confirm or deny that it is very easy for people who want to believe it because you can't really.

*Q: Also, you become known as the source, you know, if you spread it and you're sort of placed in your relationship saying well, the American ambassador said that.*

WATSON: Well, I would never say anything. It's even just dealing with the Garcia phenomenon in Washington where are they getting all this stuff. It became very complicated.

*Q: Did he have the equivalent to enemies in congress in the State Department or anywhere else I mean just, you say Baker and Shultz.*

WATSON: I think most people thought he was not serious, he was not helpful, he was the statesman and he was not going to be helping out the people very well, except that, you know, we did do quite a lot of stuff with some of his people on the narcotics front.

*Q: One other question before I move to narcotics. Peru had been a problem for us with expropriating American things, had that all been taken care of?*

WATSON: I spent hours and hours and hours on that stuff. Garcia among the other things he did was to expropriate Occidental Petroleum's stuff and a firm called Belco Petroleum operations. Belco ended up being bought by Enron, a big company, Enron. So, Occidental cut a deal somehow and got its stuff back before I got there, but the Belco problem was still there and it was huge matter. I met with Enron all the time. I pressed the issue. I mean Occidental had a whole lot of other problems. Every time I met with Garcia I would bring this stuff up, every single time. There was also a big U.S. copper company there, the _____ Copper Company and they had all ____. I would always bring it up. I would say, "Look, I don't want to get into all the details of all these issues, but you guys have simply got to deal seriously with this _____." In some cases I would have an actual position to push on behalf of the firm ____ and said that I understood it well. I wanted to be supportive of the firm, but I couldn't always give in to the technical details of the problems, but it was copper pricing questions and stuff like that. It was important and I think I would get very high marks from any of those guys you'd ask now that I really did a lot there. I didn't think I did anything extraordinary, but I had a meeting at my house once a month we'd have a meeting and we'd have breakfast. In any case the Belco thing took a lot of time because first you had the Enron people visiting with them sometimes and I was always trying to help them out. At the same time, there's another dimension to this, which was that Enron had political risk insurance with AIG, a huge insurance company. AIG said that they had sent Enron's check either Enron or Belco's check, now I'm not quite sure of when it was, sent the check for the premium back to them before the expropriation and they didn't want to take the case.

*Q: Oh my God.*

WATSON: So, they said that they weren't going to pay any compensation to Enron. You had that dimension. You had AIG coming to visit me and Enron coming to visit me each with their own agendas and I'm trying to push this thing forward with the government and not getting very far. Finally it went to arbitration in New York and Enron won and they got compensation for 90% or something like that, 80%, not 100% for their loss. Then _____ and others that deserve a lot of credit for this worked hard to, the U.S. worked hard with _____ after Garcia left and eventually cobbled together a deal to solve all this. Initially you had Enron and AIG and then you had only AIG with Enron still in a little bit. They still had 10% I wanted to get and eventually we cut a deal with _____ when he was finance minister there just as I was coming in as assistant secretary in '93.

*Q: You were ambassador there from when to when?*

WATSON: '86 to '89.

*Q: '86 to '89.*

WATSON: Then I had to leave because President Bush was elected in '88 and '89 and we all submitted our resignations. Tom Pickering called and asked if I would be his principal deputy to the U.S. Mission to the UN so I did that.

*Q: Okay. Well, back to Peru. What about the drug business? You had this Garcia regime which is not friendly to us. How were we able to operate our anti-drug operation?*

WATSON: It's not that the Garcia administration was hostile to us, it was that Garcia was playing a political game which required him to maintain some distance from us, but working on a daily basis with his government was okay. The people were okay. They're all friends of mine; I could deal with them. They weren't often very competent, the government didn't do things very well, but we had a very good relation with the elements of the police force and others and we provided a lot of support to them. We had a lot of air equipment in that country we built this base up.

*Q: You're saying the base was quite a story in itself. What was that?*

WATSON: The idea was that we needed to have a staging point out in the middle of the Rio Apurimac Valley which is where most of the coca was then grown from which cocaine is produced. The security situation was extremely difficult with the Shining Path out there and the narcos out there. We needed to have a place where we could have our people deployed rather than flying them out everyday from Lima in planes and we needed to have an airstrip. Everybody agreed this was a good thing to do, that we had to do this. Then you had all of the geniuses from Washington coming down. This was when you just shake your head and you wondered how this can happen. To everyone this is so intriguing and sexy that everyone wanted to be involved in it.

*Q: Oh, yes.*

WATSON: You had these guys from the White House, NSC staffers who didn't know anything about this, but they're in very powerful positions and they come down and they can write a memo and influence everything up there. Come down here for a day and look at it. We had guys on the NSC staff or some component of the Pentagon or navy seals, very aggressive, very tough, rude in their behavior, that's what their style is, who are coming down and giving us advice. If we didn't listen to it they'd go back and say we were bad. It was totally out of control, everyone you can imagine was down there telling us what to do. Then there were people saying there is no way you can ever build that base. People saying this is just too dangerous, you're never going to get that stuff in there.

There were guys coming down and literally advising, this is supposed to be serious, this is the United States government, these people who don't know who the hell they're talking about coming in here and saying we've got to come in with C130s. You've got to bring in Caterpillar tractors and the C130s and drop them and bring them in and drop them in to this place like that so that they will then you will have a machine to build a runway out there. You can't try to drive them over the land area, it's too dangerous, you'll be ambushed, you'll be killed. What do I know about this? Zero, but I have some capacity to think beyond the box and I said, "Okay, now there is a little village there right next to this place. What if our brilliant C130 team for some reason or another have a hiccup and they drop this bulldozer, huge, D10, D4s, huge thing, a 100 yards further than it's supposed to be and it lands in the middle of the village and crushes all these people. What happens when the D4 hits the ground and it bounces a little bit and it falls on its side? How do we get it up? What equipment is there to right this thing or else we just have this little pile of metal in the air lying on its side and you can't do anything? But these were supposed to be serious people coming down to help us out. It was pathetic and it just showed, maybe it's all better now, because this was all kind of new stuff in those days. Everyone is excited and everyone wanted to be involved and every Rambo you can imagine was there and I had to deal with this stuff every single day. We finally did it and John Hamilton was acting DCM for the current ambassador and we had this wild guy who was a security officer who came in to help us and he had come out of Vietnam. Without going into any enormous detail, we actually put together a caravan that moved all the equipment with timing as a secret, with overhead air protection, on the ground armored vehicles and stuff like that and we got all the equipment in there safely. The only problem was that one truck driver lost the key so he couldn't get it during one part moving. We built this base. Some of us had always thought that the idea of this base had a lot of flaws.

*Q: Sounds like _____ or _____.*

WATSON: That's how they thought of. That's how these military guys thought of it, oh, yes. We got the thing built. It was during the end of my tenure there. As I was talking about this, there are so many adventures. I should tell you another little story, just because it was kind of fun. It will show you what kind of atmosphere you're in. We had these helicopters and everyone says they're DEA helicopters, that's how the press always writes them up, they were never DEA helicopters, they belong to the State Department. These helicopters were being used to ferry and flown by retired military helicopter pilots on contract to the State Department and some of these guys are great guys and some of them are like little kids that shouldn't be let out of a playpen. They are living sort of Vietnam fantasies out there and they are really buccaneers and this kind of stuff. They're getting a lot of money doing this stuff and it's sort of wild and exciting. They would fly out the crews that were destroying the coca. The Peruvians would never let us use fumigation like we're doing in Colombia now even though we did lots and lots of research, we knew a lot about this stuff, what kind of chemicals did what damage to what. We could have done a lot of stuff there, but they wouldn't let us, we had to do it by hand. They also would fly up DEA people to join up with the police to hit labs and stuff like that. One day these guys were coming back in one of the helicopters, flew over a river and they saw a

flag of the Shining Path. They decided to play capture the flag.

*Q: Oh, no.*

WATSON: So, they put the helicopter down on the island and sneaked up like little kids on their bellies and ran up and got the flag and ran back to the helicopter and flew back into town. Just like puppies with their tails wagging so hard they hit each other. Of course they went to the bar where they all went every night and they were bragging about this. It came back to my attention and one of the most difficult things you see this in the Colombia situation now, is when you start to get insurgents, politically motivated insurgents involved in the narcotics industry or close, the U.S. government tries very, very hard to focus on collaborating the local people in dealing with the narcotics, but not getting involved in the civil war. One of the worst things that we can do is to be starting to being perceived as trying to take on the Shining Path directly which we weren't at all. No mandate, you could go to jail. These assholes had gone out there and so I had no choice but to immediately throw all of these guys out of the country. There were about five of them. So, I had no problem with the guys on the State Department contracts. They were gone the next day. They were out of there. Like I said those guys who were the head of the narcotics assistance unit, those guys are out of here tomorrow. The more complicated factor was the DEA guys. Now I had full authority to throw them out, but I didn't need to have a fight with Jack Lawn, the head of DEA over this. Jack I knew pretty well. I called him up and I said, "Jack, you won't believe it. This is what's happened. Those guys have got to go." He said, "Well, I agree." I said, "It's much better if you pull them out of there than if I order them out." He said, "Okay." He did that. The point that I, when sometimes I tell the story, the point I say is what's really important for ambassadors to do is to work the Washington front really well so that you have adequate relationships with these other key players that affect what you're doing. Like I had with Jack Lawn at this point who was a really nice guy or else you keep yourself in an enormous amount of difficulty struggling with bureaucratic fights back here and everybody gets all riled up. It's so much easier to get your authority to do what you have to do there.

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*Q: Today is the 4th of June, 2001. Alex, is there anything else you want to add about Peru?*

WATSON: When I left Peru the presidential campaign was in full swing.

*Q: Which one was this?*

WATSON: This was the ultimately run by Fujimori. But, there are several candidates and Mario Vargas Llosa, the famous novelist, was a candidate of the more conservative group and there were several others. Out of this emerged Fujimori who really was the director of the National Commission of Peruvian University Rectors at the time and who was really running for a senate seat and added a presidential quest to enhance his candidacy as a

senate candidate. In any case, Fujimori miraculously came in second to Vargas Llosa and in the second round the APRA, Garcia's party _____ their way behind ____ to block _____. Irrespective of what happened later, I think that Fujimori at least in the first couple of years proved to be quite effective. This was after I left because I left at the end of '89 and he really wasn't elected until early in '90. I had appealed to the people in the new Bush administration to let me stay through the election there as ambassadors often do because I knew a lot about this and this was going to be a really tricky one. They needed to have my brilliance there to make everything come out all right, etc. They didn't listen to that of course and it was time to move on.

*Q: What was our estimate of Vargas Llosa?*

WATSON: Well, Vargas Llosa had come to political attention when he and Hernando Desoto, the writer of the book called The Other Path, a pretty important social thinker in Peru and around the world particularly in advocating the importance of giving poor people a title to their property which then lets them get mortgages and require funding for mortgages for investment and enter a middle class situation. Anyhow, two of them ended up leading huge rallies in Lima against Garcia's efforts to nationalize the private banks. This is really a strange phenomenon. Very rarely do you have people rioting if you will or at least going to large demonstrations against nationalization of banks in favor of the private banks. Most people hate banks everywhere in the world, so this is an interesting thing. Garcia had mishandled it, his nationalization to such an extent and his whole government was being criticized to such an extent that people rallied to this effort to oppose the nationalization of the banks. _____ ended up as sort of a leader of this and from there catapulted into a presidential candidate. He was really a Thatcherite in terms of his economics, very conservative. As the campaign went along I found _____ whom I knew pretty well getting more and more isolated and depending on a smaller and smaller group of advisors and having some difficulty really being a man of the people. My own view on this is that Vargas Llosa was a person from sort of a lower middle class background and he was very ambitious and a brilliant writer, no doubt about that. He started to enjoy life as a member of the sort of the intellectual elite, not just of Peru, but the world, in Paris, everywhere he went and subsequently became a Spanish citizen. He tried to strengthen his persona as a member of that group, here he has to run a campaign in which he has to act the opposite way and be a person of the people and I don't think he ever resolved that. He would do things like have interviews and photographs taken as he was lying in the backyard in his hammock with his Gucci shoes on. You see _____ in the current campaign there wearing _____ and things and dressed in indigenous garb. Mario didn't dress like somebody out of Milano or Paris. _____, the former ambassador to Peru here and a good friend of mine was telling me the other day that _____ also had himself interviewed with servants all in the livery, serving him food. It's not how Mario always lived, but now he was sort of playing a kind of elite role, which was not quite the right role to play in his campaign. In any case he ultimately lost to Fujimori who managed to rather quickly break the over 7,000% annual inflation when Garcia had left. He undertook the greatest restructuring of debt ever taken by anybody in history up to that point and still may be the largest one subsequently and did quite a number of good things.

*Q: How did he do it though when he was running?*

WATSON: Well, nobody knew much about him. It was just sort of a surprising candidate, but he was okay, but nobody really thought that he was going to win if I recall correctly. He was a guy that a lot of us knew and the AID people knew because we were working closely with him at the La Molina Agricultural University. When I left that was the situation. The ARPA party of Garcia was quite discredited. Its candidate was not going anywhere. The economy was in a mess. Terrorism was in a mess, the military had engaged in some brutal massacres of people and all the stuff that has been brought up in the press recently.

*Q: The Shining Path was growing?*

WATSON: Growing, absolutely, it got even stronger after we left although the situation, the terror situation may even have worsened a little bit, but it was a desperate time in Peru and there were people who really wondered whether the country would be able to survive.

*Q: You came back when in '89?*

WATSON: '89. I was wondering what was going to happen to me after I'd gotten the letter saying you're out of here with the new president. All of us had to submit our resignations as usual. Then Ambassador Pickering who was picked by President Bush to be his UN representative, I think his very first diplomatic selection, called me up and asked if I would be his deputy. The deputy representative, you know, there are about five or six ambassadors at the UN and I was the second one. I hesitated only long enough to confer with other members of my family and then went back and said yes. So, we went on to New York and arriving there I think in August of '89.

*Q: You were there until how long, until when?*

WATSON: Really until the last day of 1992, so a little over three years. Almost the entire Bush administration.

*Q: Looking at the, well, first let's do the housekeeping. Number one as a Foreign Service Officer you're not equipped with a magnificence salary. How does one live in New York?*

WATSON: You're touching on a very complicated issue. I've got to be a little careful how I say this because there are some very unpleasant things that were going on up there, but I have to be careful not to be a little too glib about them. Let me put it this way. There was a congressional examination. I wouldn't go so far as to call it an investigation, a congressional examination of the housing program that the mission had in New York. It was found to be seriously wanting in terms of how it's being managed, in terms of the amount of money being spent on it, etc. Many people were getting housing allowances that were way more than their salaries and it seemed to me that the way it was being

handled were private negotiations between members of the mission staff and real estate agents and others and there wasn't any real coherence. My understanding is my predecessor was in a nice apartment over on the East Side looking over the East River. Something happened so that the congressional staff and others decided that that was too big an apartment, he was not making enough use of it as a representational apartment and he had to get out of it. It was that kind of a situation is what I'm trying to say is that where the mission sort of lost control. By the way it handled housing policy there, it lost control of it to forces that were stronger than it was, particularly members of congress. In the final analysis, John Whitehead who was the deputy secretary of State at the time worked out an arrangement with Senator Lawton Chiles of Florida, the chairman of the appropriations committee. This is all hearsay for me, this all happened before I got there. It had to do with setting up a new arrangement for housing of personnel there. Now, if you are the number one or number two person there you're treated like you're overseas, so you get a housing allowance, etc. and you also can have one servant, etc. because you're supposed to be doing representational work and all that kind of stuff. I don't think that applied for anybody else in the mission. I've got to be a little careful because it is a shifting ground all the time. When they called me and asked me what I wanted for housing and I was still in Lima. I said, "Look, I understand it is a confused situation there. I don't want to do anything that is going to be problematic. I will go into whatever apartment my predecessor has." This is the second apartment that my predecessor had moved into and he had taken an apartment that had belonged to a guy named Harry Cahill who was the economic counselor there over on Fifth Avenue, a much smaller apartment apparently then my predecessor had had earlier. I just said, I'll take whatever it is, we'll sort this out when I get there. I'm not going to step into this minefield from 3,000 miles away in Lima, Peru. I went there and stayed in that apartment the entire time. I remodeled it slightly so that a room that was formerly a bedroom, but had been opened up into the living room to enlarge it, could be closed off again so that it could be a bedroom because we had the two of us plus our daughter. If we ever had any houseguests at all we had to have some place to put them. We had this arrangement with sliding doors. It wasn't very expensive and it worked perfectly because it could be reconverted into a bedroom and you still had the closet and the bath that went with it and the rest of the time the doors could be open and we could have a large living space. Not large, but no complaints from us. A spectacular location. But, the question here doesn't really concern us; it concerned a lot of other people. The deal had been worked out by the end of the Reagan administration, tied housing explicitly to people's salaries. Now, this makes sense up to a certain point, but when you get down to the lowest salary you start to get beyond the floor of the real estate market in New York. There's a line somewhere below which you can't find anything to rent. So, we had guys, young officers and their spouses and sometimes a kid or two living in efficiency apartments and stuff like that. Tom Pickering and I thought this was unacceptable so we spent a lot of time. Tom Pickering deserves enormous credit for this because he spent lots and lots of his own time on this issue with everything else going on. It was the best time to be at the UN in a long time, it was so exciting, so many positive things happening. He spent lots of time trying to sort this out and we finally did get a new arrangement, which allowed us to be fairer to the lower salaried people. Without dwelling on this any longer, it is a difficult issue and you have to find ways to

make it work, but it's not a place where you get a lot of, you get a lot of money for housing. I don't want to comment anymore because I don't know how it is now exactly.

*Q: Before we move to the issues, one, how did you find Tom Pickering as the head of the delegation, how did he operate and then what was the situation, how did you find the staff of the USUN?*

WATSON: Well, I always thought that Tom Pickering and Tom Enders were the two smartest guys I ever worked for. I think the world of Tom Pickering. Not only was he smarter than the rest of us all put together, he worked harder than all the rest of us put together and we were all working pretty hard. He was also one of the nicest guys you could ever imagine and very thoughtful for his staff as well as being so professionally confident that you were proud to be his sidekick. I can't say enough good things about Tom Pickering.

The staff, well, we had some real problems. Some of this is very touchy, but let's leave it this way. The people that were dealing with the housing issue were people whose behavior was really unacceptable. But it is very, very hard to make personnel changes in civil service people especially if they use all the tools available to them to fight back. We had some difficulties on that score. It's an interesting mission because unlike a mission overseas the Foreign Service local employees are Americans. They are permanently there. They are civil service personnel. Some of them, many of them were really spectacular, extremely good, absolutely competent, been there for a long time, knew things that those of us who were only there for a relatively short time would never know without their telling us, etc. There were some that were less good. By and large it was quite a good staff.

The upper echelon was shaped by Pickering himself. He picked a whole bunch of us deputies for a variety of skills and experiences we had. Among other things, I was the Latin American guy and we had people dealing with Africa and people dealing with Asia, and people dealing with Europe, the deputies had different backgrounds of experiences. Then below the ambassadorial level, then you had the economic counselors and they had different kinds of experience. Tom had put together a team that was really quite good all the way down, three or four levels down. We had people who knew languages and had experiences with all different parts of the world. Tom correctly viewed the job at the mission as being highly political; you view the UN like a legislature. You've got a whole bunch of votes out there and a whole bunch of people and they're organized in a variety of different groups and which groups are relevant depends on the specific issue and which groups people put themselves in depends on the issue. So, for the U.S. mission it's enormously important to be able to reach out to everybody all the time whenever you meet and to spend the time building relationships even when you don't have anything particular that you're after, building relationships that you can draw on in the future.

It helped in that regard during the general assembly because the Department sends up experienced senior officers from each of the geographic bureaus to enhance the

capability. During the general assembly those peoples' jobs is to get out there with the representatives of the countries in the area that they have specialty in and be another level of contact and be able to count votes and all that stuff. Just seen recently this problem on the human rights commission. I mean you need to know your people well enough so that doesn't happen. We had in writing 25% more votes than we got, so 25% of the votes, the letters that we got from people saying they would support us were wrong. Let's not characterize them any further than that, but you know. You need to know your groups well enough so you can find out what's going on and people are going to act in a way different from what they've told you because someone else is telling you that they're going to do that. You need to have that kind of stuff. Also, we had people who were experienced in social issues, economic issues and political issues. So, Tom put together quite a team of people that went three or four levels deep.

*Q: So often at the UN you get a significant number of political appointees in there for one reason or another, but this one sounds like it was much more professional.*

WATSON: We had two political appointees. We had two of our ambassadors who were people that were non-career people, but both of them were perfectly competent to do their job. I think you have to give quite a lot of credit to President Bush. He liked the UN a lot. Remember he had been our ambassador there, he knew people there. He came up there often. I can remember he would come there and we'd be there in the Security Council or something and he'd be there and he'd say, I was just thinking of so and so. Could you see if you can find her, she could come down here so I could say hi to her? She was so helpful to me when I was here. I'd go scurrying off trying to find where this particular person. I remember a very particular case of this particular woman that he was talking about. I tried to find where she was at the UN bureaucracy at that point. I did find her and I did get her to come down and I did get her to come to the security council room and he popped out of his chair and went over there and gave her a big hug and all that kind of stuff. He really liked the place and he liked the people and he felt comfortable there. A point that I was going to make later, but I might as well make now, I think that the decision by President Bush and I presume Secretary Baker as well, when we had the Gulf War situation, to take that issue to the security council, to try to get international support for whatever effort was going to be made to roll back the Iraqi aggression was a really bold decision. I don't think they give quite enough credit to this because they could not have known for certain that it would have succeeded. A veto by Russia or China would have killed whatever we were trying to do in the Security Council or a hostility by a majority of the other countries and their representatives. What would we have done if the security council had opposed our efforts to put together international coalition blessed one way or another by the security council? What if they had not done it and said no you can't do that? Then what the hell would we have done? We would not have been able to rustle up as many allies as we did and we might have had to go it almost alone and we might have decided that we couldn't do it at all. Anyway, they took it and they worked their tails off. Baker met with every foreign minister of every single country sitting on the Security Council and that included Cuba. He flew to Yemen to meet the Yemenis, he went to Geneva to meet a couple of Africans that happened to be there, he met everybody.

That's one of the more important points that I want to make about my experience at the UN which relates to what you were talking about earlier which is President Bush's attitude towards it. He didn't, like his son now, he did not make the perm rep a member of the cabinet and I think they're right. I think there is no reason on earth why an ambassador, even an ambassador to the United Nations, should be a member of the cabinet.

*Q: I think it was thrown in when you had Lodge and Stevenson and some people like that?*

WATSON: Right. Yes.

*Q: This was sort of just to make you feel a little happier.*

WATSON: I think that's right. But you know, if I were the Secretary of State, I would want to make sure that that ambassador was not an independent member of the cabinet. I think that both Bushes are right on this. In any case they still went out of their way to treat Tom Pickering almost like a cabinet member. He was invited to a lot of cabinet meetings. I was invited sometimes to the subcabinet meetings. Our spouses were included in appropriate events even though we did not have the ties. I think that President Bush understood the importance of having really skilled competent people there, that the UN was an important place and you could do good things there, you needed to have the right team there.

*Q: What were your particular responsibilities at least when you started out?*

WATSON: From the most mundane to the most, the least mundane. I was sort of like a deputy chief of mission first of all. I was responsible for running the whole thing and all the other ambassadors, all the sections of the mission dealing with local issues such as our relationship with the city of New York dealing with the problems that other missions were having with the U.S. or city authorities and all that kind of stuff and dealing with budgets, all that stuff the deputy chief of mission has to do. Then, in addition to that, I was Tom Pickering's deputy on the Security Council. I was there almost every time he was there and when he was not there I was the representative to the security council. This was a most exciting time. Not only did we have the Gulf War, we had the El Salvador peace talks, we had Namibia becoming an independent state, we had stuff going on in Cambodia, stuff going on in the Western Sahara. I'm sure I'm leaving out many others, and always the undercurrent on everything you were doing was the Middle East. That was the old days. We could not talk to the Palestinians. They had their allies here. Every single issue you'd take on was Israel versus Palestine.

*Q: We also had a minor little thing and that is the collapse of the Soviet Union.*

WATSON: That's right and you had a whole new set of relationships to work out and it worked very collaboratively in the Soviet Union and _____ and the Peruvian secretary

general who often doesn't get the credit that he deserves. He basically invented this idea of having during the general assembly, having the leaders, the presidents, the Prime ministers of the permanent five get together with him for a lunch and just talk about things. The only people that were there were the presidents and their foreign ministers and their permanents, so that's three people, so 15 people plus ____ and a couple of others, there were 20 people in the room. This sounds routine, but for a long time these kinds of meetings never took place. There was hostility between the U.S. and Russians and the Chinese. It was quite a different atmosphere. After Gorbachev's 1987 speech though which basically represents the end of the Cold War.

*Q: Let's grab each subject as we can. We'll start out with the Soviets and ended up with the Russians.*

WATSON: Let me add two more things to answer your question. I was the only person in the mission who had any experience dealing with the narcotics issue as I had in Bolivia, Colombia and Peru. I was put in charge of representing the U.S. at UN negotiation on an overall approach to the narcotics issue. I did this and I found it rather interesting. I had never been involved in anything like this in my life and I was sort of making it up as I went along, but at least I was confident that I knew what our interests were and where we could go. So that was an interesting thing that I did outside of my normal responsibilities. Another thing that I did that I am really pleased with had to do with the creation of the United Nations electoral support unit. There was no such unit and the White House had asked and the State Department had asked us in I think this was '89 for ideas of things that could go in President Bush's speech at the inaugural session of the general assembly that year. So, we put our heads together and came up with a list of 15 or 20 things that he might want to talk about. One of them was my idea to have the president of the United States say that the UN could play a role of strengthening democracy around the world by providing technical assistance for elections. Lo and behold, of all the ideas we sent down that was the one that the president put in his speech. There was an immediate negative reaction by all the people that you can imagine, from the Cubans on up. So, the next thing was, what do we do about this. Even though this was the third committee stuff, which was social stuff, I actually handled this one personally. It took three years to work this all the way through. I took tremendous opposition from Cubans who led the charge. Many Latin Americans including the Mexicans and Colombians and others. Many Africans opposed it. They all were afraid of the UN interfering in their domestic political affairs.

*Q: These were also countries that had something to be afraid of, too. I mean their election system was essentially corrupt.*

WATSON: You're getting at the fundamental point. I don't want to use too broad a brush here. People were concerned that the electoral system would not pass muster when scrutinized very closely and it did not want to have one more element that would be putting pressure on that situation. I don't want to say they were all corrupt. I remember talking to Jorge Montano the Mexican perm rep who was really a good friend and is still a good friend of mine. Here's Carlos Salinas and everybody. You guys are trying to

advance democracy in your country and you're doing a pretty good job of it and you're moving forward, so what's the matter with this? He says, well, the problem is, that as soon as you create this unit, the opposition is going to say we want that unit in here running our elections. If we say we don't want that we're going to be accused of not wanting to run fair elections and we don't need that. Even though we are moving to improve our electoral system we need more time. Anyhow, we first got through the idea that we couldn't call it a unit, it had to be called a focal unit, that was a term of art. I didn't care what we called it. It had to be, there would be a study of it for the first year whether it made any sense. Now, _____ liked the idea. So, the first year was spent at the UN secretariat doing a study coming up with fortunately a recommendation that it is a good idea. No longer was it just an American idea; it was the Secretary General of the UN. Then the next year we actually got the thing running on a one year experimental basis. A wonderful Uruguayan guy came in to be the head of it; I can't remember his name right now. Thank God we had him. Highly experienced, completely neutral from a country that couldn't be viewed as a threat to anybody. He had a country with a pretty good record on democracy. This guy was first rate. The third year it worked out and it was permanently put in place.

One of the ironies is in that first experimental year, if I can remember correctly, there was something like 32 requests from assistance from this unit virtually all of which came from the Africans who were the blockers, that most opposed the whole thing. This unit could do everything from telling you their advice on what kind of ink to use, that was sufficiently indelible to put peoples fingers in that showed they'd voted to helping you design a ballot that's readable and quickly tally, to actually helping you structure your overall organization of where you put your polls, and how many poll watchers you have, etc. all the way up to actually running an election. The country is going to say please run our election. This unit, this focal point or unit could do all these different things. I think it's been a very important tool in this whole idea of election observers and stuff like that.

*Q: You got involved with non-governmental organizations like Jimmy Carter's group and others at that time?*

WATSON: Not much. Not much. Non-government organizations that we dealt with were human rights groups in general. They'd come by the mission to be briefed and they'd talk to us about stuff. Of course the UN Association of the USA we worked with closely, other groups like that. We would talk to people from the environmental defense fund about global warming way back then because Tom Pickering was interested in that because he had been assistant secretary for Oceans, Environment and Science before. He was very interested in this stuff. So, we would have Michael Oppenheimer one of the top guys and still is, one of the most important intellectual and thoughtful guys on the subject come over and brief us and talk to him about things like that. That would be sort of, those were little isolated. We had Oppenheimer over several times, but those were the kinds of NGOs we dealt with.

*Q: On elections, you were there when the elections were held in Nicaragua?*

WATSON: Yes.

*Q: Did you get involved in that?*

WATSON: Yes.

*Q: How did that go?*

WATSON: Went great. I mean.

*Q: I would have thought, I mean what was sort of the UN role?*

WATSON: I don't remember all the details. I should remember this, but I haven't, the UN had a mission there, it was one of the many missions there. Carter's people were down there, too playing crucial roles. The OAS was there, too. See, the UN was more acceptable than many countries as election monitors than the OAS was. The OAS is viewed as an U.S. creature in the Western Hemisphere, by the left particularly. I don't think that's true anymore. I think _____ has done a good job in dispelling all that and having the OAS be a significant player in these things now. I have to admit to you I can't remember all the details. Yes, the UN was involved along with the OAS in disarming of the Contras and the Sandinista military, all that stuff, a long complicated process that we were involved with from New York. From the Security Council resolutions and providing the support and giving and helping the U.S. government onboard to help that transition process when the Sandinistas through Mrs. Chamorro's government.

*Q: How did you find, what was the attitude, it was still the Soviet Union.*

WATSON: Right.

*Q: Was everyone trying to work out a new relationship or was this a testing period?*

WATSON: It was a testing period. I remember members of the Soviet parliament meeting with us, unheard of. Essentially liberals in their parliament coming to talk to the U.S. mission to the UN about democracy, about the UN and things like that. You had the various components of the UN increasingly independent. It was still the Soviet Union, but they were increasingly independent and they dealt with us more independently. When we were there, remember when Gorbachev was taken prisoner for a while. Remember that. It was the day we were having a party and Tom was away. I think Tom was still the perm rep, maybe Ed Perkins had come, anyhow whoever the perm rep was, I was in charge and we had a party up on the top floor of our building, but no particular reason. We just thought it was time to have a party and get together a whole bunch of our friends. These things didn't cost a lot of money. There wasn't a whole lot of food or anything. Dancing. We had a marine military band who would come in and do it for free. One of the local military units would come and they loved to do it. It was fun.

I remember this guy from the Ukraine, or Belarus came in and no one knew what was going to happen. Gorbachev was captured by the coup plotters. This guy said at one point, "Gee, I don't know what's going to happen, but let's dance and let's have a good time!" Dancing around all over the place. I remember my counterpart from the Soviet mission who was a very nice guy came to this party and I didn't think he would even come with the severe situation, but he came and he was nice and everything. You have to do everything there in political terms. He was coming over to our mission to a frivolous party just for fun. Even though he's a good friend of mine, he was coming there at a time of that seriousness showed that they were reaching out. He didn't stay long. He and his wife went around. She actually was a scholar of Latin American literature interesting enough so we had lots to talk about. They went around and said hello to everybody. He said all the right things in very modest, moderate tones and then they left. It struck me as sort of symbolic.

We had a good relationship with the Chinese mission. We'd go over to their place for dinner every now and then. They'd come over to Tom's place and we dealt with them on lots of issues at several levels into their mission in a more open fashion than before. It's interesting that the Russian, the Chinese, the Mexicans, the Peruvians, the Nicaraguans, the Hungarian, the Bangladeshi – I'm sure I'm leaving some out – all came from being the perm reps in Washington, in New York to be the PM of their ambassador in Washington at the same time that I came down here. We still saw these people. I still went over and had dinner at the Chinese ambassador's residence. Sometimes I must admit to the horror of the people in East Asia bureau in the State Department, saying what the hell were you doing over there? Why were you there? Why did he invite you? We're friends from days in the UN. We worked together. The Security Council meets everyday. We were on top of each other all the time and we developed, under Pickering's leadership, we developed really good personal relationships with all these people. It doesn't mean we always agreed on everything. We were always very, very careful to treat everybody with full respect they deserved, whether they were a big country or a small country. We went out of our way to be gratuitously friendly when there's no reason, just walking around and talking to people and just waving like in high school. You walk down the corridor and say hi to everyone, that kind of stuff. We tried to make sure that the American mission was viewed as friendly, collaborative and not an arrogant operation. I think we were really quite successful.

*Q: Did you find that you were being careful to try to operate to get somebody else to take initiatives and that sort of thing as opposed to the United States sort of wading in?*

WATSON: To add to your question. Yes, we often would try to find somebody else that would be delighted to take the lead and have a prominent role and we could have their support all the time on this thing. I should have mentioned, another issue that we were wrestling with was Haiti. But there were so many issues and it was such a time that people thought that the UN could really do things and it was working pretty successfully and the Cold War had ended and so there were all sorts of new possibilities. It was an

enormously exciting and productive time.

*Q: Before we go to the issues, what about in sort of domestic politics. There have been stories about the UN black helicopters, that's one of the myths that the UN is trying to supplant the United States government and some of this got very political particularly with the right wing conservative Republicans. Was this a particular problem at this time?*

WATSON: No. Those stories were out there. President Bush and Jim Baker were doing all they could to pay back the arrears that had developed under Reagan. Reagan himself had started to try to pay them back in his last years in office. Clinton continued it until the congress got involved in it in a negative way and Helms leadership later on. So the administration was trying to be as UN friendly as possible. One thing that could never be changed was the Reagan administration did something, which was very problematic. One year they didn't pay anything at all because what they did is they shifted the fiscal years in which our payments were appropriated and the UN goes by calendar year. The U.S. can never pay anything for the next year until October 1st at the earliest. That means everyone else in the entire UN has to carry the U.S. for the first nine months and sometimes of course our budget, our funds don't get appropriated in October, they're not ready for that fiscal year, they come even later than that. So, this is a real embarrassment. I can't imagine any president is going to ask for double payment for the UN at some point which would get us back to getting our money in October before January when it is supposed to be due. But, no, we didn't have too many problems of that sort. I think that the success that we were having there in using the UN to help us deal with the problem in the Gulf War, help us deal with the problems in Bosnia and Sarajevo, made it easier to work there. There were people, I remember, who were very frustrated at certain aspects of things that would go on there. The State Department was not always very pleased with how the UN was handling its moderating role in the El Salvador peace talks, but I think the record will show that they did a pretty darn good job in the final analysis. They didn't do everything we wanted, but of course they wouldn't. You know.

*Q: How about your relations with IO, the bureau?*

WATSON: Well, they were not as good as they should have been. I mean you had a very ideological assistant secretary.

*Q: Who was that?*

WATSON: John Bolton, who has just now been confirmed to be under secretary for arms control. I don't know exactly what it's called anymore. Most of the issues we were dealing with went way beyond the international organization bureau in their importance. You're talking about the El Salvador peace talks. I was basically dealing with the InterAmerican affairs bureau. When you're dealing with the Gulf War, my God, you're dealing with the president and the secretary and the under secretary for political affairs most of the time.

*Q: Let's talk about something you said that colored almost everything and that was the Arab Israeli issue. Did you get involved in that?*

WATSON: Yes, fortunately I learned from a master, Tom Pickering, who had been ambassador in both Jordan and Israel. I knew nothing about this and yet you had to be really on your toes. At that point you could not even be talking to Palestinians who were all over the place, very active and you could get yourself in deep trouble politically in the U.S. if you were even seen talking to them. So, you hardly talked to them directly. We talked indirectly through the Arab members of the Security Council. It was just an issue that was there. There were always issues concerning Israel and the Palestinians. There were always clashes. Immediately something would happen, the Arabs would bring to the Security Council a resolution condemning Israel. You had these marathon sessions negotiating every letter of every word because it really is sensitive, very specific words are enormously important. They go back to previous resolutions and everyone just kind of pushed the envelope one way or the other all the time.

*Q: Did you have Mr. Palestine, Mr. Israeli, could sit there and knew the lingo and could monitor it?*

WATSON: Well, first of all we had Pickering who knew all this stuff and then we had some people in the political section of the mission who were familiar with the Middle East. Then we had Bob Rosenstock the longtime legal advisor to the mission who knew all this stuff. He'd been there for 20 years. He knew it with his eyes shut. You had this stuff there all the time. The Palestinians and Arabs looking for any opportunity to put pressure on the situation. We were basically the people in the Security Council and elsewhere that would take the lead on preventing something occurring in the council that would make the situation even worse. This is not to say you're pro-Israel or not, pro-Palestinian, you know, but opposition ended up very often being virtually identical with that of the Israelis because very often you had to decide to use this theater to change the status quo which had been so, if you look carefully, elaborately negotiated in much more important talks than was going on in the security council. You didn't want to sort of gratuitously give away something. This stuff was going on all the time and looking for the word and reversing the adjectives and putting things in the past tense or in the future, all that stuff. You had to be really alert to all of this and you had to go back to the earlier text and make sure what you're staying was consistent with that. There's always the fear that at 3:00 in the morning when you're exhausted and everyone's pushing the thing and you can't get a response from someone in the Department as quickly as you need and things are going fast, they might make a mistake.

*Q: How did you find the Israeli mission?*

WATSON: Well, my recollection is under different leadership it had different styles. They were always a little defensive in the UN and felt sort of cornered, but they had their own agendas that they were working on. They didn't belong to any of the groups, the big groups of countries that were trying to, under some leadership they would be sort of

active volunteers to participate in things that had nothing to do with Israel and Palestine. They would sort of build a little, build relationships with other people because you know the Arabs they didn't even talk to them. People who followed the Arabs would be some of the Africans and others. It was important for the Israelis to get out and be one of the guys or one of the gals and they didn't do that as much as they might.

*Q: Talking about places, first in your hemisphere, you have the elections in El Salvador, you've talked about that.*

WATSON: Well, the whole peace process, the whole negotiating. We were in the center of the negotiations in the peace process and that was enormously interesting. I could talk about it for a long time, but we certainly don't have time. Then the Nicaragua thing. We had the Panama invasion, remember? What else did we have?

*Q: Haiti.*

WATSON: Haiti of course was going along. I'm sure there are other things as well. I'm just not remembering at this point.

*Q: When did you arrive at the United Nations, was it '89?*

WATSON: Late '89 to the very end of '92.

*Q: '92 and we've talked about the internal things, but what we want to talk about now is first the developments in Latin America, talking about the elections in El Salvador and in Nicaragua, bringing peace there, we're talking about, we want to talk about Haiti. We want to talk about I guess Cuba.*

WATSON: Yes, we had the attacks, so-called on a Cuban fishing boat, that was on the security council, too, I had to handle that one. We had the Panama thing. After that we had all the stuff of the Gulf War, we had the stuff in Africa and in Namibia and the Western Sahara. We had a horrible situation in Cambodia trying to negotiate our way through that and then the beginnings of the problems in Yugoslavia and in Bosnia. I have an interesting story on what happened on August 8th, 1992 on that one when we have our next chapter.

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*Q: Okay. Today is the 15th of December, 2001. Alex, we were talking about your time '89 to '92 when you were at the United Nations. Your job again was what?*

WATSON: I was deputy permanent representative. In fact the United States by the way doesn't call them permanent representatives; they call them just representatives. Every other country calls them permanent representatives, but we follow the convention. Tom Pickering was the permanent representative and I was the deputy. The way it was

structured is that the U.S. Mission to the UN is you have something like five ambassadors. Then the permanent representative and then the deputy and then there are three other specialized ones who report to the deputy. Obviously the deputy does whatever the perm rep wants him or her to do, but chiefly I was Tom's alter ego for everything at the Security Council. I handled sort of general supervision of the entire mission, the administrative management of the place. I handled all of the political issues, coordinating of course the work of the legal counselor and the political counselor there. I was involved in some economic and social issues, but not as many given my own background. Although I was the lead person on narcotics which was an issue there. I guess those were sort of my major responsibilities.

*Q: All right. Well, we had mentioned sort of a laundry list here of things. Why don't we?*

WATSON: Those were mainly just security council things that occurred to me the last time we were speaking, but there were a lot of other things, too. It's a little hard to know the best way to proceed.

*Q: Why don't we take some of these issues and talk about how they were dealt with and what the problems were and just sort of walk through this. Let's talk first about the peace process and then the elections in Central America, particularly El Salvador and Nicaragua.*

WATSON: Basically what happened was there was a peace process, there were negotiations going on between the insurgents and the El Salvador government, but they were going very slowly if I recall correctly. First the U.S. was strongly supportive of the government of President Duarte in his negotiating process and giving him advice and counsel on this and public support. There are other people out there who although suspicious of the U.S. and around the world somewhat sympathetic to the _____. At one point, the United Nations I don't remember exactly when this happened, but the United Nations assumed the role of trying to broker these negotiations and the secretary general, a Peruvian guy, Javier Perez de Cuellar, was in charge of this. To be very frank, the U.S. administration was very suspicious of de Cuellar and did not trust him at all and was very worried about his being the negotiator. I think you could say that this should not be surprising since the U.S. was 100% behind one side and 0% on the other except insofar it hoped that the process would produce an end to the fighting and reconciliation of some sort. Anyone who took a position who wasn't 100% in favor of the government raised some hackles in the U.S. government. There are plenty of things that one could argue about, too. I mean there are some concerns there that I think are legitimate and subjects for debate. It was very clear to me early on that what de Cuellar was doing was the core of the ball game. That is to say, he was going to be the principal mediator in the process and whether we liked that or not and that therefore it was very important that we knew what he was doing and that we at least had an opportunity to make our views clearly known to him as we moved forward. I and one of my colleagues in the mission spent lots of time on this. We would see de Cuellar it seems to me like at least once a week, maybe more frequently and spent hours with him usually late in the afternoon discussing things. He

would be filling us in on exactly what had happened and his reasons for this that and the other and we would be making our points back to him and then reporting all of this back to the Department in very long telegrams because I think they found it quite useful even though they might not have agreed with all of the positions especially.

At one point the secretary general and I presume, I think I know this, but I'm not quite sure and the urging of _____ decided to create a group of friends of the secretary general to help facilitate the negotiations. I always viewed that as an attempt to create a counterweight to the United States, a national counterweight to the United States. The people outside of El Salvador who cared most about this negotiating process was the U.S. They were trying to create a countergroup and they picked the four countries and their representatives at the UN to be these friends of the secretary general. Those countries were Mexico, Colombia, Venezuela and Spain. Each of these countries had something to bring to bear on the process. The Spaniards were probably the closest to the FMLM and had real contacts with them and had some trust and confidence. Many of the negotiations and many of the FMLM leaders and others in negotiations depending on the negotiations were in Mexico. The Mexicans are very good at using their condition as the host country for negotiations to bringing their influence to bear on their negotiation. They can do it in all sorts of ways including where they decide the negotiations are going to be and what kind of resource they've got and all sorts of things like that. The Colombians and Venezuelans were a little less influential I would submit insofar as their permanent representatives were capable people and able to be influential, but they were members of the old contadora group and everything.

An important thing that happened and I think I can take a little bit of credit for this, but I hadn't really thought about it or analyzed it and I want to talk to everyone else before I do a conclusion, including Tom Pickering. I think I can take some credit for this, but what we managed to do, we meaning the four of them and the United States was to realize that it was in our interest to guide this process to a successful and rapid peaceful conclusion. Instead of their being a counterweight to us, we became the group that we called ourselves the four plus one. They were the four and we were the one. The four plus one became sort of one group at least in the UN context working away to drive these negotiations forward and we would meet among ourselves and decide what we wanted to do and everyone would go out and do what they were supposed to do. This is not the idea I think that _____ and maybe the secretary general originally had, but I think it proved to be an extremely useful device, perhaps not exactly the divide they expected, but a useful device. We spent lots of time on this. We met every week and saw each other all the time. We met, the group met with both sides of the El Salvador process, all the FMNL (Farabundo Mart National Liberation) leaders would come and meet with us and President Duarte's people would meet with us and the minister of justice who was the negotiator for the _____ government, many, many times and I think we contributed significantly to setting the stage for the peace process to conclude. Now the way it concluded was if I remember correctly, I think it was 1991, December 31st, everybody was in New York and no longer were they meeting elsewhere. They were all in New York at the UN, all the FMNL leaders, president _____, his key ministers, the mayor of El

Salvador _____ who had one of us, _____ became president. These people had certain parts of the negotiating portfolio. _____ was to lead office and we replaced_____ at midnight that night. He was going to fly I believe it was the Bahamas in a private plane of Mr. _____, who has since passed away who was a leading banana exporter of Ecuador. He and his wife were going to pick up ____ and his wife and fly out of New York and go for vacation as his term as secretary general ended, but the talks did not end. So, we did the old labor negotiation, we stopped the talks. No one knew this, ____ guy had known it was midnight and it was New Year's Eve. I had a whole gang of people, I had my brother and his family up in Connecticut and all the kids were home for the holidays were in my apartment up on Fifth Avenue waiting to have a New Year's Eve party. But we stayed there and we stayed there and finally _____'s had a quite of a flagitious and his legs were really hurting him. He wanted to get out of there, but he knew Pickering and I and some others and the Mexican, they wouldn't let him out of there. Eventually around I think if I recall correctly around 1:00 or so a deal was reached and we signed it and it was all over. We went home feeling exalted in a way and very uplifted and excited with a feeling that we've actually done something useful. I remember going back to my apartment with adrenalin pumping and I was lively as could be and everyone was passed out at my apartment. Little kids curled up in the corners, all the people with silly hats on, snoring away on the couch. The last thing they wanted to do was to talk to me and hear about all these stories and stuff like that. It was really a great experience, a little contribution to that, a very important process and a very successful process because as you notice there is no civil war anymore in El Salvador. The former guerrillas have become members of the government in many ways and they have many important positions and may win the president elections and things in the future.

*Q: Somebody had to be working very hard to defend your friends from the Jesse Helms crowd. In other words, because this issue down in Central America is one that really touched the conservative core.*

WATSON: There are people who deserve huge credit in my view and they are Jim Baker who was the Secretary of State and Bernie Aronson who was the assistant Secretary of State for InterAmerican Affairs as it was called then. At the end of the Reagan administration they came in as part of the Bush administration. Even before Bernie was confirmed they were up on the Hill cutting a fundamental deal with the democrats who cared strongly about this and had more to do with Nicaragua and the Contras then they had to do with El Salvador. That issue was a huge political issue. People forget about it now, yet it was such an obstacle to all kinds of other areas of collaboration between the Reagan administration and a democratically dominated congress. They went up there and they cut a deal if I remember correctly and you'll have to ask Bernie about this which essentially was that we would supply no more arms to the Contras, but we would provide non-lethal assistance to them. That cutting of the arms if you will that broke the impasse and the amendment and all those other things, it broke that and got it so that you could start to deal with the problems in Central America in a reasonable way.

Bernie then of course took the lead on following on from that and working hard day and

night on the negotiations and working very hard with the Nicaraguan government and others and he was our quarterback if you will. I was just a guy up there in the UN trying to contribute to this process. As far as the U.S. government Bernie Aronson was the key guy trying to coordinate the U.S. government policy and defend any pranks that were exposed on all sides there and keep the process moving forward. I don't want for an instant to suggest that what I was doing was the be all and end all. I only want to suggest that we at the mission there played a small, but important role in devising elements of the process, which proved to be instrumental in bringing the results about. I think we also, having the U.S. you have to ask the FMNL leaders, but having me, it might have been somebody else, Tom Pickering himself meet with the FMNL leaders but surrounded by Mexicans, Spaniards, Colombians and Venezuelans and with all of us talking the same tune, I think strengthened, not strengthened, caused there to be some element of competence. We actually were looking for a solution. We weren't looking for their subjugation or their ultimate defeat. We were looking for something that made some sense to end that horror of a civil war that was going on down there. I think also by having everyone together it showed all sides that there was sort of a united international community approach and there weren't people you could play against each other very well and contributed to that. It was an exciting and rewarding, although a very time consuming experience.

*Q: Well, it's a real accomplishment because that was a very nasty war.*

WATSON: In the final analysis, as of course as always the Salvadorans deserve the credit. _____ made some very thoughtful decisions dealing with his own extreme right in El Salvador which has never been a minor league group as you well know and then moving some key military officers at crucial times, people on which he was dependent to a certain extent. _____ deserves a hell of a lot of credit and you have to give the FMNL at least enough credit for coming to their senses and realizing when it was time to stop fighting and start negotiating. Both sides fortunately came to that realization essentially simultaneous after a big effort; I forget what it was called now, by the FMLN to make a big huge attack.

*Q: Sort of a Tet.*

WATSON: Sort of a Tet type thing and it caused a lot of damage, but it failed. It caused enough damage that the government said gee we cannot go on like this and the FMLN said we just tried and fired our last real big heavy guns and we haven't succeeded and they both then realized that the only way out was some kind of negotiating solution. Then transforming that realization into an international agreement that would actually work was what the rest of it. Obviously they deserve 90% of the credit and I think that we helped. I think they were reasonably smart about it in the ways that I just said. I think that Bernie with the support of Jim Baker and the president played absolutely a key role in this and in the final analysis _____ I'm sure was very frustrated with us sometimes, too because we'd be urging him to do things we wanted him to do. In the course of this process came up with an agreement that is still holding.

*Q: How about Nicaragua, I mean that was a different thing, the Sandinistas were actually the initiators of the election that ousted them.*

WATSON: I have a much harder time remembering Nicaragua stuff I guess it was because while we were involved in it in several ways we weren't as involved directly in the negotiating process if I recall correctly. Where we were involved in Nicaragua and I think was largely sort of bringing in the UN and to some extent the Organization of American States to deal with monitoring of the human rights situation of turning over the arms of the Contras and that whole process. I have to admit to you I'm just not recalling. I'd have to have something to refresh my memory because we had a lot of votes in the security council, spent a lot of time determining who were the best people to go do these functions and things like that. It was another process that I think was affected most dramatically about what I told you before about what Baker and Bernie did on the Hill so I think that the Contras knew that they weren't going to win this thing all by themselves. The Sandinistas also knew that there was no way to win the military battle either and it went to the elections and they surprisingly lost. It's an example though it's interesting and Jimmy Carter and the people who were down there monitoring the elections thought _____ was probably described much better than I do how that worked out, but the interesting thing was that the polls were so wrong. The polls were wrong because people didn't have any confidence. So, the people would say that they were going to vote for the Sandinistas because the Sandinistas were in power, but they didn't do it, they didn't do what they said. They probably had at least that confidence with the international people there monitoring the elections that they could vote in secret and then their real sentiments came out and they let Mrs. Chamorro and the coalition and the center right won. Then it was a huge problem there and many of them I had to deal with when I was assistant secretary and I can't quite remember what happened when at this point. If I read a history of it it would all come back, but the Sandinista apparatus retained control of many of the most important aspects of the state mainly the military. Ortega's brother was still in charge of the military and they still had people in charge of intelligence services and things like that and enormous pressure in the United States on Mrs. Chamorro to get rid of all these people. You just do that. Then the I think this started to happen when I was at the UN, but I wasn't directly innovated in it. What happened was that the coalition that won the election came apart and the extreme right elements of that coalition backed by extreme right elements in the U.S. started to really move against the president to the point of boycotting the congress so that the congress couldn't function and that the ____ couldn't function and even calling for _____ we let the _____ president oust by a guy named _____ who was a vice president who was more to the right and sort of a favorite of some people up on Capitol Hill. That was something I had to deal with when I was assistant secretary and we turned that around, but it was a very difficult and stressful time. I don't remember too much more than all these discussion and dates and getting the right people and the money and support down there for the various monetary functions of the UN.

*Q: Well, all right, this is still sticking to Latin America, how about Cuba? Talking about*

*during that time, Cuba is sort of a perennial thing.*

WATSON: Well, the interesting thing here is it was the first time Cuba had ever been on the security council so we dealt with the Cubans everyday one way or another even though we weren't supposed to be spending much time with them. I'd meet with them very often and usually they'd oppose whatever we wanted in the Security Council, but not always. I found that if you dealt with them with respect, and you'd talk to them about the issues and try to move some of the issues from the ideological plane in which the Cubans almost always are, you could find actually that they would be supportive or at least not totally obstructionist and sometimes even helpful in getting some of the things done that we needed to have done.

I remember this pretty clearly because Tom was away I guess or for one reason or another I ended up handling it all. It was when if I recall correctly the U.S. Coast Guard fired on a Panamanian vessel that had a Cuban master and crew that was suspected of running drugs in the Caribbean. The U.S. chased the boat, ordered it to stop, it didn't stop, fired at it. I think it may have disabled it to some extent. In the final analysis the boat got into Mexican waters and the U.S. Coast Guard couldn't get it. The Cubans dragged us before the Security Council, which is really not a very smart move on their part because they had no argument at all. Irrespective of the nationality of the captain and the crew it was a Panamanian flagged vessel. The Panamanians had authorized us to pursue it, even to shoot it, even to sink it and I remember and we did those things. So, the Cubans had no place to stand. The vessel probably was running guns or it wouldn't have run the way it did. We had a Security Council debate on it. It was not a very hard one to win and we won it easily and it was sort of an unpleasant moment and not a necessary one. I don't know why the Cubans did this because they looked really silly because you had to pick your battles and this was a bad one to pick.

Another area on which of course we had to deal with them at the time it was during the Bush administration that the U.S. sent troops into Panama to get Noriega if I remember correctly and that became, that was a big mess. That was highly controversial and we managed, it if you will in the Security Council, we managed to get new representatives out of Panama up there representing the new government fast enough to be able to establish their own legitimacy and argue their own case and to argue in support of what the U.S. had done after all the efforts by the OAS and others, some sort of movement on the part of Noriega and the elections.

*Q: How did you find, I mean there are usually two types of support. One there's support in the delegates lounge and two, there is support on the floor. How did this come out on the Panamanian take?*

WATSON: You know, I can't remember all of the details, but the crucial thing is once you have a government that is there that is considered legitimate by everybody and is arguing its case. There were also things like battles over who would be in the Panamanian mission to the UN, people were changing locks and locking doors and keeping people in

and keeping people out. It was total chaos there. Once you had something like that it made it a lot easier because you could argue these are puppet U.S. governments, but they really weren't. These were people who actually won the election and all that stuff. I don't remember having too much difficulty.

*Q: How about Haiti? Was there much with the deal with Haiti and the flow of refugees?*

WATSON: There was kind of a deal with Haiti, there was a lot to do with Haiti and once again, my memory, without some refreshment my memory is weak. We had President Aristide there. We had him there after he was thrown out by the military and our allies. It had a series of resolutions including the general assembly that he was to be re-instated. I'd love to be able to refresh my memory because it was some incredible moments there. We had a debate going on about Haiti and the aspects of a resolution that was extremely important to us. I wish I could remember it in more detail, but I can't right now. The Venezuelans were key people that are going to stand up on the floor of the general assembly and support the position that we took. The Venezuelan permanent representative wasn't present and so I had to petition for a recess in the general assembly would get their act together. If you were from Washington or not, I was the guy, I was doing this. I had to stop all the proceedings and try to get on the phone back to Washington talking to people saying what would you accept, fine, get someone to find the Venezuelans and get them out there and do what they said they were going to do. They had promised they were going to do something and they were clearly trying to avoid doing it. The same guy was our ally on the El Salvador thing and was a good friend of mine, but I don't quite remember what the outcome was, but we finally got what we wanted out of the resolution. There was this long debate. Everybody in the whole UN was there and you had to say point of order, may we have a recess for 15 minutes while I get my act together? It was a very emotional issue and it was one that I don't recall dealing with Haiti in the Security Council. It was viewed so much as an internal matter, but we know it, in the general assembly it was much less manageable organization from the point of view of the United States.

*Q: Then you mentioned you were involved in the Western Sahara and Namibia. How did that?*

WATSON: Each of these things, I'll just say a couple of things. Namibia was a major success in the United Nations. The UN officials had managed. Here you are creating this country that is bordered on the north by Angola which was in terrible turmoil at the time. We got to Angola a lot, too and on the south and on the west, the east by South Africa.

*Q: Which at that time was under white rule?*

WATSON: Yes. It was, yes, right and the South Africans had a protectorate there and slowly the UN procedure worked to have elections and produced an independent Namibian state and government. You could not help but be affected by the enthusiasm and difficulty of it, things breaking down at the last minute. The South Africans weren't

pulling their troops out and other things were happening. Finally, it all worked and everybody felt really upbeat with good reason. That was an exciting event.

I remember going to Namibia when I was at the UN and South Africa and Zimbabwe and Mozambique and Angola. I flew in one of the UN planes, which were flying food, and I actually flew the C-139 up there with a superb Brazilian pilot that I liked. He would do everything right after I did it wrong. I was flying around and I had never actually been in a real war zone before and to see those turned over, burned out tanks, to see these towns destroyed, to see railway lines destroyed, to be on dirt roads and you're told at my peril I could not step off that road. There were so many mines out there, no one knew where the hell they were and you could blow yourself up. They cleared roads that they hadn't cleared before. I saw the UN troops from all different countries. I went to four or five different places in these food delivery planes and you really get a feeling of what was going on inside the country. Obviously it was a very superficial view that one has, you know, but it was better than no view and it was an eye opener to me and I can still remember it very clearly. I still can remember Luanda, which has a rather dramatic geographical setting, a little bit like Salvador de Bahia in Brazil where I was consul for a year. The cliff dropping right out to the sea, to the upper city and the lower city and just seeing what a mess it was and how all the hotels and buildings had become havens for squatters, not that the squatters didn't deserve some place to be, not that it was their fault, but just to see that the society had gotten so dysfunctional, nothing would serve for aid contended purposes. Then we were meeting with the president and that was of course one of the more frustrating UN experiences was to and everyone who tried to end the civil war there, it's still not over. It's extremely frustrating.

*Q: How about the Western Sahara?*

WATSON: We spent a lot of time on that and there were peacekeepers or at least I don't think that was the term. I think there were monitors of cease fire lines and things like that that we had in there. There were some friends of mine who were American military people. That was a real tough one because it got a lot less attention than some of the other places. You had this struggle of the Moroccans trying to retain control of this place and the place trying to be independent. The old Spanish Sahara. Then you had the Algerians who didn't like the Moroccans pressing from the other side. It was a constant effort to get UN security resolutions through that would allow the UN at least to try to enforce the agreements that had been arrived at and to push them further. I don't remember all the details that were involved, but it was a frustrating time. The Moroccans were very ably represented at the UN. They were really good, attractive, clever people there. They had a lot of broad political support which Algeria didn't have a whole lot of.

*Q: Well, you also mentioned Cambodia?*

WATSON: Yes, boy you know, Stuart it's so hard to remember all this stuff now. Just by hearing this, it gives you an idea of how many things were going on simultaneously in a short time.

*Q: I was just thinking, this was really a very successful period for the UN, wasn't it? I mean you were taking care of a lot of problems a good number that came to a real resolution.*

WATSON: Absolutely. Yes and some of them even though they may not have come to a real resolution were probably somewhat less intractable because of the stuff that was going on there. The Secretary General didn't get really enough credit I think. Maybe people have written about this and I haven't paid attention, but I mean, you know, people think he was sort of a little bit phlegmatic and he was just a UN bureaucrat that became the secretary general. Not exactly like Kofi Annan who worked his way up, but he'd been there a lot and was not sort of an inspiring leader or anything like that, but as soon as he saw the Cold War ending, as soon as that Gorbachev speech of '87 at the UN took place he worked very hard to pull the permanent five members together for meetings to discuss things, leadership, took them in a room. It's hard to remember now, but there were times when the U.S. and the French and the Brits weren't even talking to the Russians and not to the Chinese. Unless you had those five people in agreement, the Security Council becomes paralyzed. If you're the secretary general, you've lost the single most powerful unit of the UN and he deserves a lot of credit for that. President Bush deserves a lot of credit. He liked the UN. He'd been there as permanent representative. He knew the UN. He knew those people and he really liked them and he had confidence in them. It made a huge difference. We've never had a president with that kind of experience and probably never will again. I think he and Baker don't get enough credit in my mind for what they did in the Gulf War. I mean this is not a very sophisticated point and I'm sure more intelligent people have already written about this somewhere, I haven't seen it and I've not been paying attention to this. His decision to bring the Gulf War to the security council as opposed to try to go it alone without having the backing of the council is a pretty damn important decision because what would have happened if we lost? What if the Russians or the Chinese or someone vetoed it or we didn't get a majority in the thing to proceed with an aggressive military campaign against the Iraqis. I mean Kuwait is not a particularly influential member of the UN and not a particularly beloved place.

*Q: The Arabs didn't like the Kuwaitis.*

WATSON: Right. It wasn't sort of a romantic country. Baker went out there and he met with every single security council sworn minister to line up support for the resolution including the last one was the representative of Cuba in the Waldorf Astoria. He went to Geneva to meet with the African members that happened to be there. He went to Sanaa, Yemen to meet with the Yemenis present. He met the foreign minister or president. He met with the leaders of every single country. There were a lot of other things going on in the world, that was the most important. To get that all necessary means resolution which I think was a revolutionary values. We use it all the time now. Even going into Afghanistan now. It's not going to be a UN force, it's going to be a force of countries that are so pressed by the UN to go do it, but not a UN force per se and that's what this was. It was not asking the UN to take on Iraq; it was asking the UN to authorize interested states to

take all necessary means. That was pretty damn bold and it worked.

Then all the work we had on that following up on the weapons matter, the weapons of mass destruction that Saddam Hussein assembled. All these inspection missions, all that stuff, articulating that, bringing up. I had to bring up, I didn't bring up, the U.S. government brought it up, but I presented technicians from the U.S. government. We were pushing hard to get the inspections done. Tom Pickering was absolutely tireless. He always is in all this stuff and played a major role in the drafting and all that kind of stuff. He was just smart. I can remember on several occasions, Pickering would call the three of us in to start the work on the draft resolutions. Bob Gray the political counselor, Bob Rosenstock the legal counselor and me. Maybe there would be another person, but usually that was the team. There may have been two more junior officers, I don't know. We would talk about drafting resolutions. Gray, Rosenstock and Watson would be sharpening our pencils and spreading our paper out on the table and getting read and licking the ends of our pencils and getting ready to start. Pickering would come over to the desk and drop a whole drafted resolution on us and say, what do you guys think of this. He just went ahead. All we could say was, well Tom, I think it could be centered more in the page. There is an occasion that I remember he just dumped it down on us and we hadn't even started. We're supposed to be serving him and he's smarter than all of us put together. It was a very exciting thing and Tom really took individual leadership on the whole Gulf thing. I played a distinctly secondary role trying to handle almost everything else that was going on at the time, but also helping him out on this.

*Q: On the Security Council, Cubans and Yemenis were the odd men out, weren't they?*

WATSON: Yes, they were difficult, but we got what we, I don't even remember what all the votes were now, but we got what we had to get. Then of course it was all other resolutions a mission of many, the whole regime of conditions that we imposed on Iraq. Tom worked so hard on that.

*Q: Was there any disquiet within our delegation about how that Iraq war ended because it sort of in a way was a messy end and we didn't even cross all our it's and dot all our it's.*

WATSON: I don't remember that. I don't remember that. I remember having the thought that Bush, President Bush was right, that and this may not be correct, but my thought was, I'm in the UN so I'm influenced by that.

*Q: Absolutely.*

WATSON: We did not have a mandate to overturn the government of Iraq. The mandate was to get them out of Kuwait and drive them back. We took it as far as we could, destroy their ability to be doing what they were doing and all that kind of stuff. I thought there would have been some fairly severe repercussion if we'd gone further than that. I might be wrong and it might have been, even if that analysis is right, it might have been wrong

not to go ahead, but anyhow I remember having that thought. I also remember having the thought that if we did take out the Saddam Hussein government we'd be there like a colonial power, the responsibility of managing that place. You know, sure maybe we could turn it over to the UN people and everything, but that was a very fractious country with Kurds in the North and Shiites in the South and remnants of Saddam Hussein's regime. So, I thought that the arguments that we should have gone further and wiped out that son of a bitch were wrong. I remember feeling that the president made the right decision. Although clearly it was going to be problematic.

*Q: I think that conventional wisdom everybody in the Department said that Saddam Hussein couldn't survive this disaster.*

WATSON: Well, and at the merely aggressive interventionist inspection regime would take care of the main major remaining problems caused by the continuing existence of this regime. I don't remember anyone saying it. Maybe somebody did. I don't know.

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*Q: Today is the 25th of June, 2002, after a long hiatus. Alex, we're back in business. You were in the UN from when to when?*

WATSON: Late '89 I think it was August maybe of '89 until the last day of December '92.

*Q: Okay, an exciting time.*

WATSON: Yes, the permanent reps at that time were first Tom Pickering and then Ed Perkins.

*Q: You were there during the invasions of Kuwait of Saddam Hussein. How did that play from your role?*

WATSON: That was clearly one of the most exciting things that we were involved in all the time. Tom Pickering handled a lot of this himself personally, but when he wasn't I was because I was his principal deputy and even though there is a deputy ambassador there are five ambassadors in the U.S. mission at least there were in those days. One of them is the Security Council ambassador. That person almost never really did anything in the Security Council because Tom and I did it and the political counselor and the legal counselor. If neither of us was around, then the third ambassador would do the stuff. We spent a lot of time on this. It would take a huge amount of time and it was a multifaceted effort. Obviously we worked out everything that we could in advance with our friends on the Security Council, but the key thing of course was the all necessary means resolution that was approved.

*Q: You might explain what that was.*

WATSON: Well, essentially what it meant was that the security council was on the one and not organizing a force to go in under the UN flag like in Korea for instance to achieve a military objective. What it was doing was saying that member states who are interested can take all necessary measures or means to achieve whatever your objective is. That allowed the United States to develop the coalition to go in. We used that again in Bosnia and Sarajevo. I don't know if we discussed that or not. I can tell you that in a minute, it was pretty interesting. I give enormous credit to President Bush and Secretary of State Baker for having the boldness to take the Iraqi invasion of Kuwait to the Security Council. I wonder if any other president would have done that. Bush knew the UN. He had been our representative there. He liked the UN. I think he was confident that he understood how to make the UN Security Council work. The question I always work, and I've never seen anything written about this although it may have been written and I just haven't seen it. What if the Security Council had not approved what we did in Kuwait? What would we have done then?

*Q: Was there a chance?*

WATSON: Sure. Of course there's a chance. China or the Soviet Union could have vetoed it any minute and we might not even have gotten the votes. I mean we had Yemen on the Security Council. We had, I think it was Zimbabwe or Zaire. We had Colombia in those days. Those countries had their own interests and were scared to death of major military intervention by the United States and its western alliance. There was a lot of opposition to this idea. Jim Baker traveled around the world and met with the foreign minister of every single country of the 15 that was on the Security Council including the Cubans who were on the Security Council. He met with then foreign minister in the Waldorf Astoria Hotel. I don't know when the Secretary of State last met with a Cuban foreign minister. He was the last one to be met. Baker flew to Yemen to meet with the Yemenis. He flew to Los Angeles to meet with the Malaysians who were coming through there. He flew to Switzerland to meet with the two Africans that were there. That was every single foreign ministry in an effort to build support for this.

*Q: What about the Yemenis because the Yemenis, was one of the two countries that were to side with Saddam?*

WATSON: I don't remember all the details anymore, how the votes came out, the key thing of course was to avoid a veto.

*Q: That would be the permanent reps?*

WATSON: Yes, the only ones that could do that besides the U.S., were Britain, France or China and the Soviet Union. Also, to muster at least a vote you need to have at least enough votes to win given the number of abstentions. I don't remember now what the final vote tally was actually. I haven't thought about this for a while, but what if the Security Council had not approved this? Then what the heck would we have done? We'd

have to build a coalition that was sort of extra legal _____ outside framework that you had already highlighted as an important framework.

*Q: Bush also had the senate vote on it and that was sort of touch and go.*

WATSON: That was right, too and that was another bold stroke. He understood and I think he was correct in this, that he had to have this kind of political backing both within the U.S. and around the world to be able to pull something off like this comfortably. In any case we worked like fury on this and drafted resolution after resolution back and forth with all the Washington agencies for their views to coordinate this with the White House and it all worked out well. Some of the other countries, especially the Brits and others, were extremely helpful in all of this.

We had all sorts of wrinkles. One of the things that we did was to demonstrate to the Iraqi government, Saddam Hussein, who were moving weapons around to avoid being detected by the inspectors. We had overhead photography of some of this stuff and I remember.

*Q: Was this after it was over?*

WATSON: It was after the war was over. This was when the inspection machine was in place or being put in place. I had this task dealt to me. I had to go to the Security Council with photographs, classified photographs with screens and pointers and handouts so people could understand what they were seeing. You always wonder whether the people are going to believe you. In this day of high technology there are people who still don't believe that Armstrong walked on the moon, but they did believe us. Bob Gallucci, now the dean of Foreign Service over at Georgetown, was a deputy assistant secretary if I recall correctly in the political military bureau and he did a great job on this stuff and he came back and worked with us. Anyhow we could go on for a long time on this, but a lot of very interesting wrinkles there. Of course a lot of them working very closely with the Saudis and Egyptians and other major Arab countries part of what I didn't know much about, but learned quite a bit about during this period.

*Q: What about the war didn't last, particularly the ground war lasted four days or something like that. Was there were we getting pressure saying okay, stop it, come on out of Kuwait because this is one of the big debates that we may have stopped a day too soon.*

WATSON: Well, I don't remember pressure from that we felt at USUN although maybe there was and my memory is just faulty. I remember though believing at the time that President Bush was right. I'm not quite sure what I think now, but at the time I thought he was right. What I thought was there is no mandate to take over Iraq. The mandate is all necessary means to get them out of Kuwait and to reduce their threat to Kuwait. So, maybe the troops could have pushed on and taken Baghdad, but I don't think there was a real mandate for that and maybe we could have done that and maybe we could have gotten away with it and maybe we would have been applauded for it. Another big question out there was then what. Then what do you do with this place? I think there was

a judgment, perhaps it was faulty, that with a good inspection regime and other sanctions that Iraq could be kept under control. I would submit in fact that it has been kept under control, maybe not enough control, maybe it's as dangerous as the new President Bush says it is, maybe it isn't, I don't know. We ran that sanctions regime. We had a committee that met on every request to export stuff to Iraq. That was tough work. I was the guy on that for hours and hours of haggling. Already people like the French and the Soviets were looking for ways for exports to arrive and that sort of thing. That was never very popular, but we managed to at least while I was there, not because of me but just in the situation managed to make it function reasonably well.

*Q: How did we deal with the French and the Russians?*

WATSON: We had a mandate and we had clear guidance and the resolution as to what the sanction is supposed to be. We just kept trying to follow the letter of the law in lining up allies with us enough to be able to prevail. Every now and then some exceptions were made. None of them were very great. We couldn't win all the battles, but we won most of them.

*Q: Then moving on over to.*

WATSON: There is one other thing that's worth recalling. I'm not sure that I'm right, but just for the record, an incident occurred as I recall it. As I say I could be wrong, that was quite important. General Schwarzkopf was out there in the region and he agreed to allow the Iraqi government to fly helicopters in the northern no fly zone. My recollection is that he did that all on his own with no instructions and that proved to be an extremely difficult element of the situation there. The regime used helicopters to execute their repression of the Kurds. I just put that out there. I may be wrong; it may not have been Schwarzkopf's fault. Maybe he had instructions to do that although my recollection is that he did not and it may not have proved to be as catastrophic as it seemed to me at the time it was. I remember that as something that was interesting given the fact that everything we were doing at the USUN had to go through about nine million clearances before you could get it done. To have him out there just sort of saying that these guys could fly the helicopters or not seemed to be a rather dramatic concession because no planes could fly, helicopters could fly. It was an interesting vignette.

*Q: This is tape ten, side one with Alex Watson. Alex, I don't know, you mentioned Yugoslavia, so I guess we haven't talked about that.*

WATSON: I guess we hadn't. At the end of that last tape, you mentioned Afghanistan, Cambodia, narcotics and Yugoslavia.

*Q: Yes.*

WATSON: In Yugoslavia there was a civil war and the country was coming apart at the seams. We had Bosnia-Herzegovina as the central issue and all the horrors that were

going on there. We spent a lot of time on that mostly on the humanitarian effort as we also did later on in Somalia. Hank Cohen was a very articulate explainer of what happened in Somalia, which is probably far better than anything I could say. He was assistant secretary for African affairs at that time. The general wisdom as to what happened in Somalia is completely wrong. In Yugoslavia one of the interesting personal moments for me was that I was sitting on the couch in my living room on a Saturday morning, my birthday on August 8th in shorts and a tee shirt getting ready to take my dog for a jog in Central Park and the phone rang. It must have been about 7:30 or 8:00 maybe and the voice on the other end of the phone said that the Secretary had to talk to me. On the phone came a voice that said, "Hi, Alex. This is Larry Eagleburger, what are you doing today?" I said, "Well, Mr. Secretary, I'm sitting on my couch getting ready to take my dog." He said, "No, you're not. You're going to Kennebunkport." I said, "Oh, really." He said, "Yes, we have to go up there and brief the president on this Bosnia and Sarajevo stuff. Get out to the airport and I'll meet you there at La Guardia and then we'll go up there." Gee, wow, okay, I go into the bathroom and start shaving, tear off my clothes, put on some other clothes, take a shower. While I'm doing this the phone rings again. "Hey, this is Larry again. I can't come and pick you up. You've got to get down here. You come down here, fly into National Airport and I'll pick you up." So, I went out there and got a cab, raced out to La Guardia, take the shuttle down, land at National Airport, step outside and a huge black limousine pulls up. The door opens and there is the Secretary of State and nobody else except the driver. I jump into the car and he says, "We're going over to Andrews." We're driving over to Andrews Air Force Base and we get out and we go on a Gulf Stream aircraft in which there is the Secretary of Defense, Dick Cheney and a military aide and the two of us. The four of us fly up to Kennebunkport to talk to the president of the United States about what we should do in Sarajevo. This is when people were being massacred in there and you couldn't get to the fly zone, people were starving to death and all that stuff. We get up there and we have to drive through the hordes of tourists at Kennebunkport and get into the Bush compound. We drive in there and there's the president and Brent Scowcroft and Marlin Fitzwater and the president and Scowcroft are in golf carts. They've just come off the golf course and were all perfectly relaxed. Barbara Bush is there greeting us all and we all go inside. We have our discussion about this issue which was in effect a debate between Eagleburger on the one hand and Cheney on the other with the president and Brent Scowcroft sort of as the judges of this. I was there to help Larry to the extent he needed it and Marlin Fitzwater was talking about sort of the public appreciation of all these issues. The issue was should we or should we not push in the security council for another all necessary means resolution. That's why I tied that to the Iraqi thing earlier to get relief supplies to the people of Sarajevo. Pickering was no longer the perm rep. Ed Perkins was and Perkins was on a trip to China arriving back on the west coast that day. I told the Secretary, don't you want to wait until Ed Perkins comes. He said, no, no, we'll do it now, we can't wait.

There we are and the president keeps saying, "You boys must be hungry. Barbara, get them some food in here." We said, "No, we don't need any." He said, "No, come on, here's some popcorn, have some popcorn." Sort of distractive. The upshot was that Eagleburger won the debate and Cheney lost and we decided to go ahead with the

resolution. So, we go outside and talk to the reporters on the lawn there and we go back to the car and go back to the airport and back to the Gulf Stream and fly. This time they could fly into La Guardia and drop me off. So, there we are on the plane and Larry Eagleburger and I are trying to draft the first draft of a resolution that would do this and Dick Cheney took his setback perfectly with great equanimity and was reading a fly fishing guidebook because he was a great fly fisherman and he was talking to us about that. He dropped me off at La Guardia and I jumped in a cab and ran home and started calling key friends on the Security Council to have a meeting that evening. This is still my birthday remember, to get the first draft of the resolution done so we could either move forward with it on Sunday or maybe Monday. We did get the meeting at the British mission and I forget what countries were there, but it was certainly the British and the French. I'm not sure which of our major allies were on the Security Council. It might have been the Canadians. It was five or six of us and we hammered out the language and eventually a day or two later we prevailed and that all happened and we started to move the relief supplies into Sarajevo. It was sort of one of the more interesting birthdays I've had in my Foreign Service career.

*Q: Who took your dog for a walk?*

WATSON: I don't know if Jodhpur got a walk that morning. My wife would have had to have done it.

*Q: What is your feeling about the UN and Sarajevo, that whole Bosnian thing because at a certain point particularly after Sarajevo it became sort of an item of faith was don't let the UN get into anything that has to do with military force because they really can't handle it. I mean, I'm not talking about people really shooting each other.*

WATSON: I think most of that took place after my time, so I can't comment on the mood at the UN in this, but I think lessons are clear. The first thing people have to understand is the UN is essentially its members. It has a certain amount of independence and action and the secretary general uses his good offices from time to time like for instance he's doing in Colombia. But he cannot even do that effectively without support of some of the key players in the area and probably without the support of the host government if there is one that makes any sense which was not the case in Yugoslavia. All these criticisms of the UN as an organization may be useful at the point of departure, but you very quickly have to get to what you're really talking about and any kind of peacekeeping activity we absolutely need to have very clear objectives and limited objectives and modest objectives and realistic objectives. Then you have to absolutely have the resources to be able to achieve those objectives and you can't sort of just launch the UN out there to take care of this and then go away and come back and criticize them later. Things happened all the time. Any kind of a war time situation accidents I think are more significant than planned events in many, many cases. I think that you could argue that you put the UN and peacekeeping forces into a situation that was not exactly a peacekeeping situation. I mean a peacekeeping situation usually is something like you have in Cyprus where you've got a deal everyone has signed onto and you have somebody there monitoring the

implementation of the deal. It's not to the extent of people shooting each other and you put some Indians and some Swedes and some Canadians and some Ghanaians you know and some Brazilians out in the middle of a war and expect them to stop it because they can't do it. I could go on this topic for a long time, but you have to be very careful and you have to use these instruments in the right place at the right time and not expect them to do more than they can do. Sometimes its kind of, oh, we can't solve this problem any other way, so let's just go to the UN and that's irresponsible and dangerous and can often make the situation even worse.

*Q: By the time you left the UN in what '91 or '92?*

WATSON: The last day of '92, yes. Remember the administration lost the election.

*Q: Yes, but did you feel the what was, do you recall what the UN situation was in Bosnia at that particular time?*

WATSON: No, I can't remember the details of were we were at that time.

*Q: What about Somalia?*

WATSON: My recollection of Somalia and as I've said, Hank Cohen is much better on this than I am.

*Q: He's written a book.*

WATSON: Yes. He's right. I mean I consider myself to have been one of the people that had the idea of having a humanitarian mission go into Somalia given the mess there, but what exactly happened there had very little to do with the UN and very little to do with the U.S. It had to do with some decisions taken by a particular U.S. military officer who was highly regarded and he was on loan to the forces that were out there in the UN and he made some bad judgments and got some people into trouble, there's a movie about it.

*Q: Black Hawk Down?*

WATSON: Yes, right, but that was not, that had nothing to do with the original humanitarian effort and that sort of thing.

*Q: Which was actually working.*

WATSON: It actually worked reasonably well. The Pakistanis did a damn good job under very difficult circumstances of moving food into the people who were starving which was the whole point, no more than that against Aidid and some of the other war lords there. But the idea was not to take on the war or anything like that. It was simply to try to get some food into these people off the ships in the docks. It was very difficult. The logistics were difficult and the situation was chaotic. Maybe it was too difficult an atmosphere to

do this. I would go with whatever Hank says on that.

Afghanistan was a very busy time for us because that's when Najibullah, who was the Soviet puppet president of the country, ended up falling from power under the pressure from Rabbani who's still around as one of the war lords and others and ended up in the UN office there with a bunch of other people. For someone like me who didn't know anything about Afghanistan to get into that, the politics of all that with all these competing war lords and things and of course the Russian Soviet presence there and the U.S. interest attenuating that and everything was really fascinating, but I have to admit to you I can't recall many of the details.

*Q: Well, when all of a sudden something pops like this and you're in your position as one of the leaders of our UN mission, how do you bring yourself up to speed?*

WATSON: In the initial stages of something like this, what you are contributing to the discussion back in Washington is the UN dimension of a situation. This has many facets and dimensions so you're reading about a lot of other stuff coming from a lot of posts and from the Department and elsewhere. If you're going to have a major discussion of these issues, you're wise to have the experts come up from Washington to join you on this. Then your job is to make sure that although they would have the lead on the substantive positions on the issues, your job was to make certain that they understand the intricacies of articulating those views successfully within the UN context. You help to analyze that context so that the political moves surrounding the discussion are taken to make sure you've gotten as many allies as you can get for your position before you start articulating in these meetings, so pushing these as hard as you eventually want to. A lot of folks came up from the Department to help us out.

*Q: Well, how did things work out on Afghanistan during your watch?*

WATSON: My recollection and it's a long time ago, was that nobody was particularly happy to have Najibullah hiding in the UN offices there. Though we didn't want to have him killed or anybody killed, we didn't want the UN to end up becoming identified in any way with that particular individual of the regime. Eventually he was killed. I don't remember exactly how this happened, I think it was after I left, but there was no way you could get him out. We were working like hell to find someway to get him out of there and out of Afghanistan and go to the Soviet Union or someplace and my recollection is that by the time I left we had not succeeded in doing that. Meanwhile, simply trying to follow what was going on in that country, the various war lords trying to fill the vacuum of power and there were mines all over the place. We had demining groups in there trying to deal with that and it was just a humanitarian horror.

Cambodia was similar. I mean, here you had remnants of the Khmer Rouge and the elections, their opponents. All these guys that are still around now and the ones that you read about that are dying, disappearing one way or another, and a mess, once again mines all over the place. We had quite a successful demining effort, but people who have not

ever been involved in one of these efforts probably have a very little idea of how difficult and complicated and dangerous they are.

I remember going into Angola. No one has any idea where any of these mines are because no maps are kept. They are just all over the place and they're out there and you could get yourself blown to smithereens. That's still happening. That was extremely depressing. Angola is beautiful and a very rich country and is totally decimated by that civil war which only now seems to be coming to a close.

*Q: In Angola at that point did you have much contact or were or how did it work with the Cubans because I guess at that point they'd left.*

WATSON: They'd left.

*Q: But, I mean they had, you know, considerable expertise and all. Were you sort of, could you talk to the Cubans?*

WATSON: We weren't supposed to, but of course we did. Sure. I met with Ricardo Alarcon who was their representative. As soon as they got the Security Council seat he came up to be the representative. I talked to him quite often about issues. They were, I wouldn't say we were friends, but we were certainly acquaintances. We dealt with each other in a respectful way and we went over to the mission from time to time to talk about things and he was always milling around.

*Q: Well, you were, was there on these votes and issues, did you find that often there was a concurrence of views?*

WATSON: Sometimes there was a concurrence of views. Sometimes, it's a battle of unequal contenders and so I don't think they ever successfully opposed us. They may have abstained on several key votes and they may have voted against us, but it was never an issue there that we actually lost on. We were very careful. This is something I've urged on other people who have gone to the UN. We were very careful to be highly respectful of everybody on all occasions. No snide remarks, no cheap remarks that could get back at all times. You have to look at the UN, the Security Council even more so, the general assembly, like a big parliament. You never know when you're going to need somebody's vote. You need to be in touch with all of them all the time and you've got to treat them with respect. I remember Tom Pickering, who was about six-foot three, sitting on the steps of the gallery that surrounds the security council sitting there with a delegate from a small African or Arab country sitting there together and maybe the guy is in the seat, Tom would be on the stairs. Tom would go on for hours and hours and not necessarily about anything that we had as the highest priority item at that point. But the point was to know what he thinks or know where he is coming from and treat them with respect and just bear in the back of your mind that you may be able to cash this later on for something else. We were everywhere. I went to almost every reception I was invited to, which meant several a night almost every night, that kind of stuff. We were really attentive to that kind

of political work. You never know how it pays off.

*Q: I would think you mentioned and respect. You had in a way to make a little bit careful to make sure that the people sent up from Washington, it's very easy to be snide and you know, this is part of the trade. You get kind of casual about these things and coming up from the Washington atmosphere, you really have to sit on them, don't you?*

WATSON: Absolutely right. You can't always sit on them, but you've got to impress upon on them. You know how they are from Washington, they think they know everything.

*Q: It's the center of the universe.*

WATSON: And you're just some UN guy worried about all this crap. What you have to do is make them understand that if they want to be successful they need to maximize the chances of success and not do things gratuitously, which will reduce the chance of success. I mean, you may not like what you're doing, but you should be thinking about it. It's not just with the other representatives; it's also with the secretariat with the staff. I can remember some times with some very senior people would act absolutely breezy and how they treated them, the UN secretariat people like they were junior subordinates in whatever department of the U.S. government they came from and that's a way to guarantee failure. It was really an interesting, fascinating, instructive time.

*Q: Cambodia, did you?*

WATSON: Well, all I can remember now is an enormous struggle. I worked with some really good people on the secretariat staff. We tried to put together this demining operation and get the blessing of all of the Cambodian parties to it so that these people could go ahead and perform this enormous and useful work and get the funding for it from governments and all that stuff. You've got to do and make it work and get people to provide the personnel to do it. Nobody wants to do this.

*Q: Where do you get people to demine?*

WATSON: The Canadians for instance used to be, I think it's still true, proud of the fact that they have been involved in every single peacekeeping operation in the history of the UN. So, they're always there. The Fijians are often there and there are others. Remember they get paid for this provided people like us pay our bills. They get paid for this. You can, there are people available, but they're not necessarily the people you want sometimes. I'm not criticizing either the Fijians or the Canadians, but you need to have people who are technically competent and reliable and well enough schooled to be there to be able to handle this.

There are other issues that you had all the time there. The U.S. as you see now so often, we don't really like to put troops out there. We like to provide airlift. I'd have to go in

and talk to Kofi Annan who is now the secretary general. At that he time was one of the guys in the peacekeeping department and we'd have long talks about this. The Pentagon in those days had three prices for airlift. One price, internal to the armed forces of the United States of America. Another price for the State Department or any other U.S. agency asking for it. A third price for anybody outside, each one successively higher. We would go in and we would say, okay, we're going to provide the airlift for the Western Sahara peacekeeping area, which is Morocco, Algeria, Western Sahara, we spent a lot of time on that one also. We're going to fly this many planes over this many months, this many flights and it's going to cost this amount of money. Our peacekeeping obligation for the Western Sahara is X and by coincidence all these add up to X so that's our contribution. Kofi would say no, it can't be that way. I can get Canadian companies with used Russian Ilyushin aircraft. They're not quite as nice as your C-130s and C-5As and these kinds of things you can bring in for one third of the price and get the job done. As a responsible manager of the United Nations I have to take that offer, not yours. I'd go back and I'd explain this and the Pentagon would be furious, absolutely outraged, everybody would be, the whole U.S. government is outraged. What do you mean? Our planes are better, our pilots are better. Of course the real reason was we didn't want to have to seek appropriations for this money for this thing and all that kind of stuff. The Pentagon would not always admit that it had these three prices, but it did. Eventually sometimes we could get them to bring the price down dramatically from what they originally said. Maybe not quite as low as the Canadians with the Ilyushins, but low enough so that Kofi Annan could make a reasonable decision on the basis of newer and better equipment, etc. in favor of a somewhat higher cost item than the alternative. That's the kind of stuff you're doing day in and day out.

*Q: What were we doing in the Western Sahara?*

WATSON: Well, that was an area where you had the Polisario, the rebels in that area, the Moroccans claiming it's their territory and trying to sort it out with a variety of not exactly peacekeepers, but monitors including some Americans that were there including the guy Al Sampata who runs the U.S. Mexico chamber of commerce here. I first met him there. He loved it. He was out there. He even took his wife and kids out there to the Western Sahara. Basically trying to monitor cease fire lines and things like that so the people couldn't be killing each other. Meanwhile pushing forward for some kind of a political solution to the problem whether the Western Sahara would be independent and would have an election and what kind of election and who would run it and who would monitor it and who's eligible to vote. About all the Moroccans that used to live there don't live there anymore, but could go back and vote and they would do more than the Algerians. That kind of thing, sorting through all that kind of stuff. Fascinating for me, fascinating stuff. Each one of these issues.

*Q: The issues, like so many of these is still going.*

WATSON: Still going on. Then we had of course Cyprus.

*Q: Cyprus, I mean, how did you feel about Cyprus?*

WATSON: I mean I guess poor Jim Wilkinson had to handle it most of the time when I was there, but when Jim wasn't around I got stuck with handling it. You had these absolutely intractable old guys on both sides and whoever happened to be in power on the Greek side playing their games over and over. There wasn't much violence there, there were just some minor incidents every now and then so it wasn't something that was threatening to burst into flame any minute. But it was a very thorny, expensive, long term issue which complicated relations between Greece and Turkey and complicated relationships within NATO and complicated things for the European Union and others. It was one of those things you could easily see multiple solutions that seemed perfectly reasonable to an outsider but one you could never quite get past those characters. They'd come to the UN and make their speeches and have their meetings and issues would be the same over time. _____ was the UN Secretariat guy working on this and he was a creative guy. We kept trying to see what we could do.

*Q: You must have been delighted that the Palestinian-Israeli problem was not on the UN agenda.*

WATSON: It was on the agenda everyday. Anything happening in the Middle East, immediately it became an Israeli Palestinian thing. We could not talk to the Palestinians and you can imagine that would be huge in those days. We hadn't recognized Arafat or anything like that and there would be huge penalties. We were worried once when there were cameras photographing what you're doing in the security council all the time up there and one time I remember Tom Pickering was chatting for a matter of seconds with a PLO representative. It might have been like where's the men's room, but who knows. There were some people saying I just saw Pickering talking to a PLO guy. This is something that will get Tom recalled for God's sake and it was nothing and nothing ever happened of it. We had all these intermediaries, the Indians and the Egyptians and others talking to us. I mean everything to do with Resolution 242 and everything like that is a long life, every word is been honed and polished like the finest diamond. Any shift in any term has enormous reverberations everywhere. If you don't know anything about the Middle East, like I didn't when you get there, you say, oh my God I am in quick sand and I am going down fast. I've got to really learn about this quickly and you've got everybody in Washington on your head. You've got all sorts of other people, lobbyists and others all over you. It really was fascinating. I really learned a hell of a lot. Fortunately, Pickering had been ambassador to Israel and to Jordan and he knew all this stuff extremely well so I could just learn at his knee. It isn't as complicated as I thought it was when I first saw it, it's actually fairly, it's a fairly confined universe of variables. Until you can learn them it looks like it's infinite.

*Q: To give an idea, I am told that 242 its that the Israelis will withdraw from territory and it says not the territories occupied, but from territory.*

WATSON: Occupied territory, right.

*Q: But from, not the territory, but from occupied territory, which leaves a little fudge room.*

WATSON: Right.

*Q: This was put in with exquisite care.*

WATSON: Absolutely right.

*Q: And so on and so on.*

WATSON: Right. That's what I mean. Everything is honed. I don't remember all these things anymore, but you know, description of the status of Jerusalem and things, all these things are enormously sensitive and you have to be real careful. Of course every time anything happened, if there was any outbreak, immediately the Arabs would come rushing to the security council looking for a resolution on this. Palestinians pushing for this move forward an inch or two and the Israelis fight back furiously. We'd have to come up with creative language. Sometimes it was new language, but we parsed these words very carefully and figured them out, we hadn't really given anything away. It was wild.

*Q: What about narcotics?*

WATSON: I showed up there in August and they were immediately having a conference on narcotics at the UN. We were writing a whole sort of little charter for the UN on narcotics. Since I was the only one who knew anything about narcotics there I'd been already at that point in Bolivia and Colombia and Peru, I probably knew more about international narcotics stuff than almost anybody in the State Department at that point. Normally it would have been handled by a more junior person rather than a deputy representative, but I had volunteered to do this because I figured it would be a lot easier for me to do it. I actually knew a little bit about what I was talking about unlike on the Middle East. As soon as I got there I knew what I was talking about. It was all chaired by an Austrian fellow and you had all of the narcotics issues that you could imagine dealing with international sovereignty and things like that and who to blame, the consumer or the supplier and all that stuff was all out there on the table in one form or another. I was trying to be careful and modest and had a clear idea of what our objectives are and not having to go farther than our objective, just get them done and working through them, building alliances and giving good support from the Austrian chairman of our group. We finally got a rather interesting set of guidelines approved by the general assembly. This was no Security Council stuff. It had to be approved by the general assembly and establish this group; I forget even what it's called now. My predecessor Herb Okun, who was the perm rep before I got there, ended up being our man on this committee. We'd go over there and talk about all this stuff. It was kind of an interesting thing. I don't remember all the details anymore, but it worked out pretty well and it gave a basis for what the UN might and might not be able to do to help with the anti-narcotics fight. It

was completely consistent with the U.S. interest and policy.

*Q: In a way I would think you would have found it fortunate to be with the Bush administration when Bush knew the UN?*

WATSON: Yes.

*Q: You had a team that was more than most it seemed to be much more a unified one, Scowcroft and Baker and Bush. I mean you didn't have sort of a national security advisor kind of sitting off in his own direction.*

WATSON: No, it was a good team. There were some complicated things there. I'm not sure how much of this I want to go into, but let's see if I can say this carefully. There were jealousies in certain parts of the State Department about the high profile Ambassador Pickering had. There were people in the State Department who believed that Tom Pickering was a hotdog seeking public attention and trying to overshadow other people in the administration. Anyone who knows Tom Pickering knows that that is absolutely preposterous. When Tom would come out of a security council meeting and immediately before anyone else get before the cameras or the press there, the only reason for doing that in every single case without exception would be that it was crucial to get our spin on what happened in there immediately. That is the definition for what happened because sometimes what happens in the security council behind closed doors in the small meetings, you try to get out there and you vote, well, people make their standard speeches, that's one thing. But the real negotiation is going on behind closed doors and the press is not privy. You have to make sure that they don't misinterpret from the speeches what happened and that's what Tom would do and others of us would do. If I was there I'd try to do the same thing or I would try to brief the reporters you know, the best reporters, the reliable ones on this stuff in advance while we were going along, etc. There was a little bit of unpleasantness there from time to time, but basically it was a good administration to work with for just the reasons you've said.

*Q: You don't want to say it, but I can say it, from what I know of hearing the gossip around and all that Tom Pickering that Margaret Tutwiler who was the spokesperson for the Secretary, was one of those who wanted to make sure that the Secretary was front and center all the time and of course this, the United Nations and things were happening and the Secretary couldn't talk about, you know, I mean he was somewhere else. But anyway. How did the election of well '92 in which, oh, what about the Soviet Union? It was collapsing kind of when you were there, wasn't it?*

WATSON: Yes, sure. Gorbachev had already come and made his major speech which singled the end in many ways of the Soviet Union and it was a very interesting time and _____ himself became ambassador here was the perm rep up there virtually all the time we were there. We worked for them on a daily basis. Good friends of ours. Even good friends when they came down here. This was an interesting phenomenon. You started to have members of the _____ come and visit the UN and come talk to guys like us. It was a

different kind of a situation. While we were there was the time when Gorbachev was taken hostage down in the southern part of the country.

*Q: It must have been a pretty intense time, wasn't it?*

WATSON: It was for me and it was a very, I can tell you something about it with a vignette which was a two day or something. I'm trying to remember exactly when this was. I think it might have been in the summer, like August or something like that or even maybe in '92, does that make sense '91 or '92, do you think?

*Q: Yes, I'm not sure if it's '91 or '92, but.*

WATSON: The only reason it makes a difference is who was the permanent representative, was it Pickering, Tom Pickering or Ed Perkins. It didn't matter because neither one of them was there and I was in charge. I decided to have a party up on the top floor for no reason, just to invite all, because a lot of people weren't even around, but to invite those poor fools that were around and had nothing to do in New York in August I think it was or in July. We had a party and we had a dance floor. We could always get for free an army band out of New Jersey they loved to come. They were great guys, they would come and play for us and we'd have a little party. It wasn't very expensive and we had some representation funds at the end of the fiscal year. We did one of these on the night of the day when Gorbachev was captured. I remember that my colleague, my counterpart in the Soviet mission came to this party. I invited him to come. He didn't stay very long. He was an interesting guy and his wife was actually a scholar of Latin American literature. In any case, they came and they went around the whole room and everyone sort of expressed concern to them and they thanked everybody for their expressions of concern, but decided it really wasn't appropriate to stay at an actual dancing and fooling around type party which is what this was. It was sort of a joyous gay party with no purpose. It wasn't to meet any important person. It wasn't the standard diplomatic reception. It was just to have some fun for some people that were close to us in the mission, not just us personally. That was interesting and then came the guy who was the perm rep of the Ukraine and he came and there were concerns, very concerned. He finally said, "You know, times like this we really need to have a party, so let's dance." He and his wife were the first ones out on the floor and never stopped the whole evening. It was a funny thing. It was a difficult time, but once again I mean we created of course we treated the Russians with absolute respect and tried to get them to be as supportive of our thing, they didn't spend much time on their internal difficulties.

*Q: Did the election of '92 impact the election between Bush and Clinton impact at all, did the UN raise its, I mean was it an issue at all?*

WATSON: I don't think it was, I don't recall it being an issue in the campaign. I think that the UN family was concerned because they liked Bush because he was familiar to them. He knew the UN and they knew he liked the UN and he was there often and he knew a lot of people there, not only from his time at the UN, but from his time in China

and he was a public figure at the national level for a long time. A lot of people knew who he was and they felt comfortable. Who was this guy Clinton? So, there was that degree of concern, but nothing more than that. What happened to me was Bush had nominated me to be ambassador to Brazil back in February of '92. I had never had a hearing. Every time I was going to have a hearing it was torpedoed for one reason or another. One time it was, see there aren't very many rules in the senate as you know and it works on senatorial courtesy. So, when a senator asks his colleagues to do something or not do something they do what he says. Larry Presser used to be in the legal advisor's office in the State Department. He became a senator from South Dakota. He was having a fight and he subsequently lost the bid for reelection. He was having a fight with the White House over a judgeship in his state. He was trying to get the chief of staff in the White House to be responsive to his concerns. The chief of staff in the White House was not answering his calls. The reason the chief of staff in the White House was not answering his calls was that he was being fired by President Bush at that time, that very day. In any case, Presser asked his colleagues not to take any action whatsoever on any nominee sent up by the administration. Remember, these are all Republicans. So, we all sat there all day from like 9:00 in the morning until about 7:00 at night, all day, about five of us before Chris Dodd and the subcommittee on Latin America and a whole bunch of other people. Anyhow, I never got a hearing. We sat there all day and then the next day Chris Dodd had to go to the White House because Rabin was here and he was invited to the White House so he didn't have his hearing. Simon and others had their hearings. The Africa people got through, but the Latin American people didn't.

Another time Malcolm Wallop, you're not supposed to know this, this is a secret, but this is what they said. Malcolm Wallop, another senator, exercised senatorial courtesy because he was mad at somebody and he invoked the rule that says you cannot have any committee meetings in the senate when you're actually on the senate floor. Another day we sat there. Despite the fact that I never had a hearing, my name, got all the way through. I was completely uncontroversial. There were a whole bunch of Jim Baker's best friends on that list. There were about 30 people there. Six of our names got onto the floor of the senate and all we had to do was to have no objection to this and Paul Sarbanes, defender of the Foreign Service whom I know pretty well. He just went up to the UN as one of our congressional delegates of the general assembly a few months before, walked on the floor and said, "What the hell's going on here? How come these six names are on the floor and these others are not? What are the procedures?" That's all it took. Just have to raise the question and it's finished and then they went out for the election. Then Bush lost and Clinton came in and I didn't know what was going to happen to me. Madeleine Albright asked me if I would stay at the UN and be her deputy, which was very nice of her, but in a way it's sort of any port in a storm I think. I said, thanks, but no thanks. I would be glad to be helpful to her, I loved it there, but it was time to move on.

Then Warren Christopher started to dust off my nomination to Brazil because I was the most senior guy in the State Department dealing with Latin America; I'd been in Brazil twice and all that stuff. I was the logical person to at least consider. Then out of the blue when their first choice _____ got shot down by the Cuban American community in

Miami for assistant secretary for Latin America and the Caribbean they asked if I would do that. I said, well, sure. That's what happened to me.

*Q: So, you went to Latin America?*

WATSON: Yes, or winter and spring of '93. I left, as I said, the last day of the year. The reason for doing that is by theoretically moving into my house in Washington on December 31st I got the home owner's tax deduction that you can get for the year. Sometime in about January of February they'd asked me to serve as assistant secretary and I said yes. I don't quite remember when I had my hearing. Jesse Helms held everything up for a while, nothing to do with me. It had to do with his problems with the administration's policies on Nicaragua. Bernie Aronson who was my predecessor was absolutely sensational in letting me hang around and learn about things and participate in meetings and do all that kind of stuff. Very few I think had come in with as much sort of advanced preparation as I had. I actually was sworn in I think it was in July.

*Q: Of '93.*

WATSON: Of '93. I was already on the job helping Bernie.

*Q: Okay, well, we haven't talked anything about what was up and we'll do that in July '93.*

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*Today is the 6th of September, 2002. Alex, what was sort of the state as you took over of our relations with the American Republics? By the way at this point they did not include Canada?*

WATSON: Right. Canada was not handled by the bureau of InterAmerican Affairs. Subsequently the name of the bureau has changed to the Western Hemisphere Affairs and included Canada. Although I think it's worth pointing out that we spent a lot of time working with the Canadians. I met with my Canadian counterpart frequently and certainly after NAFTA was approved there was quite a different dynamic in terms of the U.S. relationship with Canada.

*Q: NAFTA being the?*

WATSON: The North American Free Trade Agreement involving Mexico, Canada and the United States. There was a new set of arenas if you will for dealing with Canada which were in many ways as important as the traditional Northern Atlantic framework had been. The NATO dimension of our relationship with Canada continued to be important, but the trade with the Western Hemisphere relationship gained in importance after the approval of NAFTA. We were working closely with the Canadians, but bureaucratically the bureau of American Affairs was not managing that relationship at that time.

*Q: Anyway, what?*

WATSON: I want to make sure to point out my respect for and appreciation for the work that Bernie Aronson and Secretary of State Baker did and President Bush did in terms of virtually ending the enormous strike between the executive branch and the congress and between the conservatives and the liberals over Central America. They were one of the very first things that Secretary Baker and Bernie Aronson did even before Bernie I think actually formally took office as assistant secretary was to go up to the Hill and cut a deal on Nicaragua. If I remember it correctly, and it's been a long time now, so I probably don't have many of the details right, but basically the deal was if I recall correctly that the United States government would cease to provide any support in terms of weapons or support for military activity by the Contra insurgents in Nicaragua on the one hand and that would comply with the Boland Amendment in views of those members of congress that had been strongly opposed to what the Reagan administration had been doing in Nicaragua. On the other hand the congress would agree that the U.S. could continue to provide other kinds of financial assistance to the Contras and other elements in Nicaragua. The basis of that deal broke that stalemate and allowed the peace process to get more fully underway in Central America. Baker and Aronson and others basically completed the peace talks with the Salvadorans. That was on the way to resolution in the sense that the peace agreement had been concluded, the civil war had ended in El Salvador and sort of the reconstruction period was underway. By the end of the Bush administration the Nicaragua situation was much better than it had been and they had had elections and you had the new government in power. The strife in the U.S. government over all these issues had largely waned, but I'll get back to that point in a minute because that had something to do with what I just said a minute ago about Jesse Helms holding up my hearings because of his views on Nicaragua.

You also had the new administration having come in, the Clinton administration, and adding the side agreements on environment and labor to the NAFTA agreement which had been negotiated by President Bush's administration so effectively. That was a major piece. You had the Haiti situation which was highly conflicted at that time and was polarizing people in the United States as well as in the congress and that was something that remained to be dealt with on an urgent basis. Of course you always have the Cuba question with an increasing number of people arguing that the policy centered around the Cuban embargo was not very effective and contrary to U.S. interests, but ferocious supporters of the current policy still being able to carry the day and crucial political battles.

You had of course narcotics issues. These had been salient for a long time, no less so at the beginning of the Clinton administration. They involved largely the Andean countries, but also other countries as transshipment points for cocaine in its various forms and increasingly heroin. You had some questions with Brazil that were very important in terms of trying to establish a trading arrangement with Brazil which would allow sophisticated computers and other things to be exported from the U.S. to Brazil. A lot of

these were hung up by the failure of Brazil and the U.S. to agree on the science and technology agreement and also on certain aspects of the what was called informatics laws and policies of the Brazilian government.

*Q: Did Argentina have or were they?*

WATSON: Argentina even at that point was already trying to be our new best friend in the region, but I don't remember, it certainly wasn't a problem. It had been a strong supporter in the coalition that President Bush and Secretary Baker had put together for the Gulf War and actually had sent vessels to the Eastern Mediterranean if I recall correctly at that point. Of the Latin American countries, it was the most supportive and most participatory in that effort. It's important to point out that the Bush administration had put together the enterprise for the Americas initiative which sort of combined development and trade and open markets and financial assistance into a sort of a semi-coherent package. It was a useful way of using debt slots and other funds for purposes such as environment and mother and child assistance and things like that. So, you had sort of an integration of some of the major themes of U.S. policy toward Latin America in a way which we didn't have before. It was a very useful device. I think the administration deserves a lot of credit for having put that together. It wasn't the be all and end all, but it gave a coherence to our approach, which had not existed before. I guess those are some of the major things that were on the table when we came in.

*Q: From what I'm gathering from you is the atmospherics were not, I mean this was not from your particular point of view a hostile takeover?*

WATSON: Absolutely not.

*Q: You know, I mean.*

WATSON: Unlike when the Reagan people took over from the Carter people. Then the outlook seemed to be that without any thought being applied that whatever the Carter people were doing was wrong. So whatever was 180 degrees removed from that was right, whatever it was. When I was in Bolivia they were deciding they wanted to normalize relations with the Garcia Meza regime which was a drug trafficking, human rights violating, anti-democratic regime. The Reagan people were going to normalize relations with him. Thank God they came to their senses in time not to do that. Jesse Helms and his people who had come down and visited Bolivia and gone out with Interior Minister Gomez to the shrine of Copacabana and sort of blessed him even though he had a 13 plane fleet flying cocaine to Colombia. These guys somehow thought that Garcia Meza was a good upstanding anti-communist military guy. Secretary Haig had actually invited General Gordon Sumner, a retired military colleague of his and a leader of the conservative elements that thought about Latin America and the republican party, was a member of the Santa Fe group which was comprised also of Lew Tambs and David Jordan and several others. Secretary Haig had invited Sumner to become ambassador to Bolivia when we had no ambassador. I was the chargé there and the manifestation of the

U.S.'s opposition to the state of affairs under General Garcia Meza. Nobody seemed to know about this at the so-called working levels of the State Department until General Sumner sent a letter back to Secretary Haig saying thanks, but no thanks and it went to the executive secretariat which kicked it down to the desk. That's the first time that anybody at the desk level had any idea any of this was going on. Fortunately General Sumner having said no just brought this thing out into the open. I think I may have described how I tried to work to convince the Reagan administration no matter what they thought of the Carter administration they did not want to have as one of their very first steps in Latin America normalization of relationships with those bunch of thugs in the Garcia Meza regime. So, that's when they kicked out Bill Bowdler. They just kicked him out. They called him up and said you're out of here by noon and that kind of stuff.

President Bush made several trips there including as vice president and I think as president as well. They had put together the Americas Initiative, which gave some coherence to this. They had essentially used U.S. influence to bring into the civil wars in Central America. Guatemala was still going on, but they had been very effective in other areas. I think that they had done a pretty good job, at least the job that I saw I was very comfortable with. I had participated in some of this stuff from my position at the mission before up at the UN particularly on Central America. Also I had been the guy in the mission that was working on the drug issue more than anybody else. I came in and Bernie Aronson could not have been nicer to me. I will always appreciate that. He did not have to do what he did and he did it with not just with graciousness, but also very effectively in allowing me to become quickly involved in things. I remember participating actively in discussions of what the hell they're going to do in Guatemala when the president there was trying to pull a _____ if you will, that is to say arrogate much fuller authority to himself at the expense of elements of the government. That happened in '93. I was not on board yet, but I was there with Bernie and participated as his sidekick if you will as we figured out what to do and we did the right thing and it worked out pretty well there.

The Haig issue is an important and complicated one. One of the most difficult ones the new administration was facing that changed its policies as enunciated during the campaign almost 180 degrees when they came into office and found themselves wrestling with this problem of Haitian migrants coming into the U.S. There was a totally chaotic situation in that country with the military regime running it and the ousted President Aristide living in the U.S. with a lot of supporters in the U.S. including in the congress. There were discrepancies between how the U.S. government was dealing with Cuban refugees who landed on our shores and Haitian refugees and it was a very difficult situation. For me it was complicated because by the time I became assistant secretary in July of '93 the administration had already set up a special office to deal with the Haiti situation. It placed my erstwhile colleague and good friend Larry Pezzullo in the position as Haiti policy coordinator reporting directly to the Secretary. He was outside the ARA Bureau and coordinating with the bureau of which I was assistant secretary. So it was a difficult situation for me. Larry had been head of Catholic charities up in Baltimore. He had left that job to come in. Very smart and dedicated, hard working guy with a lot of experience in Central America and Nicaragua and parts of Latin America, but it made it a

little bit difficult for me to direct Haiti policy because he was already there and running and had his little team. He had his authorities and was rightly very jealous of his authority and his ability to handle that issue. If I had been in office before that had happened I would perhaps have argued for a different arrangement, but that was not what I found when I came into the job. The Haiti issue took an enormous amount of time. We can talk about that a little bit later.

I think the very first thing that I did when I came in was to go to Mexico. In fact as soon as I could be sworn in. I went to Mexico because I didn't know that much about Mexico. I'd never served there although it was to have been my first assignment, but it was switched to the Dominican Republic. I went there and John Negroponte was the ambassador. He had been appointed by President Bush and he was still the ambassador and did a very good job. He could not have been nicer to me. He and his wife Diane took me around. I got a pretty good feel in a relatively short time of what was going on in Mexico and in the relationship with issues on which our relations with depended. I also wanted to do that because of the importance of NAFTA, which is still going on, and that negotiating process was quickly drawing to a close. Shortly after that I decided that the State Department was going to have to play some sort of a role in the effort to persuade the American people and the congress to support the NAFTA agreement with its two side agreements.

I set up a little office. I asked the Secretary if I could do this and he said yes. I asked my friend and colleague Tony Gillespie who had been ambassador in Colombia after I had left Colombia and also who had been ambassador in Chile, and had been a deputy assistant secretary in the Reagan administration under Tom Enders. He had also been actively involved in the Reagan administration's invasion of Grenada in October of '83 when he actually went down there. Tony had a wide range of experience. He came out of Chile and did not have an assignment at that point. I thought he'd be terrific to help to start coordinating whatever the Department was going to do for the NAFTA approval process until we got that set up. It was kind of amusing because the administration did not get its act in gear to push for the congress to approve NAFTA until quite late. Meanwhile Tony and his team and the rest of us were working away in the State Department on what we thought would be our responsibility. This is not a load that we expected to have to carry by ourselves. This was basically a domestic political level at the White House that the President himself had to take the lead on this. We were just preparing to prepare to play our relatively small role in this process. As a matter of fact we were the only ones doing anything at all. Tony was having his meetings and pretty soon we were collecting data from the Department of Commerce and elsewhere so we could tell you what percentage of Michigan's or any other state's economy derived from exports and where those exports went and how important Mexico and Canada were to each state. We were going around the country and talking on radio shows and things like that and doing our little thing. Pretty soon we were the only game in town and Tony was having meetings of his staff and other agencies and even people in the White House were coming over to our meetings, to Tony's meetings. We kept saying, wait a second, we don't want to be the leaders of it. We're not even competent to be the leaders on this thing. Tony did a really

good job. Eventually President Clinton appointed Bill Daley to come in and run the effort from the White House. At that point we just folded most of our work into that and continued to work closely with them. The President himself got fully engaged. I can remember very clearly when that occurred which was publicly up in New York at a big reception, big dinner at the Waldorf Astoria. I think it might have been the Wall Street Journal's Latin American forum that they had every year. The president came and gave a terrific strong endorsement of NAFTA and committed himself to getting it through. I had already done that at the Council of the Americas opening dinner in September I believe it was, but I felt a little bit out there on my own until the president acted. Then the president asked me right after dinner, he asked me to get all the Latin Americans who were in this room to come back and have a session with him. He gets off the stage and said, "Alex, can you get all the Latins that are here and have them come in the back room and talk to me?" I say, "Yes, sir." I start running around and found that there were all sorts of finance ministers and others that had come to this conference and were in town. I got them all in a matter of five minutes and we went back and met behind this main room of the Waldorf Astoria. They were all lined up in rows and Clinton walked in in his typical style and walked down and shook hands and had something to say to everyone of them. He reiterated his commitment and we all worked very hard to get NAFTA approved.

Right after that Vice President Gore was going to go to Mexico for the inauguration of President Ernesto Zedillo. I was supposed to go along on that, but I couldn't because I had to go to Venezuela. I wrote a memorandum to the Secretary of State with a series of suggestions of what we do now in the hemisphere following the approval of NAFTA, how we took advantage of the momentum that gave us. One of the things I said was that we might want to build on NAFTA. We could push for a summit meeting of heads of state or governments for the democracies in the region minus Castro of course. We could underscore where we were historically, building on the developments in the hemisphere in the last few years and the strengthening of democracies. We could cite the opening of markets and commitments to fighting poverty and working on the drug issue. These things had started to take place even during the Reagan administration, but certainly reinforced in the Bush administration in the ways that I mentioned plus some others to draw a line that this is where we've reached. This is what our hemisphere looks like. This is what our relationship looks like. This is what we're going to build on. Let's go forward. That was in that memorandum to Secretary Christopher. He was in Europe at the time and he sent me a note back saying that he liked what I had put into this paper.

Meanwhile, over at the White House, essentially Richard Feinberg who was the international security director for Latin America, was also working very hard on this summit idea. In fact he deserves the credit for taking the lead and pushing this idea in the administration. I had mentioned it to the Secretary of State as one of the things that we might consider doing and the reasons for it, but I was not driving it as actively as Richard had been. There are other people outside the administration such as Peter Hakim with the InterAmerican Dialogue and elsewhere that had had this idea as well. So, this idea was out there floating around. Anyhow, Vice President Gore went to Mexico to commemorate dramatically NAFTA approval and to show the U.S. interest in the Mexican electoral

process and the new presidency and government there. At that time he announced in Mexico that the U.S. would be calling for such a summit of the Americas. I think this caught almost everyone by surprise because I don't think we had consulted very much with anybody else at that time. Maybe a little bit, but not very much. I could not be there and I normally would have because I went to all the inaugurations of democratically elected presidents in the hemisphere unless there was some overwhelming reason that I could not go. I'll talk about that in just a second why I thought those events were very important and why I think they are more important than other people seem to think they are.

I could not go because we had a huge problem in Venezuela at this point concerning the threats of the military coup in that country to block an electoral process that was taking place. I went to Venezuela to make very clear to anyone who would listen to me what U.S. policy was and I met with military leaders. I met with the acting president because the president had been impeached and thrown out. I met with all of the major candidates. I met with all the press and the U.S. Chamber of Commerce and made a public speech. Over and over again I just made the basic points that Venezuelans can determine of course their own politics. I knew as they thought through what they wanted to do it was our obligation to make clear that they knew what it was. I was trying to cast this as I did in lots of other circumstances, not as any kind of edict from the United States, or any desire to dictate what they do, but as a friend of theirs to let them know that there would be consequences in their relationship with the U.S. That they might want to take into consideration those consequences, if there was a military coup those consequences would be extremely negative. I've been told many, many times over that when I said to people at the Chamber of Commerce, in response to a question, that among the courses of action the U.S. government could consider would be the freezing of Venezuelan assets in the United States, people still say you could hear the forks drop to the table. These were business people that had lots of assets in the U.S. and they thought about the financial base of the oil companies, CITGO and all sorts of other things. I was down there doing that.

*Q: What was the coup threat?*

WATSON: The president was impeached for corruption. There was a presidential campaign underway where the military conservatives in general were not happy with the way the campaign was going with any of the candidates and what they were saying. There was a lot of rumbling that the military was prepared to move in that process either before or after the actual election. It turned out that Rafael Caldera, the octogenarian, was elected again, but not as one of the representative of one of the major parties, an individual capacity and he did not have a particularly successful government. He had been president of the Christian Democratic Party earlier. It was a situation of great frustration in Venezuela. Remember there had been a popular uprising and a lot of people killed over the response to some of the more orthodox economic policies that Perez had tried to put into place and took control and inflation and to get the economy back on some sort of a reasonable basis. It was one of the big disasters in Venezuelan history. He ended

up being impeached. You had a confused situation. A lot of popular dissatisfaction and a political system that was not able to really channel and manifest that in some way that made a whole lot of sense. There were a lot of people looking for alternatives to the system. The military which had run the country in the ‘50s, there were elements of that who were talking about a military coup. It was a serious threat or I wouldn’t have gone down there and done all this.

Let me come back for a second to how we managed to deal with the various electoral processes in Latin America. I early on concluded that in a certain bureaucratic way there was almost too much democracy in Latin America in that we were having democratic elections that were free and fair. Just think nowadays hardly anyone ever suggests that there is a corrupt election in Latin America at least at the national level. We take that for granted now. Just think back ten years, or 15 years ago, that was never taken for granted. Every election was considered to be corrupt in some fashion in one way or another. You can see how far the hemisphere has come. We were having a lot of democratically elected presidents coming in and I thought it was very important to the United States to underscore the importance to us of that phenomenon. On the other hand it was impossible to think that we could ask the vice president of the United States who often attended things like this to attend every one of these inaugurations. There's no way that Vice President Gore was going to do that or any vice president would have been able to do that or that you could have asked him to do that. On the other hand, you couldn’t have Vice President Gore going to some, but not all or else you start looking like you're discriminatory. I decided early on that what we should try to do is have a cabinet secretary go to each one. There was no way you were going to get the Secretary of State to go each one. Get a cabinet secretary to go to each one because they are kind of fun and for most cabinet secretaries it’s a once in a lifetime experience. If you get it right they would find it entertaining, etc. Anyhow, president Clinton seemed to accept this idea and that’s what we did. The only inauguration during my time there that Vice President Gore attended was the Mexico one I mentioned before for a very special reason. Mexico is in many ways, has a different kind of relationship with the United States than any other country in the hemisphere. You could add that to the fact that we just had completed the NAFTA agreement that gave us certain relationships that the others didn’t have. We managed to get a cabinet secretary or sometimes more than one to go to every one of the inaugurations in the hemisphere and I think that was a good thing to do.

I ran into Donna Shalala the other day who is now the chancellor I think her title is at the University of Miami. She was secretary of health, HHS, Health and Human Services I think it’s called now and she went to the second one. She went to the inauguration of the president of Paraguay in August of ‘93. She’s still talking about it. It was a great trip. She’s such a lovely, energetic and enthusiastic and good humored and open minded person that she found it bizarre in many ways and very different from anything that she had done before. At that point she had been chancellor I think at the University of Wisconsin before coming into the government, but she’s still talking about it with great enthusiasm. She said it was one of those unique experiences in her life and that's how the others felt as well. The first one we had was Gonzalo Sanchez de Lozada in Bolivia who

by the way has just been reelected now, he just took over again and Bruce Babbitt attended that along with Tim Morrison and a bunch of other notables. Bruce Babbitt loved to go to these inaugurations. Bruce speaks very good Spanish. He spent a lot of time in Latin America as a younger person. He's hiked, he and his wife, Hattie, had hiked all over the place. They took their honeymoon in Guatemala and he really enjoyed this.

*Q: His wife was ambassador to the OAS?*

WATSON: To the OAS, right, she was ambassador to the OAS and a close colleague and friend of mine. She had come, too. I remember as a matter of fact when we went to the inauguration of President _____; it would be his second inauguration. It must have been '95 I guess; Bruce was the head of our delegation. I took advantage of these meetings to meet with all of these people who were there. That's the one I wanted to get to earlier when I thought these meetings were very important. I could go there and I could meet with presidents of six, eight, ten countries if I wanted to. At the time you had to schedule appointments around the inauguration because they would come to the inauguration of their colleagues. Also, important people like _____ who was the foreign minister of Spain at the time. I remember meeting with him and others who would attend these events. So for me these events were important to be there to have a good American delegation to demonstrate our interest in the country and in the democratic process. It was symbolically and politically very important, but also for me to be there because I can deal with lots of people on lots of issues simultaneously and it was extremely useful. I would always ask the head of our delegation whoever it might be if he or she wanted to join me for these other meetings. If they wanted to, of course, they are the head of the delegation, they had every right to do that. If not, I'd do them on my own.

I remember we met with President _____ in Venezuela. In Peru when we were there for the _____ inauguration and hear Bruce Babbitt talking to President ____ about his experiences in Southern Venezuela, running through the jungle there and talking about a specific lake in Southern Venezuela which was a very rare phenomenon because here is a lake which is high and it has streams that run out of it in two different directions simultaneously. You could see as Bruce was talking about this and other aspects of the Amazon part of Venezuela you could see this 80 year old guy in a chair now and his eyes looking and he's cocking his head and looking at Bruce, who is this guy? At one point his voice, he said, this guy has been to more places in my country than I have. I think it was impressive for these guys to see that the U.S. government had people like that who were willing to attend these things and talk to them about this stuff. Bruce also was very good about conveying whatever the message is that I had wanted to convey to that particularly person in that particular meeting.

Once we got NAFTA out of the way then we had the vice president announcing the summit. The next thing I did was to set up a coordinating office for the summit and once again asked Tony Gillespie who had done such a good job on the NAFTA thing to take that over. We built a little team and it had a little budget for managing the whole process of pulling off the summit of Americas which took place if I remember correctly it was in

December of ‘94. It was less than a year.

I remember the peso crisis, also called the tequila crisis. It hit Mexico just after the summit meeting. It was a huge issue that Secretary Rubin and Larry Summers of Treasury took the lead on to try to help the Mexicans resolve. Everyone knows now how enormously successful it was. I hate to use the term bailout, that’s much too narrowly a concept you are describing what happened, but we put together a large package of loans and loan guarantees for the Mexicans to allow them to cope with the crisis they dealt with. Of course they did cope with it and they did pay us back and they did pay us back with interest.

*Q: Was this crisis anticipated? In other words, were we looking in and saying this is coming, were we alerting, I mean the president had to take an active hand particularly congress and all of that, was this something the economic part of the bureau was saying, you guys get ready?*

WATSON: I don’t think anybody really expected it to happen until just before it did happen including the Wall Street geniuses who were deeply involved in all this. If I recall correctly, this is what happens all the time in Latin America one way or another with different wrinkles. They basically had issued lots of debt that was denominated in dollars. They also had run up deficits and put inflationary pressure on their economy, which resulted in pressure on the exchange. The peso finally had to be devalued significantly. That made the debts very hard to pay off because it took more pesos to buy the dollars to pay off the obligations in these dollar denominated bonds. At the same time everybody was of course clambering to cash in before the Mexicans defaulted. There was no way they could get enough dollars to meet these obligations. You could take a lot of different views on this, whether the people who owned those obligations should just have taken a bath and the banks have lost money and that’s another issue. As this thing broke, the initial impulse of the administration was to put together a package and get this approved by the U.S. congress. This was major stuff. What that did, however, was to afford an opportunity for everybody in the congress that had any interest with anything to do with Mexico to bring that interest forward and express it in terms of one form of conditionality on whatever financial package was going to be worked out. There was a huge range of these things. There were questions on drug issues. There were questions on human rights issues. There were questions on law enforcement issues going beyond drugs.

*Q: Immigration.*

WATSON: Immigration issues.

*Q: Water.*

WATSON: Prisoner issues, you know, prisoners held in one country or another and should they be transferred back and extradition issues. The Mexicans refused to at that point extradite anybody from the U.S. Water issues. I remember one that Senator

Hutchison of Texas raised which was to increase the limit that the Mexican government placed on the value of the goods that a Mexican could bring back into Mexico from the United States which at that point was something like fifty bucks. She wanted it increased substantially so that when the Mexicans who flow into Texas everyday and work and go back and forth, they chose to live in Juarez, but who work in El Paso that they could bring back things like televisions and refrigerators and not just pieces of televisions and refrigerators to be reassembled there. That was probably a legitimate concern. I'm not saying any of these things were illegitimate, but there were a mountain of them. I was a guy for the U.S. government who was dealing with a brand new foreign minister every night over at the Mexican embassy trying to work our way through these things. On the one hand, trying to identify these issues. Identify who was pushing them in the congress and get some feeling from the members of congress what might be acceptable and not acceptable and what we had to reject, etc. The same thing, everything was brand new in this Mexican administration and trying to figure out how to deal with it. This was a very complicated and time consuming thing that involved lots of different elements of the U.S. government, but I was sort of the central guy coordinating this and dealing directly with the new foreign minister until God awful hours of the night over at the Mexican embassy there.

Well, Bob Rubin and Larry Summers were working on the financial part. In the middle of all this the Ecuadorian-Peruvian border conflict which had been in existence for a century burst into flames again with attacks by Ecuadorians and Peruvian positions and staff and established movement of troops and all that kind of stuff. Now, the Ecuador Peru border dispute was resolved and I put that in quotes in 1942 and had as guarantors: Argentina, Brazil, Chile and the United States. My view was that we had a solemn obligation as a guarantor to get onto that issue immediately and stop the fighting and find some kind of a solution. My thought also was that as far as I was concerned we had to take advantage of this unfortunate situation to solve this thing once and for all. Among the things that which were crucial elements to our interest in our policy in Latin America was to resolve all border disputes peacefully and not by force. The Latins had been making quite a lot of progress in that regard including the Chileans and Argentines on their border disputes after that unfortunate soccer war in Central America 20 years before. Most of those border disputes were at least not breaking out into violence.

There are a lot of unresolved border issues in Latin America. It is very important that there be mechanisms for these things were to be dealt with, if they could be dealt with at all, peacefully. So, this Peru-Ecuador thing was much more important at least in my mind than simply a conflict between these two countries. It could impact throughout the entire hemisphere. I told Secretary Christopher that I thought I had to go down to Rio immediately because that's where people were convenient to deal with this. He said I couldn't go initially because I had to do this Mexico stuff. I said I have to go or somebody higher than I has to go. You can't send anyone lower than the assistant secretary for something like this. We're a guarantor for 50 years. We've got to go down there and do our bit. Finally he relented and said I could go for one day. I said, okay. That was on a Monday, so I don't remember exactly what the date was, I think it was a Monday. I flew

out that night on one of those overnight flights to Rio. Meanwhile that evening, that same evening if I remember correctly, Bob Dole and Newt Gingrich respected leaders in the senate and the house told the president that they were not able to deliver in the congress the support package of financial relief for Mexico. The next morning, Tuesday morning, just when I arrived in Rio, Secretary Rubin and Secretary Christopher went to see President Clinton. They agreed that, well, if congress can't do it, they're going to do it anyhow by an executive branch action. Secretary Christopher told me subsequently that it was basically Secretary Rubin who was pushing that. Anyhow the two of them were there and Clinton agreed and went ahead with it. That immediately moved the entire agenda that I'd been dealing with to a secondary plane. If we're not going to have to cut a deal with congress to get support for a financial package to help the Mexicans out of their crisis, then all those issues that the congress people have been raising, while still significant and important, did not have to be dealt with on the same time frame as dealing with the financial dimension that Bob and Larry were working on. That allowed me to stay for about a week in Rio for these bizarre negotiations. We slept almost not at all. We would start negotiating at 10:00 in the morning and we'd wait the entire day mainly for the Ecuadorians. The Ecuadorians were incapable of coming up with any kind of positions on anything. I was talking on the phone with the president. I was talking with _____ also, talking to President ____, talking to _____ on the phone. The Ecuadorians were unable to come up with positions. We would go until about 6:00 in the morning and finally maybe at 2:00 or 3:00 in the morning we'd get something from the Ecuadorians and we'd do something. We'd go home about 6:00 a.m. getting home about 7:00, sleep two or three hours, get back up and go back again, day after day. It was really a strange process. You had vice foreign ministers from the other countries, plus me from the U.S.

*Q: Was it that the, were there significant claims on both sides? I mean I talked to John _____ who is now gone, but who before he too was told by Sumner stop that war.*

WATSON: Well, that's how we were doing it and we did stop it.

*Q: I mean what was the.*

WATSON: Let me get to that after one more thing about the Mexico peso crisis thing because there is a point I want to make on that. When I got back from the Peru-Ecuador adventures in Rio, then I picked up again with the Mexican foreign minister and his colleagues the agenda on which we had been working. My decision was not to lose all that because we had identified a whole lot of issues and we'd made some progress on a lot of them at least on how we were going to deal with them. What we did as part of the process of the financial package negotiations was to put together a letter from the foreign minister to Secretary Christopher saying here's a whole bunch of issues that we in our new administration commit ourselves to work with you on solving and we laid them out. We didn't lose all that. We had it there as an agenda and we continued to work on that agenda for the whole time that I was there. We made greater progress on some issues and less on others, but we sort of conserved all that. We continued to work on it and it was sort of the basis for these annual meetings we would have either in Mexico or in the U.S.

Every year we had big meetings with cabinet ministers and one country would come here and our people would go there to discuss all these things.

Back to the Ecuador thing. Basically what had happened, when the thing was settled back in ‘41 or ‘42, a Brazilian geographer, a military geographer whose name is just not in my mind right now was the guy who drew the line from the boundary for this agreement, but he did not trace the entire boundary. He then talked about a mountain range and he said that from this point here on the east, this point here on the southwest the boundary would run along the highest level of the mountain peaks in the divide between these two valleys. This is a really remote area. I mean American pilots that were there later on flying around the military observer mission in helicopters told us that this was worse than anything they had ever seen in Vietnam. It was such broken land, so many hills and valleys, such rugged land, always raining and always in cloud and mist and fog and nothing there except some indigenous groups with no infrastructure or anything. It was really the end of the earth and extremely dangerous to fly around in. You have to be very careful what you’re doing. In any case it was discovered subsequent to the work of this geographer back in the ‘40s that there was a second mountain range in there that no one knew about, a lower one. So, the Ecuadorians argued you cannot simply say that it’s this line, it could also be this line and we’re going to move up and take this land. As far as I’m concerned and I’m no expert on this and I don’t want to sound biased now, but as far as I’m concerned, the Ecuadorians did not have a legal leg to stand on really. The Peruvians were essentially correct. Having said that, it doesn’t solve the problem.

*Q: No.*

WATSON: You still have to negotiate it out. It was a very complex thing. When I came back from there I was committed to trying to resolve this once and for all so we wouldn’t have this thing coming up every few years and also as I said before undermining the general principle of a peaceful settlement of disputes. I didn’t know if we’d ever get another opportunity. I had to take advantage of this painful moment to really do a definitive cure if we possibly could. I realized it was going to take an enormous amount of time because it was very complex and neither side was immediately able to move forward fast enough and far enough to be able to solve this. It was not hopelessly complex. The issues are pretty clear and so you just had to find a way to keep pressure on people and keep a process going and keep looking for alternatives and working your way through it until you get to something that’s acceptable and make sure that everyone understands that the status quo was not acceptable. It was going to take a hell of a lot of time. I thought that I don’t have the time to do this. If I’d been Richard Holbrooke maybe and working on Dayton, which was much more important, I don’t want to compare the importance of these things, but maybe I would have just devoted myself 100% to doing this and not other things. We had a lot of other things going on and I thought I should not do that, but then who could do it? Well, I think it was my principal deputy, assistant secretary Mike Skol who first had the idea if I recall correctly, what about Luigi Einaudi? Luigi at that point was working in the policy planning staff of the State Department on Latin America. He was an old friend and colleague. He had been in the Bush

administration as the U.S. representative to the Organization of American States where he had been enormously successful, very good at that. Luigi is a guy who used to be at the Rand Corporation. His early work in Latin America had to do with the Peruvian military. The more I thought about this, the more I thought Luigi was not happy sitting in the policy planning committee. He had the rank of ambassador, which was important in Latin America, if you're going to be a leader. He was well respected in the hemisphere from his work in the Organization of American States. Although he had done a lot of work in Peru, he was viewed as not biased in any way. He had a lot of experience dealing with Latinos on a variety of issues, his Spanish is impeccable, etc. and he had been in the OAS and he was a very patient and determined negotiator. So, adding all these things up, I thought this is a brilliant idea. I asked Luigi if he would be willing to do it and he leapt at it and he was enormously successful. Working with his colleagues, there were some really tremendous work by people in Ecuador and in Peru, including the president of Ecuador deserves a hell of a lot of credit and _____ in the final analysis as foreign minister at that time to _____ and other Foreign Minister _____ all deserve a lot of credit and finally produced a solution to this problem. It was sort of moving for me at this point I think I was, my time was completed, I was already out of the government and over at the Nature Conservancy, but I was invited back to the ceremony at the hotel in downtown Washington where simultaneously the president of Peru and the president of Ecuador each decorated me for my work on this.

*Q: Wonderful.*

WATSON: It's probably if not a unique event, a very rare event because I really knew that although the Brazilians and the Argentines and the Chileans and especially the Brazilians have played very important roles in this also, sort of the driving force and the spark of the whole negotiating process was Luigi. He needed a lot of support and Ed Casey who was my deputy assistant secretary dealing with South America was helpful. We had people in the National Security Council that were opposed to doing all this that we were doing. We ended up putting in our helicopters as I mentioned a while ago to fly around the military observers which were led by the Brazilians. There were people who were opposed after what happened in Somalia and was going on in the Balkans, any more U.S. military people exposed to anything whatsoever, any danger whatsoever it would just trigger a reaction that I appreciated their concern. But on the other hand, if we were going to resolve this thing, we had to find some way to provide this airlift and the logistical capability and it all worked out well in the end. Barry McCaffrey at that time was head of SOUTHCOM (Southern Command) and CINCSOUTH in Panama and he was a strong voice for being engaged in this and helpful as well. Without going into that issue any further, at this point I think it is probably time to call this to an end.

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*Q: Okay, today is the 14th of January, 2003. Alex, well, maybe we might start with the summit of the Americas.*

WATSON: It's quite an interesting story. I'll see if I can give you what I recall and maybe we can add more to it later. When the new administration came in, President Clinton made a commitment to move forward with the North American Free Trade Agreement, but by adding two so-called side agreements on labor and the environment. Then the question was how would you get the congress to approve this? I had gone to Secretary Christopher and suggested that we set up a small group in the State Department to coordinate the State Department's involvement in whatever overall effort run by the White House would be set up to get congress to approve the NAFTA agreement. He agreed and I set it up with Tony Gillespie who had been our ambassador in Chile and was in charge of it. Tony with help of others put together a team and we were developing how we could be helpful on this. We had talking points arranged, we had people going around the country, we had information we'd get from the Department of Commerce as to the percentage of the gross product of each state dependant on exports and what percentage of that was involving Mexico and Canada, etc. Tony and I and some others went around to various places like Chicago and I remember going to Chicago and appearing on the talk shows there and talking about NAFTA. Interestingly enough for quite a while the White House did nothing on this and so our little effort run by Ambassador Gillespie was the only game in town of preparing for trying to persuade the congress to support the NAFTA agreement. People from other agencies started coming to Tony's meetings.

*Q: Yes, this is unusual because NAFTA particularly with Ross Perot in that very peculiar three way race was making a big noise of anti-NAFTA so I would have thought that the administration would have been very attuned to that.*

WATSON: Well, you may recall there was a debate between Ross Perot and Vice President Gore on the Larry King show where Gore handled himself extremely well and is generally acknowledged to have prevailed in that discussion. Yes, we were surprised and we were somewhat horrified because this is a huge political issue. This is not something you run out of the State Department. This is something that has many, many other dimensions besides the foreign policy one. We were there just trying to do our part and ended up being the only game in town. People were coming from commerce and from the White House to Tony's meetings. The Wall Street Journal had an annual meeting on Latin America with everybody. I can't remember exactly what year it was or what month. President Clinton came there and he said loud and clear, I was there, that this administration was really going to throw its weight behind this and get this done. He finished up his remarks and got off the stage and there was this big room on the left side coming into the Waldorf Astoria and now is sitting at a table in the front row. He said, "Hey Alex, can you get all the Latin Americans here and bring them back so I can talk to them?" Clinton always knew and seemed to like me for some reason. So, I ran around the room quickly. There were 500 people in this room and I grabbed as many Latin leaders as I could find. There were ministers of foreign affairs. There were ministers of finance and others and we all went back behind the stage. There was Clinton and his folks back and behind the stage in some corridors with steam pipes and everything overhead, very sort of unusual setting. I got all these Latin American leaders, a whole bunch of them lined up there and Clinton came down and chatted with all these people individually, had

something to say to each one. It was very typical Clintonian, very convivial. He was on top and knew exactly who everyone was. He had something to say to them. He was really a smart guy and knew how to do all this stuff. It was a great event and it got these people engaged in the understanding of his commitment in a more personal way. Anyhow, without going too much longer on this subject, the president then picked Bill Daley of Chicago. The son of Richard Daley, the brother of the current mayor and ultimately Bill Daley became secretary of commerce for President Clinton. He picked Bill Daley to be the coordinator of the NAFTA approval effort. I forget what the title was which gave us a sigh of relief and we sort of folded our operation into that. Tony went and helped him. Eventually it was a hard battle, but eventually the administration prevailed over the opinions of quite a few members of the Democratic Party. This gets to the summit of the Americas and it's important to understand this.

Vice President Gore went to Mexico shortly after NAFTA was approved to indicate how interested we were in this, how important this was and how important Mexico was and everything. I could not go on this trip because I had to go to Venezuela. I think we've already talked about that to try to make it very clear to all parties, particularly the military, the armed forces in Venezuela, what the U.S. would do in the event of a military coup of which there was a lot of talk in Venezuela at the time.

There had been talk about the summit of the Americas for well over a year before I even came into the job. I remember Peter Hokum of the InterAmerican dialogue talking to me about it even before I became assistant secretary while I was waiting to become assistant secretary in it would have been '93. In preparation for the Gore trip to Mexico, there was Richard Feinberg of the NSC staff, the director for Latin America. He's written a book on this which I think probably gives more details although I'm going to have to tell you that when I saw a draft of the book it had a lot of things wrong. I gave him many, many single-spaced pages of comment. I've never read the final book so I don't know how much of that he took. In any case, Richard came up with the idea I guess of using the Gore trip to Mexico as a place to announce the summit of the Americas and the interagency clearance process I guess was not all it should have been on this because he called me at home once and he said, yes, we've been talking about the summit of the Americas, what do you think or sort of see if we can get Vice President Gore to announce this. I said, yes, give it a try. So, he put together a memo over there at the White House and it got all the way up to Clinton marked with that comment that I made serving as the State Department's clearance on this document unknown to anybody at the State Department but me. Lo and behold the president approved it and when Vice President Gore went to Mexico he called for a summit of the Americas. I had already sent a memorandum to Secretary Christopher saying basically okay, now that we have NAFTA, what next in Latin America? I laid out a series of things including the summit of Americas as among the things that we ought to be thinking about doing to build on the momentum of NAFTA in the hemisphere. I wouldn't say it was a completely coherent strategy, but it was a series of recommendations. I can't remember what they all were anymore. But to be fair to the Secretary, he sent a message back saying he found the memo very interesting and thanks very much which he didn't always do. That gave me a

certain sense of encouragement, but to be fair, I did not run the idea of the summit of the Americas through all of the State Department bureaucracy. I don't think that I fully grasped at the moment that I was talking to Richard about this that my positive comments about taking the idea to be looked at in the White House would be covered as clearance by the State Department. That's neither here nor there and the Vice President announced this thing.

Okay, now what do we do? Well, here I had this very able guy, Tony Gillespie who had just done a terrific job helping to coordinate the approval by the congress of NAFTA with nothing to do. I said, well, let's just set up a summit office and have Tony and he agreed to do this, be in charge of it. I ran that up to the Secretary and he said okay, so that's how the summit office began. We recruited some other people for that office, notably Ambassador Rich Brown who had been ambassador to Uruguay, a Foreign Service Officer who was first rate and you might want to talk to him at some point about all this.

*Q: Where is he now?*

WATSON: Well, he's still around. I thought he had retired, but when I was in Lima, Peru in July or August of I guess August of last year (2002), my second trip on a contract I'm doing for the Inter-American Development Bank on a major pipeline there, I ran into Rich Brown in the hotel. He was down there as acting chargé because the ambassador had left and the deputy chief of mission had left and so a more junior person was serving as chargé. To be very frank with you, what I was told, and not by Rich, but by other people in the embassy before he came there, was that the administration was taking so much heat for having botched the thing in Venezuela and not paying any attention to Latin America and things were going on there. We did not want to be open to an accusation on an important and complicated place like Peru who had just come through this complicated political situation with the ambassador leaving and Alejandro Toledo winning the election. It did not want to be accused of not having a senior leadership on the ground in the embassy. So, Rich Brown was acting chargé.

*Q: When we've done this before, these are retired officers often who are brought in.*

WATSON: I'm not sure Rich is retired.

*Q: He might not have been.*

WATSON: He might have been. He's a good friend of mine, but I just don't know that fact at this point. Anyhow, I got Rich Brown to help with the summit and he assembled a bunch of people. We had the summit office and he had Richard Feinberg and a lot of other people engaged on it. The summit covered a wide range of issues. We rather quickly defined the agenda sort of a huge issue of where it was going to be. A lot of us did not want it in Miami thinking that that was just, just what the Latins expect, that you'd have it in some place that is different from Miami that is sort of not the Latin America part of the U.S. We talked about San Francisco, we talked about Chicago, we

talked about Washington and there was sort of a debate on it. Anyhow, the president decided on Miami for largely political reasons and it turned out to be not a bad idea.

*Q: Were you concerned at all about the large Cuban exiled group there?*

WATSON: That was another thing and that was an important issue as we prepared for the summit. Without talking to Rich and Tony and all the other people involved about this for a long time, my memory may be a little bit foggy, but we set it up and we decided that, once it was decided that it was Miami and the time frame we had basically three major issues. Political issue, the economic issue and then the sustainable development issue. My idea of the summit was there would be assembling all the leaders. In essence we would be drawing a line, a base line for where we were in the hemisphere. A huge amount of progress had been made and the Bush administration deserves some credit for this, but the Latinos deserve most of the credit for having changed the basic political formula if you will in Latin America from one of authoritarian governments, military in many cases, to free and fair elections. There had also been a dramatic move away from a state run, essentially closed economy to open market based economies. There was also a growing awareness that issues of education, among others, were extremely important had to be addressed, poverty was the real Achilles' heel of the region because it was moving forward politically and economically, etc. Those were going to be the three big issues. We also came to the conclusion fairly early on, and my view was that the motor for U.S. relations with Latin America, the motor really for further integration of the hemisphere should be trade, building on the success of NAFTA. Therefore, from the outset we had the idea of a launching at the summit of the Americas, which turned out to be the free trade area of the Americas with other names before, but very often the acronyms turned out to be something like _____ in Spanish, so we ended up with a clumsy one of STAA which is alca in Spanish, A-L-C-A, but in any case that was going to be my concept. That was the big attractive element that everybody would want to be engaged in a trade negotiation to give them more access in the U.S. market and this dynamic process of negotiations and the working on all the various elements that make trade necessary. Most of these were done in NAFTA including transparency, communication mechanisms, predictability, open economic policies, all the things that people who want to, investment rules that are fair and clear, dealing with services as well as goods, intellectual properties, all these issues that are always on the table in a trade negotiation. Dealing with those they have a profound political and economic effect beyond simply trade. This engine of energy in the trade negotiations would have a huge impact on other aspects of life in these countries in the U.S. relations with those countries and afford opportunities for collaboration in strengthening the underpinnings of democracy. That was the basic idea without going into greater length as we approached the summit of the Americas.

*Q: Yes, you were saying, Rich Brown was working at this time.*

WATSON: Yes, Rich Brown, Ambassador Brown and his team started working on the agenda. Anything like this is enormously complicated. What are they going to agree to, so there were multiple discussions and I'll get to that in a minute. Tony Gillespie was

working on overseeing the entire process and linking up with the White House at high levels and others. As the process moved forward for December of '94, this was really about a year that's all we had, which sounds like a long time, but it's not that much time to pull something like this off. In the middle of this process and fairly near the end Vice President Gore became very much engaged in it and he decided there had to be a fourth item, that we had to have environment as a separate item. Initially we had it in sustainable development. A sustainable development concept has a lot of interpretation, but originally it meant development that is sustainable in terms of the environment. The U.S. government and AID had sort of perverted that to sort of mean sustainable in that the process of development is sustainable. The vice president and a lot of others including myself always clung to a large degree to the original meaning of the term and he wanted a separate item. So, we had to now expand the agenda. Well, we only had a sort of an afternoon and a morning and an afternoon I think it was. Or maybe it was a morning and an afternoon and a morning, three segments, that's all we had, so how the hell are we going to add a fourth one? What we do is convert the lunch into a working session on the environment. That was an interesting thing. Gore was apparently a little big angry at us for not having gotten the message earlier that that's what he wanted. Anyhow, we had a four piece agenda.

The matter started to get out of control in Miami. Miami people that were organizing the physical stuff down there and who were arrogated to it, they were calling themselves the summit coordinators and they were to a certain extent, but not in the important political or substantive things. Apparently the White House became frustrated with the people in Miami and decided we in the State Department, neither Tony Gillespie nor I, we could not manage the democratic party politics within Florida on this. So, the White House decided that it had to take a stronger role in this and that's when Mac McLarty was put in charge of the summit organizing arrangements at the White House with Roger Altman the deputy secretary of treasury. So, all of a sudden we had new leaders, which was fine, we needed that kind of stuff. Tony Gillespie was working with them almost on a daily basis and I would see them reasonably often, but this was really, a delegated responsibility to Tony. He was doing a great job. That process was going on. The substantive side I decided earlier on we had to have, the only way this would succeed is if the process of developing the agenda was open and transparent and inclusive as possible even though this is very time consuming and difficult. So, we prepared drafts of points for the agenda over and over again and sent them out to our embassies, to all our people. They would come back with their comments. We had two or three meetings in Washington where I would chair that the deputy ministers or under secretaries that would come from all and we'd sit there and we'd work all this stuff out.

*Q: I would imagine, I mean, what was sort of the response from our Latin colleagues because I can imagine two things. One they would be delighted in American interests, but the other one would be they wouldn't want to see us dominate things.*

WATSON: I think you're right on both scores. It's something like the Brazilians and some of the others were not necessarily enthusiastic about being convened without having

been asked in advance. Nobody knew when Gore made this thing, you know, but on the other hand, what are you going to do, tell the U.S. you don't want to have this? We had to work through that and you had to allow for a certain amount of emotional venting and try to get through that and quickly get down to the substance so countries could start to see how their interests might be advanced. Rich Brown and his team did a really spectacular I thought as we got down to the end. They were very good on computers and stuff that I knew nothing about and they were taking all these suggestions and putting them into a draft final declaration and they were using different fonts on their computer so that the countries could see where their ideas were. If you looked at it you saw the Caribbean groups, chemistry organized itself into groups. Brazil was trying to take a large organizing role and of course that meets with resistance almost as much resistance to them as there is to us to be doing this. The Brazilians proved to be extremely helpful and extremely useful. Obviously they were trying to play a role that was sort of almost coequal with the U.S. Once they were convinced that this was going to go forward and then they get actively engaged in it and they were coordinating others views and things. When it came in the final meeting which I'll get to in a minute and pull all this together, the fact that they had done an awful lot of work with other countries in South America particularly, proved to be very useful in allowing us to rather rapidly come to a conclusion. The point is that I wanted to make about Rich Brown and his team was that they came up with this device of writing a document so everyone could see that their views had been taken into account and worked away.

*Q: By being put this way other countries could sort of log on and see how it was developing?*

WATSON: Yes, absolutely. They couldn't really; we didn't really have it on the Internet or anything like that.

*Q: I don't think the Internet was born yet.*

WATSON: I don't think it really existed then a few years ago, if it did it was very primitive, but we still were getting it out to people. Then we made several trips with Mac McLarty, Tony and I all together or separately, but very often together. We went to Jamaica to have a meeting with all the Caribbean countries and spent a full day there going through all the stuff there. We went to Brazil and met with President Itamar Franco, but also with president elect Fernando Cardoso , both of whom came to the summit. It was interesting. We had two presidents from one country and our country brought President Clinton brought Al Gore with him and sat at the table as an equal. We had all the countries, plus two extra guys, Gore and Cardoso .

One of the most important things we decided was that trade would be the dynamic of the policy in the hemisphere, which it still is in many ways. Charlene Barshefsky who was the deputy of Mickey Kantor really did a masterful job and lengthy negotiations that we had in the State Department trying to put together a basic trade agenda and we did that. Without going into too many details at this point, we hammered out an agenda and all the

logistical arrangements and all of the entertainment spectacular. Quincy Jones put together a great show down there for the Latinos. We had singers, dancers and musicians from almost every country in the hemisphere. It was one of those great shows and Quincy Jones organized it all. The State Department could never have done that. The contacts in the White House were on it. The Miami people, under the strong guidance of the White House, pulled off a really great event. I remember Fred Bergsten, who had spent a lot of his time focusing on Asia, was there at this thing and he said to me as we were watching the show, he said, "You know, this is really something. Asia is really important, but we could never pull off something like this. Asia is really important; we've got to do something like this." The APEC (Asia-Pacific Economic Cooperation) thing was coming along and all that. He said, "But we could never pull off a show like this." I remember Fred was an old friend, I used to work with him when he was assistant treasury secretary and I was the officer director for development and financing.

The summit was a good event and it achieved what we wanted it to achieve. First of all it was a celebration of the progress that the hemisphere had made. It drew a line in making it very clear that there was no legitimate form of government in the hemisphere except democratically free and fair election based but the only viable economic formulation for the region essentially opened free trade in open markets type. There can be some modifications, but that's the direction we're going on. No longer the import substitution closed, high tariff model of the past.

*Q: So, a little bit against the grain in Brazil, wasn't it?*

WATSON: Well, sure and we were pushing as far as we could get, but yes, the Brazilians were moving in that direction having established the privatization program under Cardoso invented and implemented under President Franco when Cardoso was the treasury or finance minister. Sure, we didn't get everything we wanted in this thing, but you get what you can get. In this particular negotiation what you wanted to get was as broad and firm commitment to basic principles as possible and to a future plan of action of the issues that we're going to have to work on. Now, in these things the danger of these things is that you get these elaborate plans of action that people forget about as soon as it's over. To some extent that did happen, but to some extent it didn't happen because the process goes on with summits every four years or so now which I think is a better idea than the APEC summits in Asia which take place every year. It takes a lot of time to prepare for and I don't think in many ways are quite as useful, but let's not get into that here. The event was well organized; there were no enormous screw-ups. The substance was good. The mood was good. The speeches were good. God, there were all kinds of problems in getting people to speak for regions and having the regions agree that certain people would speak for them.

*Q: The Canadians were in this, too.*

WATSON: The Canadians, of course they were in it. Absolutely, they played a major role. I was in the hotel in Miami and given the fact that it was a democratic administration

we had to be sure we were running everything out of a unionized hotel so we were up in the far end of Miami Beach. I heard the Venezuelans did not want the Brazilians to speak, so I got, I finally got President Rodriguez who was out at something that was called the Jungle Island or something like that in Miami, some kind of a theme park with a lot of parrots and he was there. I got him on his cell phone to convince him to agree to allow the Brazilians to speak for the South Americans.

*Q: Were the parrots squawking?*

WATSON: Oh, yes, you could hear it in the background. He didn't want to even be there. He was sort of wondering why the people, the Venezuelan president said, why the hell am I here, what am I doing, but they wanted him to be there for the experience. It was Venezuela, it wasn't ours, it had nothing to do with us. There were a million little details of things that almost went wrong, but in the final analysis it was a rather successful event. Now, some people will tend to deprecate it and minimize its importance. I think it was quite important, not so much the event itself, which was nice enough, but the basic consensus that was solidified there. The basic plan of action laid out for the future set a dynamic moving forward that we're still operating off. There was a lot of stuff that was invented not just by the Clinton administration by any means as I've said many times. It was built on a lot of developments taking effect in Latin America over the previous ten years or so and many of the fundamental concepts have been stressed by the Bush administration also.

*Q: Bush one?*

WATSON: Yes, right. The difficult thing or the problematic thing that happened afterwards, and this had something to do with my decision to retire a couple of years later from the Foreign Service and go do something else, was when it became extremely difficult and probably impossible for the Clinton administration to get fast track authority out of the congress.

*Q: This was for Chile, wasn't it?*

WATSON: This was for everything. Every president since Ford has had fast track authority. This is now been changed to mean trade promotion authority. That is a much better name, by this administration, and I'll give them credit for that, that is to say the second Bush administration. But fast track authority simply says that when the U.S. reaches a trade agreement with another country, or group of countries, that agreement cannot be modified by Congress, it can only either be approved or turned down. The point of that is that nobody would negotiate with the U.S. if they thought that after all of the arduous negotiations giving and taking and some U.S. interests are traded off in favor of other U.S. interests and you get to the congress and the congress reopens it all. Then what are you going to do? You can't, so there is no way you can deal with the U.S. in that kind of a circumstance. Well, once Clinton could not get fast track authority, then it was clear that this engine of the whole process, in my view which was a trade engine, was going to

be much weaker, not completely dead because a lot of work could be done. We did have meetings and we did work on a bunch of issues. We did get a lot of the underlying issues that I mentioned before addressed because these are issues that would have to be addressed before you actually get into the real horse trading on elements of the trade agenda. These things happened, but with much less expectation because there is no way people are going to sit down and do a final horse trading without our having fast track authority.

You mentioned Chile. Now Chile, of course there was a great deal made at the summit of the Americas. It was going to be the fourth amigo, the three amigos being Canada, the U.S. and Mexico and President Frei was there and he was going to be the fourth amigo. The second Bush administration deserves a lot of credit for finally getting the Chile agreement that was promised by Bush's father which was then reconfirmed energetically, publicly and enthusiastically by Clinton and company in Miami in December of '94. They were the ones who were the most out there and they even said, I remember, the Clinton administration said, yes, we'll negotiate labor and environment stuff. We can put it in the agreement outside the agreement, anyway you want. Chileans have been ready for a long time for an agreement, but without fast track there was no way to go.

*Q: Well, you might explain for the historical context why didn't Clinton get this in your perspective?*

WATSON: Oh, there are a lot of stories about that and I don't think I have any real conclusion. In the back of my mind there's the idea that, and this is maybe wrong, because I'm not sure how much the Clinton administration really wanted. I mean they had a lot of trouble with the republicans particularly in the House.

*Q: This is when Newt Gingrich and there was a contract for, it was an anti-Clinton coalition in power.*

WATSON: Yes and U.S. trade representative Mickey Kantor and Bill Archer the chairman of the ways and means committee never managed to work out the deal on labor and the environment and stuff like that. You can see how hard it is even now. The Bush administration got it through by one vote in the House this time around and a little bit more the second time around, but it's extremely difficult. I always thought a deal could have been had and it was going to require twisting a lot of arms and using an awful lot of White House muscle.

*Q: They've got Dick Gephardt, he didn't like it, he was very close to the unions.*

WATSON: Right and you have the Democratic Party. I've never quite understood the unions' antipathy for this. I see it as much more political than economic and I don't think their arguments hold up. I think the criticisms of NAFTA were ridiculous. It has been enormously successful. As one person said to me, you spend all this time thinking about dislocations and plants moving overseas and selling American jobs overseas and all this

stuff. Somebody said that minor adjustments in the Pentagon budget or in the growth rate of the United States have much more impact on all this stuff than NAFTA will ever have, you know, but then NAFTA is portrayed as this evil thing and it's transferring jobs overseas. In most cases the question is not whether those jobs will continue to exist in the U.S. They are not going to continue to exist in the U.S. It is a question of whether they will exist anywhere and if they do exist somewhere, where will they exist? Then the argument is, and I accept this, it's much better to have the production that those jobs represent to be in countries that are likely to buy more from the U.S. than in countries that buy less from the U.S. because then the demand will at least help create other investments and jobs in the U.S. more so than in the other case. Therefore, anything that encourages those jobs to relocate in the western hemisphere where the coefficient of imports from the U.S. is much higher rather than in Thailand or China or something is good, but that's another debate.

I can tell you that was very frustrating for me. I had really thought that these trade negotiations would be the engine that would drive the whole relationship in many ways. The engine is a hell of a lot weaker than I would have liked to have seen and couldn't produce the enthusiasm that we could have generated I'm convinced that if we'd had fast track authority earlier.

*Q: What about the Clinton administration as far as Latin America? It peaked at the summit and then went down or was there a continuation?*

WATSON: Of course I was there and maybe had a biased view of this. I was frustrated that we didn't get President Clinton to travel there. We did travel with Vice President Gore not only the Mexico trip that I couldn't go on for the reason I mentioned, but also Vice President Gore went to Central America to help, to be at the event pulling together the Central American economic community, the alliance. We also went to Brazil, Bolivia and Argentina. We had many secretaries in the government traveling to Latin America all the time, a lot of them, all the time, I would say more so than any other administration whether it was Perry or Rubin.

Remember we created an interesting side note of the – these regional military meetings in the hemisphere which had never been done before. That came out of the fact that the Pentagon wanted to have a whole military dimension to the summit of the Americas. Nobody wanted that but the Pentagon. We sure as hell didn't want it. The reason we didn't want it was that no country in Latin America wanted that at all. It was a horrible idea, a horrible idea, but it was being pushed very hard by the Pentagon and they were powerful players. The upshot was, okay, we'll give you a hemisphere military summit meeting, but it's not going to be this one. They then organized another military summit, I can't remember the names right now, but we just had one recently in Chile. The first one was organized by Secretary Bill Perry in Williamsburg. This was sometime in '95, but I'm not quite sure why. There was a lot of activity there. Bob Rubin traveled and he had a lot of my idea for inauguration, which I think they're still trying to follow. We almost had too much democracy in a certain sense if that's true in Latin America. We had so many

inaugurations of elected presidents and the U.S. has to have a delegation and it needs to be a high-ranking delegation and it has to be more or less equal ranking delegations. My idea was that there was no way you could ask the vice president to do this. Under President Bush, Vice President Quayle had done all of this stuff, but there was much too much of it. You could not ask Vice President Gore or any vice president to do all this. I said, well, let's try to get a cabinet secretary for every inauguration and we did. Thank God we had Bruce Babbitt the secretary of the interior who spoke Spanish and spent a lot of time in Latin America. He honeymooned in Guatemala.

One of the major points that we were trying to underscore in the summit process was this is the most peaceful part of the world. You resolve the border disputes and other major suits affecting national sovereignty peacefully. The Argentines and the Chileans had done that. That's what this hemisphere is about. It's important that it continue to be about that and this is a chance to do this. If we didn't do it once it was going to come back again later and bite us. Who knows maybe it will, I don't think so. I think it is defined once and for all. We also worked a lot on Guatemala on internal issues.

*Q: What was the situation that required this in Guatemala?*

WATSON: Oh, Guatemala had a civil war going on for 50 years basically, one of the most violent in all of Latin America. After the civil war which was newer and more dramatic in El Salvador and the other one involving the Contras and Nicaraguans, those were basically resolved. Then Guatemala was the big one that was outstanding. We worked a lot on that quietly behind the scenes, no big show, working with the UN and the OAS. Rick ____, John Hamilton worked a lot on it. We can get into the _____ case. The _____ case later on in our conversation is a real sideshow to this whole thing. I think that you can say that the United States was instrumental in helping the Guatemalans arrive at a solution, not to all of the underlying conditions that produced the situation, but at least to the organized systematic violence by the insurrection, the guerrilla groups on the left and by the military on the right. To a considerable extent the demilitarization is not complete by any means, but given how Guatemala was before, the reduction of the power in the military we deserve some credit for that.

Following the summit of the Americas, President Clinton appointed his former chief of staff Mac McLarty to be a special envoy for the Americas. This came out of the whole summit process that I mentioned before. Mac was an extraordinary person, is an extraordinary person. He didn't know a lot about Latin America, although his son had lived for a while in Brazil and also some time in Bolivia. Mac took this responsibility with tremendous enthusiasms. He wanted to learn really and create something out of his position something really useful. He was smart enough and a big enough person to be able to understand what he didn't understand and to take measures to increase his understanding. So, he turned to us and he and I had a fabulous relationship. I think probably unique. He needed to be staffed. I sent over Eric Farnsworth, one of the very best young Foreign Service Officers I had in the whole bureau. He was the Guatemala desk officer I believe at the time. People were saying, what are you doing, you're sending

out our best guy. I said, that's why I'm sending him over, you know. We provided a lot of support to Mac and he really became a quick study. He really reviewed his material and he went into the greatest of detail. This may not sound important, but it's indicative of an approach and appearance. Mac would know the favorite flower of the first lady of the country he would go to. He would get to that level and he knew all the other issues, too. He didn't speak Spanish, but his courtly Southern gentlemanly style was perfect with dealing with Latin America. Respectful, soft-spoken, serious, touch of humor and up on his issues, never swaggering or pushing people around, but firm on the substance. His style was perfect. He also of course afforded to Latins a special channel into the president of the United States. I guess this is probably true all over the world, but it's certainly true in Latin America, an area that I know something about. Presidents and others like to think they have a special channel right into the president of the United States, they don't have to go through assistant secretaries like Alex Watson or even the Secretary. They go right to it. They had this channel and they could call Mac, but Mac also given the kind of guy he is, would also keep me fully apprized of this stuff, so it wasn't a channel that was bypassing the bureaucracy if you will. It was a channel that with a lot of these people they take issues to someone that was close to the president. Mac would see the president every morning, but it also fed back into the bureaucracy because he understood that's the way it had to work. So, it worked out extremely well. I can't tell you how many times I would have a problem somewhere in the bureaucracy or some other element, USTR or somebody else. I was not able to overcome by myself or the State Department. I could pick up the phone and call Mac. He oftentimes would talk to Al Gore and Gore oftentimes resolved the problem. No one would ever know how many times that happened. All of a sudden the problems were resolved.

The president himself very quickly met all the leaders. We had lots of luncheons and dinners and stuff in the White House. We had the summit of the Americas very early on in his first administration, less than two years into it. He'd go out with Cuba on those Cuba issues, migration issues that have a huge importance. I don't know if we've talked about that yet or not, but of course we had the Haiti question that he was deeply involved in. One of the problems we can talk about sort of interest in Latin America is what is Latin America? A Brazilian could have heard everything I've said right now, but they don't consider Cuba, Haiti or even Mexico Latin America. They consider Brazil Latin America and fair enough. They are the most important country there in many ways, in most ways, but the Argentines and the Chileans don't necessarily dealing with Brazil. You have to have a policy that while talking about Latin America as a whole has an overarching theme, which we had in that administration. Even though we stressed it all the time and that we articulated on a country by country basis, it wasn't just bullshit. You also have to have the active engagement with each of the particular countries and I think we did. I think the president was pretty well advised on that. As I say I wish you know, it was sort of a broad public affairs reasons we could have had the president travel to Latin American during the first term. We did have Mrs.. Clinton and I went with her to Nicaragua and to Chile and to Brazil and to Paraguay. We did have the vice president go and we did have the Secretary of State go. I remember I think we went to El Salvador, Chile, Argentina, Brazil and Trinidad.

*Q: How did these trips particularly with.*

WATSON: Let me tell you one thing. I was very impressed. If I'm not mistaken, when we were in Brazil with Secretary Christopher in February of '96. We had gone to El Salvador, Chile, Argentina; Brazil and we were going to go to Trinidad because he wanted to have Central America, South America, Brazil and the Caribbean. This was when Prime Minister Rabin was assassinated in Israel and they were calling a national Security Council meeting to deal with that situation. Secretary Christopher easily could have said I'm getting out of here, I'm going right back, forget about Trinidad. He did not do that. He shortened his visit. We got there one night and we left about noon the next day. We jammed all the formal events in and I stayed behind along with Hattie Babbitt and did the rest of the events. He managed to get back. They postponed the security council meeting on Israel a few hours, but I thought that was impressive that he understood the symbolic importance of going to one of the Caribbean countries on this trip and made this adjustment. The Trinidadians were very accommodating and understood. It didn't pose any problems with tightening the agenda, which you could see could be vexing for them, but it all worked out very well.

*Q: How did the trips let's say with Hillary Clinton work out? How did she engage you?*

WATSON: She was terrific. At the same time she was on this trip she was busy writing this book, <u>It Takes a Village</u>. Some people say she didn't write it. I saw her writing it in hand on yellow legal pads. She was good. We had a great trip. She engaged, she did an extremely good job. Everywhere we took her to and she also came back on the plane and talked to all of us and talked to the press. It was very engaging.

*Q: Did women's issues there, particularly when we're dealing with the Far East and the Middle East, how about Latin America?*

WATSON: This is very important. The reason she was doing this trip basically was because it was a group of first ladies, a first ladies group that was set up. I can't quite remember now exactly how that got started. It may have come out of the summit. I think the first meeting of that group was in Paraguay because the Paraguayan by some process was the chairperson for that year. That's why we had the trip. Then I recommended going to Nicaragua with Mrs. Chamorro, a woman who was president of Nicaragua in a country that was facing lots of difficulties. As a female president it was sort of a good thing to recognize that. We went to Chile because its president and his wife had been very active in a lot of things that Mrs. Clinton was active in. Brazil just because it's so important, but we also went up, not just to Brasilia, but to Salvador da Bahia, real Brazil. We saw a lot of poverty and women's issues. She wasn't interested only in women's issues and then down to Paraguay for this event. It was beautiful. It was very good. Her speech was great; the whole thing worked out very well, writing a speech on the plane.

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*Q: Today is the 28th of February, 2003. Alex, you made some notes what sort of things you wanted to bring up, so did you want to talk about them?*

WATSON: In Central America, the last of the great civil wars to be drawn to a conclusion was the one in Central America. The Bush administration with Jim Baker and Bernie Aronson and others did a great job. Pete Romero working with them as the head of Central American affairs office and others did really important work in facilitating the conclusion of the civil wars in El Salvador and Nicaragua. The El Salvador civil war was virtually over and we've talked about that. I had a little bit of involvement in that in my job as deputy permanent representative at the U.S. Mission to the United Nations. The war in Nicaragua was virtually over and Baker and Aronson deserve a lot of credit for reducing the enormous hostility between the executive and the congress in this country on that right from the outset of the Bush administration. I'm not sure if anyone has really written about this, but the Organization of the American States particularly the UN also helping to disarm the Contras and others and to bring about approximation of the sides in that country was very important. John Maisto was a very able ambassador down there to try to bring American policy in line with our objectives which were to strengthen democracy and overcome the residue of the civil war in Nicaragua and that was moving forward. In Guatemala fighting was still going on. That was the longest of the civil wars starting way, way back, long before the ones in El Salvador and Nicaragua began. It was an extremely difficult and nasty one. We worked closely with the people in the UN and the OAS and elsewhere to try to draw it to a close. John Hamilton and Ann Patterson all worked a lot on this. Eventually the Guatemalans with help from us and help from the international organizations drew that civil war essentially to a close although the residue still goes on.

It was somewhat different from the others. It had much deeper historical roots and a much stronger ethnic, even racist dimension to it. It really was in many ways the indigenous people and Guatemala is a country with a very high percentage of its population of indigenous people living in their own indigenous communities to a considerable extent sort of like Mexico and sort of like Bolivia in that regard, more so than in other countries in either Central America or South America. Peru and Ecuador to some extent, but and it had never had a revolution in this regard, it was more like Peru. Both Mexico and Bolivia had had revolutions which dealt with a whole variety of issues, but among those issues were land tenure for indigenous people, education for indigenous people and incorporation into the political life of the country for indigenous people. Neither Peru nor Guatemala had had such a transforming event. Events were not perfect by any means in Mexico or Bolivia, but they did deal with these issues. I think that we in the Clinton administration did some very helpful things in this, not necessarily publicly very well known yet, but made a contribution to resolving these issues.

In the early days of the Clinton administration when the president of Guatemala tried to do a self coup as we say. The Clinton administration took the correct stance under Bernie's leadership and I was privileged to be there with him to oppose completely that

effort. It collapsed because the president could not get the military to support him partly because of the international pressure and in a sort of an unusual, but still constitutional fashion, the leading human rights advocate of the country emerged elected by the congress as the president of the country. That administration was reasonably successful and led to democratic elections, another president came in from a different party and both of those two presidents made a real effort and a successful effort to end the civil war and to try to get the Guatemala military back into its box. It has come out of its box now and the current administration in Guatemala and it is in very difficult circumstances right now, its corruption rampant, etc. These two guys did pretty well.

What we wanted to talk about here a little bit was the Harbury case. Jennifer Harbury is an American attorney, very smart, went to Harvard Law School and was a human rights advocate who focused at least part of her time on Guatemala. She married Efrain Bamaca Velasquez who was a leader of the insurgency in Guatemala without going into all the details here. He disappeared, I think it was ’92, and Jennifer Harbury, she had married him apparently if I understand it in a traditional Guatemalan indigenous marriage ceremony of some sort. When he disappeared she made a valiant effort to find out where he was, etc. and maintain for a long period of time that she was confident that he was still alive. As I recall the case now, what happened was that she felt that and she was talking to our ambassador in Guatemala Marilyn McAfee and to other people including one who was my advisor at the time about this case. She became convinced that Efrain had been seized by the military who was, the Guatemalan military and was imprisoned somewhere. She also became very frustrated for what she thought was the U.S. government's inability or unwillingness to give her more information about the welfare of her husband.

In the middle of all this, it started to become clearer from a variety of sources that her husband had been seized by the Guatemalan military and taken to a military base. I haven’t thought about this for a long time, so I may be making some errors here. It was revealed at one point that the commander of the military base was on the payroll of the Central Intelligence Agency. Well, all this and the information that came to us in the bureau sometime I would say after I was assistant secretary, but certainly not before, about all this relationship with the agency, was brought to our attention. Meanwhile, you know, we had asked the embassy and the intelligence agency to do all they could to find out information about the fate of her husband. We were telling Jennifer Harbury whom I’ve never met personally by the way although I’ve been in a room with her, but never met. It was a congressional hearing I think of the senate intelligence committee near his house, I remember that, but we never met, not for any reason, it just didn’t happen. We were sharing with her information we had which was and remember she at this point still maintained that he was alive. The information that we had available to us was that he had been captured at a certain time and that we had no more information about him after another period of time. We had no explicit information to suggest anything that he was alive, dead or anything. I wanted to be very careful that we did not say to her or anyone else that he was dead when we did not know that. We simply did not know that he was alive. We had no further information. This became a very, very complicated issue and without going into it in enormous detail here, my assistant, Rick Nuccio, became very

disturbed about this information that had come that we had internally, but it was not public yet. He felt that he had been misleading people when he said we knew nothing at all about Efrain when in fact the Central Intelligence Agency did have some information along the lines that I'm telling you. But we didn't learn about it in the State Department until the time that I'm referring to. I tell you I had sent a, as soon as I learned about this information that we had that Velasquez had been taken from this base back in '92 or whenever it was and that it turned out later that the commander had been on the CIA payroll at some point although not as far as I can tell, not active at this point and gave no indication that he was subject to direction by the agency in my view. He was simply an information source for them at one point, but in any case this really bothered Rick and I sent all this information above me in the State Department immediately as soon as I heard it. I said this is something that has to really be looked at very carefully and we're going to push for getting more information about it, etc., but you guys need to know about this, this was a tricky thing. I never got any response from anybody above me in the State Department, ever, which bothered me a little bit. Maybe I should have been more insistent with them, probably should have in retrospect, but in any case Rick wanted to somehow say something about all this publicly because he felt bad when he had told people saying which was now discovering was not entirely accurate. Although he wasn't lying because he didn't know about this. None of us knew about this.

In any case he went to see Congressman Bob Torricelli at the time, for whom he used to work, and sought guidance. He didn't know what to do. Rick was having a crisis of confidence in himself; he didn't quite know what to do. Bob Torricelli who learned no new information from Rick, but should have learned information because he's on the intelligence committee and all this stuff had been shared with the intelligence committee. But Torricelli did not go to the meetings at which this was discussed nor did he send a staff member. Although Rick believed that Torricelli knew all this stuff, but it may in fact have been that Rick ended up telling Torricelli things that Torricelli didn't know although he should have known. In any case Torricelli went to the microphone immediately and denounced everybody with Jennifer Harbury on this. As Rick said to me afterwards, he said, "I guess I've forgotten never get between Bob Torricelli and a microphone." This became a huge mess. Then the CIA started to react and started to put pressure on the State Department to yank Rick's security clearance because he had said stuff to Torricelli. Most of this happened after I was gone. I was out of the State Department and a lot of the aftermath happened, but I was there when he went to Torricelli. Out of all this, without going into nauseating detail here, there was a, Jennifer Harbury filed suit against Secretary of State Warren Christopher, against Tony Lake, the National Security Advisor to the president, John Deutsch, the head of the CIA, and a whole bunch of other people including me for having violated her constitutional rights. Now the actual substance of her argument, if I recall correctly, I was being sued for a million dollars in my personal capacity and a million dollars in my government capacity. The actual substance of her complaint seemed to change from time to time. She argued her own case in some of the courts and it went all the way to the Supreme Court of the United States. From my personal perspective, I was just informed recently that all charges against me personally and all of us personally have been obviated, but there are still some residual questions

about whether there is any government obligation and responsibility here in any way.

Her basic charge seemed to end up being that the U.S. government knew things that if they had been conveyed to her would have allowed her to take action in the U.S. judicial system that would have somehow saved the life of her husband and therefore we were denying her access to the U.S. courts for this purpose. Something like that was her final thing. That's basically been thrown out by the courts. It was very complicated legal arguments. I defy you to read the Supreme Court document on this and understand it. Of course and it's been thrown out on general grounds, not particular substance of this case. We've never gotten down to the substance and the substance is total nonsense obviously because on the one hand, we certainly did not know and I still do not know whether Mr. Velasquez is dead or alive. I presume he's not alive and there's information to the effect that he was killed in one way or another, but you've got to be very careful on this kind of information. We got this very late in the game, but you don't necessarily believe everything you hear the first time you hear it.

Secondly, another issue here, is some of this information is the kind of information that we had sworn oaths not to reveal sources and methods about. What are we supposed to do as government bureaucrats in this kind of position? But in any case it was a very unpleasant experience and I think it reveals the extent to which government employees are exposed to very complicated situations in which they have very little ability to manage them in the way that they should. This is part of a much, remember there's a much larger issue going on, not larger, a different issue and related issue which was the whole relationship of the U.S. government agencies with these military forces in Guatemala. There was another fellow named _____, an American citizen who had been killed, how did that happen, who did that and were people who had some relationship with the Central Intelligence Agency involved in that in one way or another and if that's the case was the agency involved? That's how it always goes. Then you get to the point where people are asked to give depositions on these things and then were the depositions true or false and was it inaccurate, did they know it was inaccurate and therefore are they lying, this sort of thing. It involved several people being removed from the CIA and it's a very messy complicated issue, the whole history of which has not come out yet. I can remember only fragments of it and probably only knew fragments of all this.

*Q: Well, during the time you were doing ARA, what happened in Guatemala itself?*

WATSON: When I came in it was just at this time of this human rights leader, Ramiro de Leon, taking over as president. The U.S. government was working with him to clean up the mess there with the military back in their barracks. Remember they'd had a military guy emerge as president for a while in a particularly brutal period, he had been declared, he was a guy who was an evangelist and a _____ evangelist as well, but he had been declared ineligible to run for the presidency again, but he was still very active and powerful and the military had been, did not _____ in Guatemala for a long time, get those guys back under control, get some people convicted for murders of various people in Guatemala. You still see some of that stuff in the _____ case is still coming out in the

press and people convicted for these things and having a truth commission. They are digging into the past and trying to find people who are culpable of some of these and most of these highly publicized human rights violations in the country. They want to bring about a situation where many of the indigenous people that had fled into Mexico and elsewhere could come back and come through either their own lands or other lands, etc. Remember Rigoberta Manchu Tum won the Nobel Prize and she was a leader of these indigenous people of Guatemala. I spent some time with her when I was in New York before I was assistant secretary; I talked to her and knew her. It was a time of Guatemala finally starting to sort itself out and making some progress in that regard. Unfortunately these same Vinicio Cerezo, who was the military fellow that I mentioned before is now the president of the chamber of deputies or something in the senate and he's back and his guys are back and he has enormous influence in Guatemala and Guatemala has been declared by the U.S. government as not collaborating effectively on the narcotics issue and being riddled with corruption and all that kind of stuff now, as being clearly backsliding.

The Harbury case was enormously important for those of us who were part of it. I have no qualms whatsoever about anything that I did in this and I don't think, now that I don't seem to have any legal liability, I don't have to think about that very much. I do think that there are some lessons here about how the U.S. government has to manage itself. There are still some questions to be answered that haven't been answered as to how you deal with a situation like the one that Ms. Harbury presented. I don't have any problem with her presenting the case. Her legal arguments may have been very weak and tenuous, but the concern, the fundamental question of how you get at an issue like this of clearly something that is a human rights violation. Her husband was a guerrilla leader and he was captured by the military. He should not have been summarily executed, but that's what happened to him. Something else should have happened to him. There should be some judicial process for dealing with him. There's even allegations that in fact he was a collaborator in the end in other words he provided information and who knows, maybe he was tortured by Colonel Alpirez. Maybe this isn't even true, but he was and then when he was no longer useful they disposed of him in one way or another. Then the question from the U.S. is on this person that you have to make sure the analysis of this, then to the extent the U.S. government is involved in any way in supporting institutions some members of which end up behaving in this fashion, how do you deal with that? I don't think we've ever dealt with this very successfully anywhere around the world. It's not just in Guatemala; it's not just in Latin America. What are the obligations of the specific U.S. bureaucrats who are involved in these things in this regard and particularly in the intelligence agency? Then the other people who are removed from it by a couple of steps, the ambassador and the people like us in the State Department who may not be aware necessarily of all the details of these kinds of situations, but who then subsequently become apprised of them to some extent maybe not fully, then what do you do with that information? What is your obligation? Especially if its information that you have taken an oath not to reveal. Without belaboring this point here, it obviously deserves much more articulate treatment than I'm giving it to you now, just sort of extreme cautiousness, semi-accurate recollection. It's something that I think needs to be dealt with. I haven't talked to

Rick Nuccio in a long time, I don't know whether he's written any of this up somewhere, maybe he has, if anything has been written on this because I've been off doing other things the last few years.

*Q: What were some of the other points we've mentioned.*

WATSON: Well, the Dominican Republic, I'm not sure what we've discussed about that, but what happened was and I'm not sure I can get all the dates right, so let's not go into that right now. The Dominican Republic, there was an election and I guess it was '94 and Jose Francisco Pena Gomez, the long time democratic political leader was running in it and Joaquin Balaguer was the president. There was another candidate as well. There was an election and it appeared that Balaguer had won. Remember Balaguer was the last puppet president of Trujillo, the dictator was assassinated in 1961. In any case, Balaguer fled to the U.S. and then he came back. He was almost blind and he was 90, but he was still a masterful politician. He was elected several times as president in his own right subsequently. In any case the electoral results produced a victory for Balaguer and then it become clear that somebody had tampered with the computer software in the election tabulating computers. This was not a valid result and the OAS stepped up to this challenge and we supported the OAS. It was apparent the Dominicans eventually agreed to this that the election would have to be declared fraudulent and then what do you do?

Without belaboring this here, Mike Skol who was my principal deputy at the time, went down there and he was very aggressive on these points in the Dominican Republic and really supported the OAS action on this. Some people might have even seen us in the lead on this and it might have been, but in any case it was the OAS who was doing the analysis of the election results and the tampering and all that kind of stuff. Out of all this came a deal, which may not have been 100% constitutional, but it was accepted by all of the democratic political forces in the Dominican Republic that it was important to have a new election. It would take a couple of years for that new election to get all organized and started again and get proper scrutiny and proper computers and the campaigns going and all that kind of stuff. Meanwhile Mr. Balaguer would stay on as president and so that's what happened. Everybody worked during that timeframe. Balaguer got two more years, but not four and more importantly, got a solution that everybody agreed with to go back to have a real fair election and have it properly monitored and have it done right. I went down later on as we were moving forward to have this second election. I went down and I talked to all of the major candidates and I talked to President Balaguer. Remember Donna Hrinak was our ambassador there and she told me afterwards she had never seen Balaguer have an extensive and as relaxed conversation with any American representative than she had that day with me. Now I don't know why that would be, but we were there for quite a while. I was there for one reason only which was just to manifest the U.S. government's interest at as high a level as we could and making sure that this election was fair and free and open and the tabulation was accurate and no more monkey business and no more screwing around by anybody. We were not supporting any individual candidate; there were three of them. Balaguer was not running in this election, that was part of the deal. He had his vice president running and a couple of other candidates. The election came off

and the guy who won was Leonel Fernandez Reyna who was the guy who just finished being president a little while ago who won that election. It was a little chapter of the stuff that we did during my time as assistant secretary and will be recorded as a reasonably successful and constructive effort on our part and we made a real difference.

A couple of years later I had retired and joined the Nature Conservancy where I was their president for international conservation. I was up in my summer house in Maine and I received a phone call. This would probably be in '98 maybe '99, maybe 2000. It was from a fellow who was the reporter for one of these sort of quasi underground evening newspapers in Philadelphia. He had gotten my number somewhere and called me up and asked me what my reaction was to this court case filed with the I guess the U.S. District Court for the Middle District of Pennsylvania in Harrisburg, Pennsylvania. I was accused and the principal defendant of having purposely undermined an anti-narcotics investigation by the Pennsylvania version of the DEA, their own state thing and been involved with the presidential candidate Jose Francisco Pena Gomez in the Dominican Republic. This is the first I've heard of anything like this. I don't know what he's talking about. This reporter goes on to explain that the allegation was brought by several members of the Pennsylvania Drug Enforcement Administration and it went like this. That they were investigating a major drug operation involving Dominicans in the Dominican Republic and Dominicans in New York. There are a lot of Dominicans that live out in Queens in New York and now elsewhere. In the middle of all this was Jose Francisco Pena Gomez, the presidential candidate and that I, the U.S. government wanted Pena Gomez to win this election so I was the head of this conspiracy. The case is so and so and so and so against Watson v. Watson, et al. I had heard nothing about this, nothing about this from anybody, which is another story. I was the head of this conspiracy that involved a whole lot of people including the U.S. attorney for Pennsylvania, the Pennsylvania State Attorney General, a whole bunch of CIA people and a bunch of DEA people and everybody. I was the leader of this conspiracy and I'd gone down there and I had tipped off Pena Gomez, that's why I went to the Dominican Republic about this investigation and ended up blowing the entire investigation.

*Q: You were saying the question was.*

WATSON: The question of the journalist was what was my comment on this and I'm ba ba ba ba, but fortunately he told me all this so I said, "I don't have any comment. This is the first I've heard of it. It is absolutely nonsense. I did go to the Dominican Republic. I did talk to Pena Gomez. I also talked to many, many of the candidates. In any case, "I did talk to them all, I didn't talk anything about drugs with anybody, I didn't know anything about this investigation and I certainly didn't undermine anything. I certainly wasn't the head of any conspiracy or anything like that. It's the first I've heard of it, thank you very much I'll get back to you." I called the State Department and I called the attorney and the legal advisor's office at the head of Latin America. I said, "What is this? What is going on here? I mean aren't you guys aware of this and why didn't you tell me and what are we doing about this?" It was the first they had heard of it they said. Mike Pay was the guy's name who is a good friend of mine. So, he calls over to the Justice Department and they

call up to the Central District of Pennsylvania, Harrisburg office and the DA and the U.S. Attorney's Office and talked to the woman who was handling this case. “Oh, yes, well, yes, this is going on.” Jesus Christ, you know. Eventually I get to talk to these people and they say, “Oh, don’t worry about it. These guys, the lawyer these guys have is an ambulance chaser and he’s just looking for anything he can. These guys are being fired by the Pennsylvania DEA for something they did and they're now trying to make the case that they are whistle blowers and they’re being fired because of that. So, they’re chasing everything they can possibly find. This is one of the many things they’re doing.” I said, “Well, that’s all very nice, it’s very casual on your part, but you’re not the defendant in this case.”

Eventually, going back and forth, the Justice Department agreed that they would handle this case and that I didn’t need to get my own attorneys at this point and they would keep me apprised through the State Department, etc. Well, they really didn’t do a very good job of this and I had to keep pestering them to find out what the hell was going on. At one point I was told that in fact these guys had shifted their case and I no longer was the primary defendant. They were only looking at a few certain CIA guys or something that were still defendants. I said, “But has the name of the case changed?” They said, “No, it’s so and so versus Watson, et al.” I said, “Well, you’ve got to change that.” They said, “Oh, well, we can’t change that.” I have just learned by the way that you can change it and someone told me that you better go back and make them change it. I said, “I’ve got to at least have a letter from the Justice Department saying that I’m no longer a defendant in the case because when you go apply for credit, they ask are you in any way involved as a defendant in a criminal case and my name’s on the God dammed thing.” So, they sent me a letter which I have in my file which says you are no longer a defendant in this case even though the case still has your name on it. This doesn’t make any sense at all. I only mention this again not because it’s so important in any personal way or my being involved is the important thing. The important thing here is what the hell is a government bureaucrat supposed to do in these kinds of situations and what kind of a system do we have to deal with this? It looks like we have no system and if that journalist hadn’t called me I still may not know anything about this. I might not know anything about this at all if that journalist had not found me sitting in my computer room in my little cottage in Maine one afternoon, and called me and asked me my reaction. No initiative was taken by the State Department or the Justice Department in Washington or the U.S. Attorney’s Office or anybody in Pennsylvania to at least apprise me that I was a defendant in a case, which could have, who knows what the results could have been. I just think that this in a highly litigious society with government people dealing very often in areas where they may not be entirely aware of all the implications and therefore they are highly exposed. How do you deal with these things? Shouldn’t we have a better way of doing this? I guess that would be the question I would leave on the table as we wind up our conversation today.

*Q: What about well, let’s take Argentina at that time.*

WATSON: I remember this was Carlos Menem was president. Domingo Cavallo was the

finance minister. He had broken the back of hyperinflation in Argentina by pegging the peso to the dollar and having a board managing this so that no pesos were admitted in Argentina unless there was a dollar or some other foreign currency backing it. The money supply was determined by how many dollars they had in their reserves and not by anything else. That conveniently broke the back of inflation. Menem was accused of corruption and a lot of stuff, but they also had made a dramatic effort to, they had eliminated the rivalry with Brazil over nuclear weapons, that they had participated in Desert Storm and Menem had Guido de Tella, his foreign minister, and Tella had really made a dramatic effort to shift the traditional Argentine position much closer to that of the United States. They were valuable allies in many ways and they were doing a lot of privatization of firms and doing at least some of the elements of what came to be called the Washington consensus. Now people say well, see, Argentina was the foster child of the Washington consensus to see what a mess they were in there because the Washington consensus is bad. Well, that's not right because they only did part of what the Washington consensus was all about. They didn't do it all and left themselves highly exposed. The lesson is that if you'd done the Washington consensus stuff right, you might not have been in this problem. But in any case, I think that's an issue for future discussion. We had some issues with them on trade certainly, particularly on pharmaceuticals. It took a lot of time because the Argentines really did not take action as they should have against people who were pirating U.S. pharmaceutical products and producing them at lower rates and selling them not just in Argentina, but around the world and that kind of stuff. It was a serious issue that needed to be dealt with. Menem was also helping us a lot in the later stages helping to resolve the Peru-Ecuador dispute and a lot of other things.

When the Mexican peso crisis hit which was in early or late '94 or early '95, there was an impact on other countries which produced the Tequila effect. One of the countries effected by the Tequila effect was Argentina. This is the same time that I was working with the foreign minister on the political agenda dealing with resolving the Mexican peso crisis at the same time that I was dealing with the other three guarantors Brazil, Argentina and Chile on resolving the Peru-Ecuador crisis. In the middle of this, Argentina started having some several difficulties financially. People were losing confidence in the Argentine economy because of the Tequila effect to some extent. They were taking their pesos and converting them to dollars and moving them out of the country and moving them to Uruguay or to New York or elsewhere because there was free exchange. When you pull out the dollars you're reducing the money supply. Reducing the money supply you get to the point where there wasn't enough money for people to make the normal transactions. There wasn't any credit. Simply if you want to go buy a pair of shoes, you can do it, you have a factory or you have a construction company and you want to buy the materials to build the building, you need credit to do it, you can't do it, it wasn't there. It was really squeezing the economy.

I was in Buenos Aires for the inauguration of Julio Maria Sanguinetti in Uruguay as president. I went by just across the river, went from Montevideo over to Buenos Aires and I went to see the finance minister, whom I knew pretty well, just to see how things were going and he laid this on me. He said, "Look, we have a real crisis that nobody

knows about yet. The only people who can help us are the United States. You will use your influence with the World Bank and the IDB the Inter-American bank, you can help turn this thing around, but I really need your help now." Okay, so I went back to the embassy and Thomas Dodd was our ambassador. I went back to the embassy residence because I believe it was late in the afternoon and I was meeting Dodd and I placed a phone call to Larry Summers who at that point was I think undersecretary of treasury for monetary affairs. I think it still had that title which was a funny title, but it was the supreme chief for international stuff. Maybe he was just head of international, I don't remember, but he wasn't available. So I talked to Jeff ____ who succeeded him in these positions. He was either deputy assistant secretary or assistant secretary at that point and he had dealt with international stuff and I told him, I said, "Look, this is a reliable guy. I have no reason to disbelieve what he's saying. This is serious. We sure as hell don't need to have another Mexico right now. It seems to me that it's your call, but this is something that probably merits very high level attention." I didn't have to persuade Jeff or Larry of this, it was pretty obvious. The important thing was to get this information to them and for what it was worth, I was giving him my opinion. I'm not completely illiterate on economic issues, but it was a treasury call and then I let the State Department know as well. Rubin who was the secretary of the Treasury at the time, Bob Rubin and Summers who may have already been deputy secretary come to think of it. In any case, they really worked hard and within a very short time they got the International Monetary Fund, the World Bank and the InterAmerican Development Bank all to take action, all within a matter of days. To assure our confidence in our Argentina. Basically what they did was talking to ____ at the World Bank and ____ at the Inter-American Development Bank as well as ____ who was still in charge of the IMF, especially the development banks to move up the loans that were going to go to Argentina and move them up and start to disburse them earlier than they would have normally and the fund also to move some money up front. They actually started to disburse. In a way you're using development assistance loans for balance of payments financial issue which, there is a question there, but that's what they did. It was the right thing to do in those circumstances and it made all the difference in the world, stabilized the situation, money started to come back in and Argentina went through that. That was pretty dramatic for me. I thought that was very interesting, a little vignette. Eventually, although having the peso pegged to the dollar had enormous benefits for Argentina for a quite a period of time, eventually it was one of the factors combined with others that brought about the debacle that we see now in Argentina which was due largely, not exclusively, but largely to Argentina's refusal to live within its means. To peg your currency and you run big deficits, you're going to increase demand and you are going to stimulate inflation and you can't adjust your currency to the exchange rate to deal with that. You get yourself in a position that they got themselves in. They did run deficits and they borrowed from abroad because they couldn't emit pesos without having dollars unless they borrow more and more money including stuff from the IMF and the World Bank and the IDP as well as from private banks to be able to emit the money. A lot of the borrowing was done to cover state provincial deficits because the provinces are pretty powerful in Argentina. They are pretty independent. They were running deficits and they never got control of this. The fundamental flaw was not so much the fixed peg, although that was the thing that made it explosive, but it was that

they never got their deficits under control and a lot of other things happened to them, too. I thought that was an interesting little vignette.

At the very end of my time as assistant secretary we had the question of American visas for Argentines. The U.S. government has a system whereby the citizens of certain countries do not need visas to come to the U.S. Most Western Europeans can come to the U.S. just with a passport without a visa. No country in Latin America though. To qualify, the visa refusal rate of applicants, tourists, that is to say people who come into the embassy apply for visas and do not receive them, that has to be a small percentage. The number of people from that country that are found to overstay or violate their status has to be very small and it has to be consistent over some period of time, three to five years. In that case you can say that the country doesn't need to have visas. That was the case in Argentina. They had been working on this for a long time. For them this would be, to have the pretensions to being a European country and they have this very close proximity to the United States and this would be a dramatic manifestation of a very special kind of relationship.

So, all of the objective information was there to make this decision to move forward with this visa waiver and Warren Christopher was going. Remember Clinton never went to Latin America during my whole time there. He met everybody, saw everybody and dealt with issues, but he never went there which was symbolically always a problem. Christopher hadn't been there except to Mexico. This was going to be a trip and they were going to several countries, one of them Argentina, on this trip. You're always looking for deliverables on a trip like this, was this, that he could deliver. I recommended it. He wanted to do it. The law enforcement agencies hated the idea. Facts didn't matter, nothing mattered, we don't want to, oh, the Latinos, no, drug trafficking, no, no. I don't want to be too dismissive of their concern. There were some legitimate issues to be looked at here, but the way they dealt with it was immature. They presented it as a hysterical thing.

There was one thing that was important in this, and, by the way, just for the record, this benefit for the Argentines has since been removed because the objective data has shifted so over the last couple of years. They no longer have enjoyed that special status. In any case, they deserved it at that time, but there was one question. At the time there was a guy who was a major gangster, hugely powerful and corrupt. He was very close to the president; who had all the airport concessions who I think got them when they privatized the post office. He was seeking to get control of the organizations that produced identity cards and passports in Argentina. The way he was going to get control over these companies that produced the passports. Maybe he already had identity cards, but he didn't have passports, was the bank that he controlled was going to foreclose on the company that had not paid off some loan. This would be, this guy ultimately committed suicide. This is a major mysterious _____ Argentine behind the scenes mysterious guy who was in a life and death literally struggle with the finance minister. _____ was out to try to stop this guy and didn't always get all the support that he should have gotten from the president. This guy was out, you know, to takeover as much things as he could. I said,

"We want to do this, but this guy if he gets his hands on your passport agency and you will be coming into our country with only these passports, there's no way I can deliver." They moved to find some other source of financing for this company so he could pay off his debt to the bank that this gangster ran so that he could not get control of it unless the good guys who ran the company owned the company to retain control of it, so the integrity of the Argentine passports and other documents could be maintained and once that was done he could go ahead with the thing. I thought that was just kind of a little interesting detail. Right or wrong, whatever you think about it. We did announce that when Warren Christopher was there that the Argentines could no longer be required to have American visas to go for tourist purposes to the United States. This of course absolutely infuriated the Brazilians who did not have the same objective condition if you will, and therefore did not deserve this kind of treatment. There was a whole visa racket being run out of a certain city in Brazil. In their rivalry with the Argentines, this sort of fed the Argentine pretensions and made the Brazilians mad.

Later on, in Brazil we had Dan Golden with us who was the head of NASA and we signed a couple of agreements on space cooperation. NASA was hugely important. You could only get there having done a whole bunch of other stuff that we worked on with the Brazilians, the entire time that I was assistant secretary, moving some obstacles to be able to sign these kinds of agreements which would allow very high level exchanges of technological sophisticated information of computers and stuff like that. That was a major achievement that most people don't know about, but we got to that point. The Argentine deputy foreign minister Fernando ____, who was a good friend of mine, later on berated me for doing all these really substantive things on this trip with Christopher in Brazil and nothing like that with Argentina. I mean Brazilians were berating me for having given these ruthless Argentines this visa-free status. What can you do?

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*Q: Today is the 7th of April, 2003. Alex, let's talk first about narcotics.*

WATSON: In the Clinton administration there was, as in previous ones, there was every year this constant tussle over the so-called certification of countries.

*Q: This is certification for what?*

WATSON: For proper behavior on narcotics. Most administrations understood that this is a game. The certification requirement was something created by the congress. They often do this type of thing to make it look like they're doing something on an issue of great importance. They are really throwing the ball back to the whatever administration was in power at the time to deal with it. Nobody really expected that a great number, maybe a few radicals on the extreme end of this, expected that there would be massive numbers of decertification. I think people realized that the unilateral application of U.S. sanctions against governments who have trouble in the narcotics area was probably less likely rather than more likely to produce the kind of effective results that we wanted to have. In

the Clinton administration it was decided to take a more aggressive approach on this and maybe decertify more countries, etc. The fundamental flaw with that approach is that there is no way you can outflank the congress on these issues because the whole point of these issues is for the congress to look like it is more extreme on this than the executive and push the executive towards some action that it otherwise would not take. So, by definition you can't outflank them. Wherever you are they'll be out there further. The whole point of this is to look like they're pushing on the executive to do something. If you get ahead of them, they have to get around behind you and push you again. We had enormous battles over these things. It was a very cynical process. In all administrations it's cynical, but there would be a list drawn up of countries to be certified. They usually included people like Afghanistan, Syria and Iraq and then there would always be one or two Latin American countries. They'd pound the poor Paraguayans and then recertify them or the Panamanians, relatively small countries, so you could have a list. I don't want to sound too cynical about this, but to give some people credit on this, the administration and the narcotics people would try to at least argue that the countries that had the greater problems and might have been dealing with them less effectively maybe should have been decertified. As I say the problem with it is they were the only people that really took this seriously. Not even the congress really did. We had these enormous battles all the time. The ARA bureau and the Latin American area focused often on Colombia of course and on Mexico. Then there would always be some people that would get hammered like Panama or Paraguay or someplace so you would have a little bit longer a list. Peru would get looked at harshly.

In 1996, in March, is when these certification decisions are made when the executive branch sends its certification or decertification decisions up to the congress, so that's three months after the year, in this case '95, that this decision was made. There was a huge battle over Mexico and over Colombia in particular. I was traveling with Secretary Christopher who did not have a lot of sympathy for this process, as you would imagine for basically the same reasons I've just said. We were on a trip that took us to El Salvador and we met with all the Central Americans and then we went down to Chile and over to Argentina and up to Brazil and then we were going to Trinidad. We went to all these places. I don't know if we've discussed this trip or not.

*Q: I think we have, but.*

WATSON: When we were in Buenos Aires, the Secretary received a memorandum from his under secretaries for global affairs and for political affairs, which had the recommendations and decertification. The conclusion was that they would certify Mexico. There was great dissatisfaction with the Mexicans' performance, but it was determined that Mexico is too important, to be really cynical about it, to decertify them so you don't do that. In decertifying Colombia which was a decision I believe had been made the previous year, no I think it was this year, decertifying Colombia, a bad decision and we fought against, but lost in the interdepartmental agency battles. But also on this list was a decertification of Peru within a recertification in our national interests crowds. The Secretary had this. He saw this. I said to him that this procedure on Peru is really, it

didn't make any sense. I explained to him why. We had a little bit of a debate. Nancy Soderberg of the National Security Council staff took the view of supporting this memorandum and I took the other view. What had happened was that in 1995 the Peruvian government had really not taken the action it had promised to eliminate coca crops, but in fact in January of 1996 President Fujimori did take precisely the action that we wanted. So, I said to the Secretary this is actually rather simple. If you're really looking for results as opposed to theatrics, and my view is that this whole certification process is largely theatrics. If you're really looking for results, then I can tell you, if you decertify Peru and even decertify them under a waiver, Fujimori, whom I know well, will stop everything that he's doing. He will consider that a huge insult. Now, you can argue technically that he did not do this in '95, this is the report for '95 and so therefore, you would be justified in decertifying him and then maybe recertifying him. But I assure you that if you do that he's not going to continue to do what he's doing now which is what you want him to do. Or you can say, well, technically he should have done all this in '95, but he didn't do it, but he is doing it now and we want to encourage him to do this and in that case you should just certify the country. Well, that was persuasive, I think obviously it's persuasive. I mean the narcotics people back in the Department went nuts when the Secretary decided this way, but it was so immensely reasonable that as far as I was concerned it was an open and shut case unless you're just being really cynical. If you really want to get results, this is what you do. If you didn't want to get results, if you want to play grandstanding, you do the other.

*Q: What was motivating the narcotics people?*

WATSON: Well, you have to ask them. You know, it's the game. They wanted to be tough, they wanted to be harder on narcotics. I can understand that. That's their job and you get frustrated with them. In fact during '95 Fujimori didn't do what he was supposed to do and you want to be harder, but you have to go back to what I say that the whole thing is a cynical game. If you're the only one taking it seriously you look a little silly and that's what I thought they were doing. They were trying to be serious and they were taking the mandate seriously. They were trying to implement the law of the land and all that kind of stuff. That's okay. It was not likely to produce the results.

Even on Colombia the Secretary of State did not like the recommendation that came from his two under secretaries on this which was to decertify Colombia. He said to me, I can remember this very clearly, he said, "Wouldn't it make more sense to sort of tell them that we're not going to decertify them right now, but there are a series of things they ought to do and until they do those things we will treat them as though they are decertified putting pressure on them thus in the relatively short run to actually do what we want rather than cutting them off in a way which is just going to cause them to feel either that there's nothing they can do or to be defiant to us." Well, I was sort of blinking when he was talking because that was exactly the position that we had taken in the ARA bureau on Colombia and had lost on to the undersecretary. He was telling it to me with no awareness at that time that that was my position and that I had made that recommendation. He may not even have known that, but it was so logical. It was in fact

the kind of position that had been invented by the narcotics bureau of the Department to use a year or two years before on Bolivia, which I did not like at the time. I had to deliver the message to the president of Bolivia and that was a horrible moment. He was almost in tears. We were meeting in Uruguay in a hotel room. I remember that I had to carry it, I opposed it, but I had to deliver the message that I opposed. I have to admit that that strategy, that approach in the case of Bolivia, produced some of the results that we wanted so I thought why don't we use the same approach which was invented by the narcotics people. But you've got to understand that the politics of this was that the administration that uses narcotics folks wanted to be really tough and really smack down on _____ and the Colombians and if you had not done anything with the Colombians, you really would have looked like you were machinating the entire legislation and stuff like that. The Secretary's point of view was exactly what I had recommended which was sort of interesting which I think is more reasonable. In any case, he decided not to overrule his under secretaries on that point and they went ahead and they decertified Colombia. I think history will show this was not a very good decision. It was not very useful and it did not produce the kind of results that anybody wanted.

*Q: Let's turn to Haiti, which of course was a major bone in the throat of the Clinton administration one, which they inherited.*

WATSON: Haiti is a difficult one for me, yes. The Clinton people came during the campaign saying one thing and as soon as they came into office said something else as so often is the case. It's seen in the current administration in spades. For me it was a difficult issue because before I even came on board as assistant secretary the administration had already appointed Larry Pezzullo to be the special representative or I forget what his title was, senior advisor, special advisor, special representative or something like that on Haiti. Larry is a very good guy and a very smart guy, an experienced guy, has been an ambassador in several countries and retired and had gone off to run the Catholic Relief Service out of Baltimore. He did a very good job, but he came back to take this assignment. One of his conditions was that he was really going to be in charge of this issue.

When I came in Larry was already running this issue. Larry was a guy who held onto his cards really hard and so it was difficult for me even as assistant secretary to get hold of the situation because Larry thought this was his issue and outside the normal sort of bureaucratic framework. I worked with him as closely as I could. I tried to influence him as best I could. I was involved in many of the decisions that were made on Haiti, but there was never an issue on which I had the kind of authority that an assistant secretary would normally have. When you think about it for a second, not to equate these things at all, but Dick Holbrooke over in the European bureau focusing really on almost nothing than the Dayton Accords resolving many problems in the former Yugoslavia. It would be sort of like he had somebody else doing that for him which was sort of my situation with Larry.

My view on this was that Larry Pezzullo and Mike Kozak were working with him another really first rate guy, were under the clear impression that they were trying to solve the

Haiti question without using U.S. force, U.S. troops, without the use of force. The solution was to get rid of the military regime there through some sort of democratic and participatory process which would bring about a legitimate government which might or might not involve Jean-Bertrand Aristide who had been overthrown, had been elected and then overthrown by Raoul Cedras and the military and the police in Haiti. Larry and Mike and all of us worked very hard on that assumption. That involved endless negotiations with endless numbers, with many players in Haiti negotiating with the military regime, contacts with Aristide and his people and with all sorts of moderates and people and repairing good will and democratic inclinations in Haiti to produce a process which would have Cedras step down and a new government come back in and perhaps Aristide return. This included an agreement actually arrived at at Governor's Island in New York which is quite a good agreement. The problem with this was that most of the participants weren't serious. Cedras was a master at being able to convince people that yes he was prepared to step down and we had to have a way to figure out how to do this. He just couldn't abandon it and etc. Meanwhile Aristide really only wanted to be reimposed if you will and with certain reasons he was the legitimately elected president. Forget all the rest of this stuff, he should go back as president. There shouldn't be any other alternative, so he had both sides, although participating in this process really not, really sort of undermining to a certain extent. We had developed a rather interesting I thought strategy which involved inserting some American military people in there, basically Seabees to start doing a lot of reconstruction, to start building schools and things like that, but also establishing an American military presence inside Haiti and this is part of what Larry and some of the rest of us had worked out. This was to be a core of an American peace keeping group if you will, I don't want to exaggerate this presence because there was so much violence going on there on all sides inside Haiti. This was a beginning of a presence, which would establish some kind of alternatives for the Haitians.

In any case, the day when these Seabees and their construction equipment were to land in Haiti from a ship that came over from Puerto Rico, a naval vessel, some interesting things happened. First of all, the slip in the harbor into which this ship was supposed to go the day before had other ships in it. The police chief down there, I forget his name, but a bad guy who controlled the docks, said, no, it will be cleared out by the time this comes in. Well, that morning when the ship was ready to come in Vicki Huddleston who was our chargé, she was a terrific person who had just come out of Cuba, went down to the docks to visit, to be there when the ship came in. Her car was jostled, there were a lot of TV cameras around, and attacked and banged and pounded around by a bunch of thugs clearly put there by the military regime. This is all on TV and everything. All of this ended up with the U.S. navy refusing to leave the ship in the harbor. No, they turned tail in my view and left because they were afraid that something bad might happen to their ship now. I recommended against this course of action to the Secretary of State, but by the time I was recommending against this the decision was basically made. It was an image correction, we couldn't have our ship just sitting out there and not going in there, but they didn't want us, because we'd been invited in, they didn't want us, then we should go away. Behind all this the navy in my view absurdly thought that there might be some sabotage against their ship by the Haitians. Give me a break. In any case they left. I can't

quite remember the name of the ship right now, but that ship was sort of legendary. That was a defining moment in all this because it showed Cedras that he in fact could defy our process and that we would turn tail. It was really a bad decision on our part, but we did it. That stymied the central dynamics of the whole strategy that we had been working on.

Meanwhile in the United States there was increasing pressure from the black caucus in the congress and elsewhere on the administration to do something to get Aristide back in there. We should stop fooling around with these democratic procedures that are always being undermined by the military, we're never going to come to any results. They are also being undermined of course by Aristide, but that's not part of the target. What's his name, my God, really a good guy. Randall Robinson. Yes, he's the head of TransAfrica, very active in U.S. policy towards Africa and was one of the leaders of this whole thing plus a few others. Meanwhile the backdrop to all of this was of course the terrible plight of the Haitians themselves and the Haitian refugees trying to come into the United States and what do you do with them? Do you let them in? No, you don't let them in, but how come you don't let them in, but you let the Cubans in? Then the Haitians, the coast guard went out and was intercepting Haitians in their rickety boats and they ended up taking them off to Guantanamo Bay and there was this huge debate on how you treat these Haitian refugees. Sending them back to Haiti would be a bad thing to do because they might get damaged or hurt by the thugs of the regime. On the other hand, they couldn't come in here so where do you go? You send them to Guantanamo and then you've got the Cubans. In the middle of all this we had the Cuban mass march of I guess it was '94 when we were changing our policy on Cuba. This is a great confused atmosphere and a great concern over the welfare of Haitians which were the backdrop of all this.

Eventually, what happened was this coalition of tendencies resulted in the administration basically firing Larry Pezzullo and ending up sending him in a military force to return Aristide back into power. In the middle of all this former President Carter with Colin Powell and Sam Nunn said, before you send any troops into Haiti, let us go down there and we're going to solve this thing for you. Well, President Clinton was I think, really annoyed by this. He also felt I just can't turn these guys down because they're offering a peaceful solution to this so it's probably not going to work and everything sort of mobilized moving forward to lead some troops in, and they went down there. They started negotiating with everybody including Emile Jonassaint and General Cedras. Well, this is a story that remains to be written and I don't know if anyone has written about it thoroughly yet, maybe they have and I haven't seen it. A very interesting chapter. Just let me give you a little bit of a view at it from the position of the assistant secretary.

These guys went down there and they talked to Jonassaint and Cedras said he'd be willing to have some American military come in and talk. As far as I was concerned General Cedras was doing with President Carter, exactly what he'd done with every other adversary, bob, weave, duck, sort of the Ali rope a dope, say whatever you have to say, get through it all and then just push it off until tomorrow. The Carter, Powell and Nunn team I don't think perceived this. I think they thought they were actually making some progress here in a way that would really change things around and some military would

come in because they had to have law and order, but it was too small a number of people. Meanwhile, Clinton had gotten a military group at Fort Bragg ready to go.

*Q: You're talking about the airborne?*

WATSON: The airborne. They were coming and in fact he ordered the planes to go into the air. At this time Cedras starts to negotiate a deal. The deal wasn't really formally negotiated with Cedras. The Carter people went over and negotiated with the puppet president that they had there about giving over power. Meanwhile, negotiations with Cedras were going on all to do with money and property and stuff that he had and where he would go and all this kind of stuff.

*Q: Who was doing that?*

WATSON: It's hard for me to recall right now, but in the middle of all this, we had to have a place for Cedras to go. I happened to be with Vice President Al Gore at the time in Nicaragua where we were helping to inaugurate the Central America Alliance for Sustainable Development in which then the U.S. contributed funds to and that was announced later on at the summit of the Americas in December of '94. In any case, while there we talked with several people who had said that they would take Cedras and then backed down at the last minute. At that meeting, the president of Panama said that Panama would take Cedras and some of these other guys. That was a big break.

*Q: What was in it for them?*

WATSON: To be ingratiating, to be cooperative with the United States in something really serious in the hemisphere I think. The Panamanians considered themselves especially close to us and the president of Panama said he would do it. In fact he left his gathering early, left the dinner early in the evening to go back to Panama to get there so he could announce formally that they were going to do this and clear the ground for this. So, that was one piece of it. The other piece of it was Cedras's money and land and what's going to happen to that before he would leave and eventually he left that night. Now the next day in came the U.S. troops. I can remember one of the aides to President Carter, that this group, the Carter group was saying that they had made all this happen. Wrong. They had not made it happen. What made it happen was putting those troops in the air? That's what made it happen. I know they didn't make it happen because when the troops started to land en masse the next day, Carter had left, but one of his aides, Bob Pastor was still there. He called me up and said, "What the hell's going on here? We're supposed to have two or three guys coming here, not all these people." He was furious and they didn't understand what was really going on in other words. They thought that their agreement was what was being implemented and he didn't understand that. It was very useful that they were there because it was somebody to whom Cedras and his puppet president sort of yielded to, it wasn't exactly the U.S. administration by any means. It was very useful that they were there, but to think that their presence there was instrumental in these sets of decisions that I've just said is not correct. Some day this will all be written

about I hope.

*Q: Where was the decision made to say, okay, enough of this crap, let's put the 82nd airborne in the air?*

WATSON: In the White House, the President made that decision. The President and Tony Lake and those folks.

*Q: What was your estimate of doing that? I mean, you know from ARA's point of view. Well, I'm talking about putting troops in there.*

WATSON: I think our view was that we were operating on assumptions that I thought Larry Pezzullo was working on. We weren't going to do that and that there was a sudden shift in the White House at some point and with the politically based decision. They were taking so much flack from the people that were strong supporters of returning Aristide immediately come hell or high water that they stopped looking for this sort of negotiating solution, even a temporary solution and actually threw the administration's weight behind Aristide, whereas before they hadn't really. They'd been looking for this negotiated brokered solution which wouldn't involve violence. If it involved getting Aristide back, that was great, but that wasn't absolutely essential. Then they made that decision, I think, because of basically political reasons here in Washington. Once you've done that then, once it was clear that the end result of this process was going to be that Aristide would return as president, then I think you had a situation in which it was going to be extremely difficult to get any kind of brokered negotiating solution. That was still vague. It was a distinct possibility, but not necessarily an eventuality. You had room for negotiation. Maybe it was right you know that the negotiating approach, the Governor's Island Agreement, that stuff was never going to work out and therefore we had to take an alternative course. We also had to make a decision that this kind of temporizing was unacceptable the way it was. I mean you can argue, but it was going okay. Some things were getting better there and things were moving forward and keep working on it and you had the refugee problem under control and you didn't have violence. You didn't have a whole bunch of troops committed and you kept putting pressure on Cedras and eventually he might leave, but even if it didn't happen for another few months, maybe it was okay. That turned out not to be an acceptable alternative to the administration and they moved dramatically. Tony Lake went over. I mean I had been meeting with Aristide and other people and Tony Lake was the national security advisor and he went over and they started to take over the process from there and run it out of there. Larry Pezzullo started to become marginalized. My own view is that the administration could not handle this all very well, so overnight they shifted ground and told Larry that they were following another set of guidelines and that he was summarily dismissed.

Once you decided that Aristide was going to go back, then I think it was probably inevitable, you were going to have to have an application of force by the United States. In fact that application of force worked pretty well. Virtually no loss of life and for good or ill, put Aristide back in power. The president went down there and Christopher went

down there and we were there for the reinauguration of the president. President Clinton went down there.

*Q: What was your reading as you were doing this? You talked about Aristide.*

WATSON: Well, there are a lot of other chapters to this story. I was more favorably disposed to Aristide than some people were. My own view was that the right thing was for Aristide to return as president and that he is not the horrible villain, the psychotic pill popping villain that a lot of people thought. Now, the Bush administration people have taken a very negative view of Aristide. The Jesse Helms folks and the right wing of the Republican Party have taken a very negative view of Aristide. I probably should have said that earlier because that's one of the reasons why some kind of brokered and negotiated solution, nobody wanted Cedras to stay as head of the Haitian government, but there was huge suspicion of Aristide. It wasn't like you're talking some Nelson Mandela figure and the bureaucratic infighting over Aristide was unbelievable. I remember being completely sandbagged. Helms had a hearing and they had a large number of very conservative senators there and not many people of other persuasions. The question was to talk about what we were trying to do. At this point we already shifted ground and were talking about finding a way for Aristide to return. Then they brought the national intelligence officer for Latin America in the CIA to talk. He went through on Director Woolsey's instruction, chapter and verse of all the negative things about Aristide. He was found in a medicine closet. This was all out in the press, but all this stuff about how horrible Aristide was and I was left hanging out to dry because no one had tipped me off as to what they were going to do. It was a situation where Mr. Watson, how on earth can you think that the U.S. government could ever be supportive of this horrible monster, etc.? Yet that was the policy of the administration and the CIA was undermining it with what they were saying.

Tom Harkins came in late. Tom Harkins, a senator from Iowa, a democratic senator from Iowa, had a lot of interest in Haiti and a lot of contact with Haiti. He came in late and he started to turn this around. He came in the meeting and really started to argue ferociously the other side of the issue. I came out of there reasonably unscathed. The CIA man had apologized to me and complimented me on how well I handled this impossible situation that I found myself in, but it was very unpleasant. This thing was so ideological, so ferocious, so partisan, so not just between the republicans and democrats, but partisan of one side or the other on this issue.

*Q: Why was the CIA coming on? I mean you can always come out and talk about how awful a person is.*

WATSON: My guess is that it is partly because the CIA developed this information back in the first Bush administration and that's what they were operating on. It turns out as far as I can understand that a lot of this intelligence wasn't accurate. As so often happens in the government, you get some intelligence on something which is not carefully analyzed and it's the first thing. The people, if it fits somebody's argument, you've seen this on Iraq.

*Q: Oh, yes.*

WATSON: In this administration, fits somebody's argument, they already start broadcasting it in order to support their case. You see this all the time on narcotics issues. Oh my God. Every time you find anything a report would come in that looked like the administration in Colombia was doing something evil on narcotics without any further analysis. It was believed immediately 100% and ways to find to leak it to the public in the press. All of a sudden you've got a new fact which may not be the truth.

*Q: Which reflects partly on the problem of Foreign Service reporting. If you report for example corruption, one of the prime examples, every country's got corruption including yours truly, that can all of a sudden end up being spread around where they don't see the big picture. They focus on the negative.*

WATSON: Well, yes. What it really means it's not so much the reporting, it's the use of the reporting in Washington. I'm not trying to say in this case that the intelligence agencies overseas deliberately produced or make judgments on what kind of reporting it will send in and what kind it won't. In my view, and there are exceptions to this, basically there is a strategy of sources and information you want to get and kinds of stuff you want to know about. You set up a system to try to produce that and that information comes in and it is written up in the best fashion that the people in the station can do by the reports officer and sent back. In every case it's always qualified by how reliable it might be. Even the stuff that is determined to be highly reliable may not be highly reliable and it's certainly only partially and it's certainly represents in most cases somebody's point of view. The person that's telling you, even if it's a higher agent, telling you, it's probably got some reason to tell you that besides just remunerative. What always bothered me is that people would seize on basically raw intelligence and use it for their own purposes in the bureaucracy immediately to buttress their case without good, objective, careful, thoughtful analysis. I'm saying this is instantaneous. It's in there in the morning and by noon it's already taken as the truth and the gospel and already being put into position papers all over the government and eventually leaked out to the press in some fashion.

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*Q: Today is the 30th of April, 2003. Alex, let's talk about Cuba during the time you were assistant secretary. When you came on where did Cuba rank in your priorities?*

WATSON: I had a fairly clear set of ideas on Cuba derived from long years of thinking about it and also the more immediate experience of dealing with the Cuban followers at the United Nations Mission of the United States. Cuba was actually on the security council when we were there so we were dealing with them on all sorts of issues from Iraq to their accusations against us in the security council about the shooting at and chasing and disabling a Panamanian boat that was crewed by Cubans and the U.S. authorities thought was running drugs. I think I mentioned that before. I also came to the job with the

idea that the Cuba issue in the United States is not a foreign policy issue. It is a domestic political issue. I had seen some American career diplomats who were in charge of the office of Cuban affairs and trying to deal with Cuba one way or another get their fingers badly burned because of the intense feelings on the part of certain Americans chiefly elements of the Cuban American community in southern Florida. There are also people in New Jersey and elsewhere and people who were not of Cuban extraction, but who felt extremely strongly about the Cuban issue. In the final analysis what almost always prevailed was the electoral politics in Florida as opposed to any coherent foreign policy set of criteria. So, when I came in I had in the back of my mind and I expressed it a couple of times when it was in the front of my mind, too sometimes, that we would deal very carefully with Cuba. We would not push too many dramatic ideas too publicly without being absolutely certain in advance that we would have the White House and the political people behind us. I had seen in the past people just whispering ideas in the State Department because of the access to the U.S. government by some of the groups that I had mentioned. All of a sudden these ideas would be publicized, the people who mentioned them would be associated with them and they would end up being hammered one way or another. So, my attitude was to be very careful and very discreet and not to get too far out in front of this. Now, having said all that, we were living with what was called the Cuban Democracy Act, which was a major piece of legislation defining the U.S. relationship with Cuba in a somewhat more restrictive way than had been defined previously in legislation. It was a piece of legislation which the campaigning Governor Clinton had supported even before the sitting president and campaigning president George Bush supported it. Even though I may have had some doubts about that piece of legislation, we had our president and my boss on record as supporting it. This piece of legislation basically authorized the United States government and Americans in general to try to establish greater contact with Cubans in Cuba within certain strict limitations. The idea was that greater contact would help to open up the society a little bit to other ideas and things while at the same time the legislation called for the embargo to remain and put a whole series of restrictions on what the government view was vis-à-vis Cuba.

The biggest issue for me was to avoid a situation where some sort of changes in Cuba, perhaps very dramatic and rapid changes in Cuba, would bring about conflict within Cuba between the partisans of the Castro regime and opponents. This might end up on the one hand sucking Americans into it, either volunteers would come charging out of Miami and elsewhere and join the fray and help to feed the monster or the remnants of the situation there or produce a huge migration again of Cubans which we all remember was so problematic when we had the Mariel migrations during President Carter's period. I felt we needed to be thinking very hard about how to manage all these things. I started a little group of people that had representatives from a variety of agencies there and tried to meet periodically and rather quietly with no publicity whatsoever about how to think our way through this and how to prepare. On the one hand clear cut things like how to have the best coast guard resources and others to deal with migrations, to retard the exodus of boats that might leave Miami and head for Cuba to become involved in such a situation. Manage the large numbers of Cubans that might arrive in the U.S. and all that sort of stuff. We were working away in that regard.

At the same time I wanted to implement the Cuban Democracy Act. My bias has always been frankly that the overall policy of the United States toward Cuba was foolish, counterproductive and not likely to produce any positive result and likely in fact to contribute to the kind of scenario that I was hoping to avoid. However, it's the law of the land. The president was on board.

*Q: That basically when you're talking about it would be better to have the relations that are closer to resembling the kind that we had with the Soviet Union, more open and all than the very restrictive one?*

WATSON: Oh, yes. It has always seemed to me ever since I first saw Fidel Castro at Harvard in 1959 when he came there, and as we've seen elsewhere in the world, and that I always felt in dealing with the Soviet Union during the Cold War, is that virtually all of the historical forces that we talked about, Marxist terms, are on the side of the United States. I used to always think that the Soviet Union, as long as we can avoid a war, there was no question who was going to win. We had created, with our friends and allies after World War II, the UN and institutions like the World Bank and the regional banks. All these were based on the values in the United States and our western democratic allies. Resources for development were being channeled by these institutions, the assistance provided by the IMF with countries in difficulty, all of these things worked in our favor. The expansion of international commence worked in our favor. The need for greater and greater flexibility to deal with circumstances that were changing more rapidly with the communications revolution all worked in our favor. We just had to avoid doing something really stupid or falling into some kind of a trap or just avoid something that is not our fault anyway in terms of the Soviet Union that eventually that experiment would fail. We had to be patient and resolute not precipitous and that proved to be right. I don't think that was a brilliant insight, but it was certainly what I thought and I felt the same thing about Cuba.

The policy toward Cuba for the last 40 years I would characterize is basically a policy of revenge, that is to be revengeful towards this guy, Castro and his gang who took over this country and caused people so much suffering, etc. I don't have very many good words to say about Castro, but that's not the point. The only point here is what are U.S. interests here. U.S. interests are to avoid having Cuba which with the fall of the Soviet Union became a complete irrelevance in the serious foreign policy objectives of the United States except insofar as we made it a problem for ourselves with the Europeans and the Latinos and everyone else which we were continually doing with our own policy. There's no way that this little island country would be able to resist the enormous impact and corrosive impact of the perspective of the regime of greater and freer contact with the West including the United States – even in terms of investment there. There would be overwhelming pressures put on the regime if we could open up our relationship with them and put them in the position where it had to deal with it. Now, Castro is very clever. It's an island country and easier to control than perhaps a country of land as opposed to water frontiers. I'm not saying anything could happen overnight, but I always thought opening

up and the Cuban people are amazing and talented and resourceful and creative people, too. If you go there you find that even the people who are there now, even ones that have been born since the revolution, have a broader perspective of life than simply this. They're getting some information from the outside. They're not like the folks in North Korea or something like that. I think they would be prepared to respond to the extent that they could to the new stimuli. You've seen the dramatic misbehavior to put it lightly of the Cuban regime to put it now of the murder of these three young guys who hijacked a ferry boat for a little while and throwing them into jail for a couple of decades a great number of the 25 or so major dissidents in the country. So-called dissidents, people who just speak their mind. They don't have any guns, they don't have any troops, but obviously the regime feels that they are a threat. To the extent that you had a society which was forced to deal with the outside world on terms other than its own more often which is what you would get by opening up our relationship with it, I think you'd find the regime either having to change which it might very well because Castro is if nothing else a survivor. He might have to shift the style of the regime to keep himself in power or if it did not become flexible, it would be so brittle it would crack. In any case, that's where I was coming from in this.

In order to proceed with the two track approach, which is what we called it outlined in the Cuban Democracy Act, we had to make absolutely certain that we had good and quite transparent relationships with the people who in fact could cause us most difficulty as we pursued the track which dealt with greater contact with the Cubans. By that group I mean the people who are represented by the Cuban National Foundation, that otherwise congress and others of a very conservative bent and so we reached out to them. I think that I was the first assistant secretary ever to talk at an annual meeting of the Cuban National Foundation, which I did shortly after I came into office. I was essentially trying to make very clear that to the extent that I was doing this stuff, obviously depending on what the President and Secretary of State would say that we would be upholding the Cuban Democracy Act. I was trying to make sure that, because they helped, the Cuban American National Foundation and Jorge Mas Canosa were instrumental in drafting that act. That all pieces of that act were of equal validity. Therefore when we go ahead and do this stuff on the opening up and reaching out to the Cuban side, we didn't want to be hammered by that. This was the law of the land and they supported that. That was the tactic that I was using as well as saying what I had to say about upholding the embargo and the other stuff. We managed to do this reasonably well. We managed to get much more reaching out to Cubans than I think ever happened before. There was an internal inconsistency in this which eventually would catch up with the policy. That was inevitable from the outset but we had to keep working on it anyhow. On the one hand, you're saying to the Cubans, well, we're reaching out to you and trying to have greater contact with your society, etc. treating you like normal people and all this kind of stuff. On the other hand, you're saying to the other people, well, this reaching out to the Cuban people is a way of undermining the regime. You can say both of these things in different rooms for a while, but sooner or later they conflict and you have a problem. I don't think you had to say them very often for Mr. Castro and his foreign minister and others to figure this out. We managed to move forward on this.

*Q: Did you get any feeling from President Clinton that the Cuban Americans were going, I mean they basically were republican supporters?*

WATSON: Basically.

*Q: So, you know, to a certain extent a democratic administration feels little fear to play around.*

WATSON: A couple of other things. Hillary Clinton's brother is married to a Cuban American who had very strong conservative views and she did not hesitate to call the White House whenever she wanted. Secondly, the democrats always thought they could take Florida and Clinton did in his second election. Friends of mine that were in the Democratic Party down there, just by pure coincidence, I had lunch with right after Clinton defeated Dole. Dole's people told me that their analysis suggested that the Cuban Americans had nothing to do with that. There were people up here saying, see, Clinton's policy won over enough Cubans to be able to win. What they told me was Bob Dole was perceived as negative on social security and negative on foreigners and that's why. They were counting precincts. They were looking at real places where real people were really voting and that was their conclusion. That may not have been the final conclusion. This was like two or three days after the election. This is what they thought, that the Cuban factor was not anywhere near as important as people were making it out to be. In any case, be that as it may, it was always an important political consideration because the administration thought it might be able to take Florida.

We had this huge problem generated by the sinking of what was called the 31st of March by the Cubans in July of '94 I think. Then the demonstrations by people against the behavior of the regime, in Florida, and then the decision by Castro to let people leave and force them to leave and help them, creating a real crisis for the United States. We had to negotiate an arrangements with the Cubans which brought this to an end and the basic negotiator if I remember correctly was Mike Skol.

The essence of the was that we would increase the number of immigrant visas we would give to Cubans every year to something like 20,000 and have a regular basis for allowing Cuban migration. At the same time we would for the first time not allow Cubans to just come into the U.S. from the high seas. In other words, we would try to intercept them and not just let them come in here. So people were taken and put in Guantanamo of all places which seems to be the depository of anything we don't particularly want at any given time as the Taliban inhabitants of that place suggest now. Our plan with Cubans was highly controversial. Some members of the Cuban-American community were furious. The basic question was, we did come effectively to grips with one of the chief issues that I mentioned earlier which was the danger of mass uncontrolled migrations to the U.S. We managed to do this without any vigilantes running around. You have these crazy right wing groups in Florida that run out practicing killing people in the Everglades and stuff like that, not killing them, but practicing killing them. These alpha groups and all these

guys. None of that happened. So, we managed to get through this and Governor Lawton Chiles. I might have thought that the president and the governor gave up too easily on some of these things, but that's what they did.

Also, we had to have another agreement with the Cubans by which we would actually return the Cubans to Cuba. We couldn't have this policy of just taking people and dumping them in Guantanamo all the time. When I say Cuba I mean Cuba except Guantanamo, you know it happens to be in Cuba, and returning them and setting up a monitoring system to keep track of these people to hopefully protect them from being persecuted for having tried to leave, etc. I can tell you a little bit about that in a moment because it was fairly interesting in terms of bureaucratic politics. Shortly after I came onboard Castro decided that he would no longer limit flights from the U.S. into Cuba. Now, this could mean a lot more Cubans to go from the U.S. to visit their relatives. That was a good thing. The members of congress who were the ferocious hardliners on Cuba, there were four. Torricelli, a congressman from New Jersey, Bob Torricelli; Bob Menendez, also a congressman from New Jersey; Lincoln Diaz-Balart and Ileana Ros-Lehtinen both from Miami were jerks. They thought this was a trick. They didn't want any loosening up, etc. So, they called me up on the Hill. I was brand new on this. I went there and I'm sitting there. Rick ____ was there and he had helped write this, did a lot of the drafting of the Cuban Democracy Act. He was on Torricelli's staff and he eventually became my special assistant for a lot of this stuff, but at this point he was still on Torricelli's staff. We sat down there and he started updating me about how the U.S. had to do something to stop these flights and this, that and the other. I actually thought it was a good idea to have more flights for the very reasons I said earlier.

It took me a while to be smart enough to figure this out. I realized these guys found themselves in a difficult position, these congressmen because, like so much else dealing with Cuba, like so much dealing with the Cuban American community in Miami, there is enormous ambivalence which almost never comes through clearly. Many Cubans who theoretically and ideologically would say, no, God dammit we shouldn't have all these flights to Cuba, reward this horrible monstrous dictator and we shouldn't be having all these remittances are the very same people who are sending tons of money in there at the same time that they are denouncing other people for allowing it to happen.

*Q: And their families were visiting.*

WATSON: Yes, and they were going to visit. Torricelli and the others did not dare come out publicly and say that the U.S. government should stop the flights because it would run smack into this kind of ambivalence down there. It took me half an hour to figure out what they wanted was me to get the U.S. government to do that without their having to do anything. Then they could sort of maybe praise the policy. As soon as I figured that out the meeting became a lot easier. I wasn't going to do that and I could bob, duck and weave and play rope-a-dope like Muhammad Ali as well as anyone else and get through the meeting and all be friends and shake hands.

The second agreement had to do with sending people back into Cuba, rather than off to Guantanamo. It was interesting because it was being handled in the U.S. government by just a very small number of people. There were only a couple of people in the whole State Department that knew about this. I was not doing it, I knew about it. I was forbidden to tell anyone else and I had a feeling that I was going to have some problems on this score with some of my folks who had been working so hard on the Cuban issue. I have to say that I tried to deal with this by talking to guys who worked with me in the bureau on this issue and in hypothetical terms. I'd say let's do some thinking and some speculation of what about things that could conceivably happen at some point and how would we react to it. I was hoping that without violating the trust other people put in me not to say anything at that time that people would get the idea that something might be up, but they didn't. When the deal was made public, Dennis Hays, who was the director of Cuban affairs, came into my office and told me he had to quit the job because he was in a position that misled the Miami Cubans and others about the agreement. I had been forbidden to tell him what we were doing. It was being run by Peter Tarnoff who was the under secretary for political affairs and Richard Feinberg was over in the National Security Council staff and a couple of other people. The meetings I was in there were just the three of us. Tarnoff was handing the negotiations with the Cubans themselves and it was a secret negotiation obviously to work this out.

I thought the way we were going was the right way to go. This whole arrangement of allowing 20,000 Cubans a year to come in legally with visas has an awful lot to say for it. It reduces the number of people who risk their lives by jumping into tiny boats and going out there and could get eaten by sharks.

*Q: It is a little bit like the orderly departure program in Vietnam.*

WATSON: Yes. There were more people coming out of Cuba than had ever come out of Cuba, by far, by far even with all the illegal movement out, by far. It made a lot more sense. We don't have to go into this in great detail, but that was a difficult moment. Dennis was extremely upset. I told him I understood where he was coming from. We didn't necessarily agree on this, but I respected what he was saying, but if he felt that he could no longer continue in a position, okay. We would try to find something else for him to do. I immediately called Secretary Christopher and quickly called Dennis and this is the way it was handled. Dennis being the ambassador to Suriname. I think we handled it pretty well, but it was a difficult issue. I have to admit that I had not realized, obtuseness on my part, perhaps how much Dennis and some of the others had actually become identified in their own minds with the position of the more conservative elements in Miami and elsewhere on this issue. When he stepped down I was a little bit surprised. Maybe I should have known. Another thing that we had to do with the summit of the Americas in December of '94 in Miami, one element of the summit was to try to avoid having it disrupted by people who would take advantage of it to pursue the most aggressive anti-Castro proembargo and bring the son of a bitch down. So, Dennis and others were down there a lot and participated in marches and participated in the events at the Orange Bowl. We worked like hell to try to keep our credentials in good shape with

these people so that they would give us a break on the summit and that worked out. Dennis and Rick and the others did a terrific job. We all were speaking quite frequently. I went down several times to Miami with these various different groups in the Miami community. They ranged from other people who had still not learned any English that came out and all they want to do is go back and all they want to do is hear all the worst possible things anyone could possibly say about Fidel Castro. These are the people that are really driven by revenge which is never a very useful foreign policy instrument although you see it from time to time even today. Then you deal with younger people or people who are much more fully integrated into this country with much more sophisticated approaches to the situation. They may, on the fundamental issues, feel the same as the older people do, but have a much more sophisticated set of options in their minds as to how you might go about dealing with the situation.

Another thing I don't think I have mentioned was the selection of the secretary general of the OAS. The Clinton administration had manifested a lot of interest in Latin America. It was built on what the Bush administration and Jim Baker and Bernie Aronson had done before. I was very frustrated that in my time we never got President Clinton to go to Latin America and we hadn't gotten Secretary Christopher to go, but everybody else had gone. The vice president had gone several times and we had plenty of cabinet secretaries going and we had a lot of engagement with the area. We generally had a constructive and active relationship with the countries of the hemisphere and of course the summit of the Americas was a device for making a lot of that stuff happen and for keeping a rather high level of engagement.

In any case we had a trip planned for Secretary Christopher on again and off again many times in '94, '95 and for one reason or another it would get canceled. We went in February of '96 and wouldn't you know it, I think it was the day we left, is when the Cubans shot down those planes of the group called Brothers to the Rescue. A huge issue. So, the first stop of our trip was in El Salvador. The Secretary was having a meeting with the heads of state of the Central American countries, talking with them about things that were on our agenda. We did all that, but overriding everything was the need to get some comments, statements, reactions to what had happened in Cuba. We had worked like hell to keep this from happening, by the way, with the FAA and others. We were aware that the Cubans were getting more and more ticked off and more and more frustrated about planes flying in and sending leaflets and dropping leaflets and that kind of stuff. This was really dangerous stuff that was going on. The manifestation of a certain frustration of the part of the Miami Cubans and others, the Brothers to the Rescue, their whole thing was to find people who were out there in the small boats trying to come in. Well, those diminished dramatically once we did this agreement. They didn't have any watery death threat anymore, so they started doing this stuff. They had a lot of popular support no matter what you think of them. Here we had the Central Americans meeting with the Secretary of State to talk about their agenda with the U.S. and it got overshadowed by this event. We had to really hustle, but we got tremendous help from the president of El Salvador, Armando Calderon Sol, in this regard. We got all the Central Americans to say the right thing, how bad this was, etc., what the Cubans had done. That was a rather

dramatic situation.

The next thing that happened was that the Helms-Burton Act was being worked on for a long time. In the State Department the Secretary of State had written a letter to the congress saying that he would recommend to the president a veto of that legislation that stood. Okay. So, we're on record, we weren't speaking for the president yet, just the Secretary. The administration had said previously that they of course were prepared to discuss all this with members of congress. Then this happened.

*Q: The shoot down.*

WATSON: The shoot down happened. I think the very same day there was a meeting in the situation room to discuss this, but the Secretary wasn't there because we were in Latin America. My understanding from people who were in the meeting was that at the urging of National Security Advisor Lake and George Stephanopoulos the recommendation was made to the president that we should accept the Helms-Burton Act, not only to accept it, but also _____ threw into it at the last minute language that was not part of the Helms-Burton legislation which codified the embargo. The embargo up until that point had been at the discretion of the president under various very generic pieces of legislation, export control act etc. This would codify it. It meant that no president could change the embargo without going to the congress. Now you would have thought that at least these guys would have said we are prepared to discuss Helms-Burton, and we are prepared to accept Helms-Burton even though the State Department doesn't like it. But we sure as hell are not going to have you taking away the president's authority to manage foreign policy by doing that. In that way you give them something but not everything. They rolled completely. Caved completely on that. A disgraceful performance. I wasn't there, so I can't tell you what happened.

*Q: In the first place, I think you better explain what Helms-Burton was.*

WATSON: Well, it's a very complicated piece of legislation. It was the next step by the people who have very conservative positions on Cuba to tighten the U.S. pressure on the Cuban regime even further. It contained a whole bunch of pieces including pieces dealing with what would happen in the event things start to change in Cuba and prohibiting the U.S. from dealing with any government in which either Fidel Castro or Raul Castro or some others who were even involved. Another piece would make property claims by people who were Cubans who subsequently become Americans be something that the United States had to take up on their behalf. I can't remember anymore if you had to become a citizen or not to take up these Cuban claims as well as the claims of the American citizens and American companies at the time when the revolution expropriated their property without appropriate compensation. There was a whole group of those people. That had been all codified back in the Kennedy years. There was a group, there were 92, and I forget all the numbers now of how much it was worth. That group had existed and had been in touch with the State Department over the years. I used to meet with these guys from time to time. This would be expanding this thing dramatically. Of

course it enormously complicated any relationship the U.S. government would have with any post-Castro regime.

It also contained the other provision that has been suspended every year by both Clinton and Bush, the two presidents who had to live with this thing. It would cause us to take action against foreign firms that in the language of the legislation traffic installing expropriated property. Any foreign company or Spanish firm that ends up building a hotel on a piece of land that is owned by someone who had a claim would be punished by the U.S. Their executives cannot come into the United States. That latter part was used against some Canadians and some Mexicans, the Mexicans in the phone company and the Canadians in a nickel company. But the actual taking it to court, the U.S. government taking it to court, to get money out of them had always been suspended on national security grounds. That's what it was about. A completely unhelpful piece of legislation. You really want to have some ability to deal constructively with Cuba particularly in rapidly changing circumstances.

Had the shooting down of the Brothers to the Rescue's planes not taken place, my guess is there would have been some kind of a negotiation. There are people on the Hill, who were on the Hill at that time, who worked with Helms and with Congressman Dan Burton. Senator Jesse Helms is from North Carolina and Congressman Dan Burton from Indiana. There are people there that said they could not believe that the administration accepted the whole thing. They said we had so much stuff in there that we didn't really want, we just had it in there so we could trade it away to get what we really want. They were socked by how quickly the Clinton administration collapsed on this. Things in there we don't even really like, we don't even want them in there, but we thought we could put them in there and you guys would complain and we'd cut some kind of a deal. I think that's what would have happened. We would have recommended a veto as it was and they would have removed some of the more offending things and we finally would have gotten something and some of it would have been passed and it wouldn't have been very good, but it wouldn't have been completely bad. That was a fairly dramatic event at the very end of my tenure there. Neither I nor Secretary Christopher were directly involved in because we were wandering around Latin America.

*Q: You mentioned Hillary Clinton's trip to Latin America.*

WATSON: We were in the late afternoon in Trinidad Tobago and one of the secretaries, a guy, came down and got me out of my room and said you've got to get down here right away. The Secretary is not at all happy with his remarks. You've got to fix them up right now and he wants to talk to you one-on-one right this minute. I go running down the hall and everybody on the whole team was in the room and they're all there so they can say goodbye to me because they knew I was retiring very soon. It was very nice. The Secretary couldn't have been nicer and more gracious. He did also point out that under my stewardship the bureau of InterAmerican affairs had the reputation of being the best managed bureau in the State Department, which I'd heard before. Makes me wonder how badly managed the rest of them were, but we did try hard.

*Q: Also, putting into perspective for decades it had the reputation of being the worst run bureau.*

WATSON: Yes, a lot of people, not me, a lot of people deserved a lot of credit for tightening it up. I wanted to say a little bit about the first lady's trip because I thought it was significant. Hillary Clinton wanted to go to Latin America so I put together for her an itinerary which took her to Nicaragua where we had the only female head of state, Mrs. Chamorro, somebody that the Clinton administration worked with whom I may have described earlier. We did a lot of work to support her against her foes in Nicaragua and in the U.S. congress and elsewhere, support her as the legitimate president of the country. Hillary Clinton went there and met with her and saw some micro credit lending operations to females and things like that, the women down there, visited some hospitals, did the stuff first ladies do. We went on to Chile, which was quite advanced, in social terms, education terms. Hillary Clinton gave a terrific speech there I remember. Then we went to Brazil and we went into Brasilia of course and then I had to take her to my own stomping grounds of Bahia, Salvador de Bahia where she could get an idea of how the northeast of Brazil lived in a more impoverished area, but also see the old colonial capital of the country. We went down to the central square, _____ means the pillory, the slaves used to be in a pillory, but now are gorgeous 17th Century Portuguese architecture, bright colors, the cobblestone streets and everything was really a great example of the colonial one of the best in the hemisphere, colonial architecture in Brazil. They had all the musicians, the famous drumming band that made records with Paul Simon and others came out there. We had a huge carnival party and all the press people dancing around. It was quite a good time.

Then we all went on to Paraguay where they were having a meeting. I think it was the first meeting of the first ladies of the Western Hemisphere. Once again, she gave a terrific speech and visited Peace Corps volunteers in Paraguay. She was a figure in her own right and she was very good at this. One thing that I remember is that people say that somebody ghost wrote for her that little book <u>It Takes a Villag</u>e, I can tell you when we were on that plane, she was in her room and then she'd come popping out. She was handwriting on a yellow legal pad this book. Who knows? Maybe people helped her edit it, but she was writing this thing. She was also extremely friendly and gracious on this trip. She spent a lot of time with all of us just like one of the gang and went back and talked to the press people. It was altogether very pleasant and enjoyable and I thought useful in the sort of the highest level political sense which is manifesting interest in a serious way on the real issues that the U.S. cares about in Latin America and seeing some of the major figures of the time. I just wanted to mention that. When she came back she made a report on her trip to the OAS. I think she did a really fantastic job there.

I wanted to mention two other things real quickly. I don't think I touched upon the whole question of selecting a new secretary general of the Organization of American States, which happened very early on in my tenure. I'm not going to go into this in enormous detail, but there was one candidate who was the foreign minister of Costa Rica that was

by far the leading candidate and he had been working for years to line this up. We took a look at this and we said, this guy is not the guy. If you want to try to take the OAS seriously and have it do the things that it should be doing, this is not the guy, so what do we do? Usually the United States historically has waited until all the Latinos decide and then we support them, but I had not played an active role. This time we decided to play an active role. First of all on whose behalf and how we go about doing this. Well, we sort of let it be known that this fellow is not exactly what we needed although he probably had lined up enough votes already. There was a certain sentiment in favor of the Central Americans because South Americans had been OAS secretary general and no Central American and no Caribbean as representative. At this point the Colombians came to us and they said you know, Cesar Gaviria who was just ending his presidency there would be interested in this, but only if you guys guarantee that you'll support him. We're already thinking of Gaviria. He was the logical person coming out of a presidency and he'd done a pretty good job in Colombia we thought and he was more of the kind of person that we'd like to see. I decided that's what we should do and Secretary Christopher agreed with my recommendation and that's what we did. We had to be careful because we couldn't go out and be the leader of the campaign because that could backtrack. We had to be prepared to say yes, we are prepared to support him even though we were not going to actively go out and lobby. We wouldn't need to go out any more actively than we did because his foreign minister did an extraordinary job. She was a very charming, intelligent woman who was a candidate for the president. She went out there and she lined up supporters and she even broke away some of the Caribbeans from the Costa Rican candidate. The banana issue was amusing because the banana was the crucial issue. The Costa Ricans are treated differently and the Central Americans are treated differently by the Europeans than are the island countries and all this kind of stuff. Without going into too many details she really ran a magnificent campaign on behalf of Gaviria and we were always going to say yes we prefer Gaviria. We did some work behind the scenes, but not too obviously.

It came to the vote and here we are in the OAS hall here. This was in early '94 I think; I can't remember exactly what year, but sometime in '94. If I recall correctly the Secretary of State was there casting our vote. Now there are 34 members of the OAS. You need 18 votes. Each delegate puts a ballot into an urn box and they are pulled out. You don't know who put them in; they are pulled out in any old order. After 30 votes had been pulled out it was 15 to 15. You can imagine that I was sweating in the row behind the Secretary as this was going on. The last four votes all went to Gaviria and he won 19 to 16 and he became the secretary general and did I think a pretty good job. Some people were disappointed, but certainly it strengthened the organization as a supporter of democracy. He is a supporter, he dramatically strengthened his capacity to intervene in domestic political crises, to do election monitoring, and do all that kind of stuff. He deserves a lot of credit for that. So, I think that was one of the fairly important things that we did and it sort of slipped my mind as I was running through the.

*Q: I can't remember did we mention on Cuba before Canada. Canada is now part of the.*

WATSON: No, it only came into the bureau after I left.

*Q: Oh, okay.*

WATSON: I know we talked about the Mexico peso crisis. What we probably didn't talk about is how we handled enormous pressures to increase democratization in Mexico in the electoral campaign that produced Ernesto Zedillo back when Salinas was still a hero, remember? It was enormous pressure the United States in human rights groups and others to really come down hard on Mexico. We worked very, very hard on the one hand to keep pressure on Mexico to have as fair and open and honest an electoral system as possible, but at the same token not fall into the trap of gratuitously beating the hell out of them which is what some people wanted. My deputy, who was one of the deputy assistant secretaries was before and now again is head of the Latin American program at Georgetown, and his colleagues did a really good job keeping that under control, keeping the groups in the U.S. under control, too and in helping the Mexicans move forward. Now, nobody argues about the legitimacy of Mexican elections anymore even after that time there were problems not so much with the electoral machinery it worked virtually perfectly. I don't want to say there was fraud, but there were still problems about access to the media and funding for campaigns and things like that skewed the actual election in favor of the long running, long ruling party in the PRI. Now they have obviously come over that to a considerable extent. That was one of the more important things that we spent a lot of time on sort of behind the scenes quietly working away I think making a little bit of a difference.

Maybe I should just say about two sentences as we're wrapping up here why I retired when I did. I don't know if that's of interest to the records.

*Q: I think it is.*

WATSON: Basically, I joined the Foreign Service right out of college at age 22 or 23 when I came. Then I spent over 30 years in the career and had the good fortune to do just about everything you could do, having been an ambassador in a country and ambassador at the UN and assistant secretary for the geographic region I knew a little bit about. One day in January of '95 my wife and I were sitting around the fireplace and just thinking about things. I think it might have been she who said, "You know, you've had a really good run, but if we're going to do anything else in life, besides be diplomats this is the time to do it before we get any older." From the assistant secretary position, which is probably the highest position, I was going to have. I didn't have any political problems or anything. I wasn't identified with the republicans or the democrats although I personally was a democrat, but I would have gotten an interesting onward assignment whether Dole or Clinton had won in the next election, etc. I started looking around very discreetly and quietly for jobs. I didn't even have a resume, just touching base with some friends of mine and some head hunters. Out of that eventually came an opportunity to go to the Nature Conservancy which was quite a surprise. If you had asked me at the beginning of the process if that was likely to happen I would have said, "What is the Nature

Conservancy?" I ended up going over there and being the head of their Latin America, their international program all through a headhunter. So, there was that sort of positive agenda. We've had fun, we can still go on with no problems, but if we're going to do something different, now's the time to do it.

The negative side was I was very concerned that the Clinton administration was unable to get out of the congress what was then called fast track authority. It's now called trade promotion authority. This allows the executive branch to negotiate trade agreements which then come back to the congress for approval, but it restricts the congress so that it cannot amend the agreement. It either votes it up or down. The idea being that no country is going to negotiate any serious agreement with the United States if they feel once they've made their best deal possible, the agreement will come back from congress and they'll have to renegotiate the thing. Every president since Ford had the fast track authority. It expired during Clinton's term and they clearly were not getting renewal out of the congress. A lot of reasons for that. I don't want to spend any time here casting aspersions. I think there's plenty of blame to go around. But recall what I tried to say earlier about the summit of the Americas. The centerpiece of what I thought we were trying to do was to have this free trade of the Americas to come into view. This desire by the Latins for greater access to our market and greater access to investment which they would get because of their access to our market. They would be forced to undertake reforms in order to complete the free trade agreement and get access to our market when it covers peoples' investment so they can export here, etc. That would be the great motive, the greet engine that would drive relationships in the hemisphere. We would see the great integration of the hemisphere and the greater advancement of our values, democracy, good governance, open economy, addressing poverty alleviation, dealing with environmental issues all that stuff that was in the agenda for the summit of the Americas. Once it was clear to me that we weren't going to get that, and I thought early on that the deal was always there to be gotten, but it was never gotten, I felt this would really sap energy from what we were doing in the hemisphere. In the absence of that we were going to go back to simply addressing crises as they emerge as opposed to having a positive dynamic agenda. I don't want to overemphasize the importance of that, but it was pretty important to me. I'd had the good fortune to be assistant secretary when we had no civil wars in Central America that all of my immediate predecessors had to spend virtually all their time on.

Many South American ambassadors told me they never never saw my predecessor assistant secretary for a meeting for anything. They never could get an appointment. This is not to criticize him, it just shows you how desperately the administrations were focused on Central America. I didn't have to deal with that. We had aspects of it to deal with it, but it was the residue, it was getting beyond the strife, which had ended. The only real major conflict that we dealt with, and it was in terms of conflict not very great, although politically of some significance, was the Peru-Ecuador struggle that I mentioned earlier. We had the luxury in a way of being able to focus on a broader agenda. It was not only an agenda invented by the Clinton administration. It was building on stuff that had started out way back in the Carter administration. Reagan's people, once they understood the

importance of it, they started off on the wrong foot, but then they got on the right foot later on. Certainly the Bush administration pushed all these things forward and we just gathered these strings together and wove them into this overall policy.

Feeling that the wind was going out of the sails or the juice was going out of the engine of what I thought would be the policy toward the hemisphere was another reason to step down and move on at that time. If I had not found anything interesting of course I would still be in the State Department, but I did and moved on.

*Q: How did you find, let's say as sort of a last question, how did you find the Nature Conservancy? Could you explain very briefly what it does and how did you find sort of the impact of politics?*

WATSON: Okay, I'll mention that, but I will mention one thing first which is when, after I told John Sawhill, the president of the Nature Conservancy at that time who had been the undersecretary of energy in the Ford and Carter administration even back before there was an energy department and he had been president of New York University, he had been the head of the energy portion of Mackenzie Company and the CEO of the Nature Conservancy. He came over to my house on January 6th of '96 after I had, it was almost a year after I started thinking about this, remember I said it was January of '95. In the middle of a blizzard and his wife told me at his memorial service that she told him not to go. He said, I'm going to go out and get that guy. He was a huge person, anyhow, after I told him yes I would come onboard. It was rather a dramatic change for a kid who had never looked for a job in his life. Some people looked for jobs. I just walked out of college, took some exams, been in the Foreign Service for 30 some years, now I've got to go do something else. You look at yourself in the mirror and you say, who am I? Which part of my community life personality is the real me and all that, what do I really want to do? You have to avoid the temptation of saying, well, it's not like the Foreign Service. That's crazy, you're leaving the Foreign Service.

In any case, after I did that I of course went to see the Secretary, Secretary Christopher to tell him that I was going to retire. He said all the right things you would imagine he would say, being such a gentleman. He also said, "I really like the Nature Conservancy because the Nature Conservancy owns Santa Cruz Island and my house in Santa Barbara looks right over Santa Cruz Island. You guys kept it from being developed forever."

I went to the Nature Conservancy and was head of their Latin America program. There was no international program per se. There was an Asia program and a Latin America program. John Sawhill once he decided that he wanted me in this job had indicated to me, hinted to me that if I did well, he was going to eventually combine these things. You know it was a completely different feel for this and I wasn't even that versed in things environmentally even from the policy program. I never worked in OES in the State Department. I found that when I went over there to interview and the only reason I went over to interview was because I'd never interviewed for a job in my life. My wife said, you've really got to at least practice this if you're going to get another job. It was like an

epiphany. I went in there and I saw all these smart young people with a good sense of humor, totally dedicated but not fanatics. There were three women and one man, three Americans, one Venezuelan who interviewed me. I said, wow, I like the style of the organization, very entrepreneurial, decentralized, but with some clear central values and sort of core guidance for everybody, implementation would be centralized. I liked the fact that the overseas arm works through local organizations. I liked the fact that it was in virtually every country in Latin America. In fact, during my watch we added a couple more to have virtually all of them. I found that while protecting the national resources of the country and managing them in a reasonable fashion is essentially not only to protecting the biology, which is important in and of itself, the biological diversity of the planet, but it's also important to the economic success of this country. If you chuck down all the forests and you screw up all your fishing groups, which can happen very easily, you don't have anything. Therefore to the welfare of the people, it occurred to me that most of these resources are also essential to the psyche for the people's identity. Can you imagine Brazil without an Amazon? Some of the Caribbean countries without their spectacular beaches, they're all screwed up one way or another.

I found it very interesting. I learned a hell of a lot. Very nice people. Just as energetic and honorable and nice to be around as most people in the State Department are. A lot of young people, some of whom come and work for two or three years and then they go back to graduate school or something and then some older hands. A little uncomfortable all the time I was there practically I would say, some of the old, old hands to that organization grew from a very small organization to the ninth largest nonprofit of any type in this country in terms of private dollars collected in a year. The Salvation Army and the Red Cross are bigger. The only university that was bigger in the last year was Harvard in terms of the amount of money you get. It gets more money than any university. It's a huge highly successful organization, a lot of it done under John Sawhill's leadership. Unfortunately, he passed away in 2000, but you know, I really enjoyed it.

I really enjoyed meeting the counterparts overseas. Those are the heroes. We sit here in Washington with our plans and all that stuff. Those are the people who are out working in societies where philanthropy is basically unknown or totally self-interested where you never know where your next dollar is going to come from. A lot of your funding comes from overseas. You've got obnoxious foreigners telling you what to do all the time. Dealing with issues which generate a lot of hostility in your country because you're trying to protect something that somebody else wants to exploit and yet maybe that person may be very, very poor and not have too many alternatives. I had to deal with that. People, many of whom are very sophisticated in both in terms of their education and language experience and things like that and could be earning at least 20 times as much money working for a major multinational and they're not. They are doing the most patriotic thing they can do which is to protect the soul, the core, resources of their country. So, those are the people that inspired me.

Then of course, great places to visit. I was in Indonesia and seeing the Komodo dragons and doing diving and snorkeling and hiking around in the Andes in the Amazon in Brazil

and in the rain forests of Central America. Seeing all kinds of birds and animals and plants. It was great fun. After John died, a new president came in and the organization was undergoing rather a dramatic change. Among the things that happened was that my job disappeared. There is no international program per se nor an U.S. program per se. The components all just had to be recombined and redistributed. For a while I thought maybe there is something I can do here that's interesting and then I said, no, my time, I've done my thing. My time has come and gone. The new guy is here. He's taken some of my advice, but clearly he's going to build his own team. All of us who were the top five or six people in this organization around John Sawhill are moving on or being marginalized within the organization, that's clear. So it's time to step out and do something else with no hard feelings. I'm still in touch with them. In fact I'm going to go on their local board there. They called me two days ago and asked if I would do that and I said sure.

*Q: So, just to wrap this up, you're working now doing what?*

WATSON: Now, I am working with Carla Hills who was the U.S. trade representative under the first President Bush who negotiated NAFTA and other things. Prior to that she had been Secretary of Housing and Urban Development. She had also been assistant attorney general and she has an international business consulting firm. I have joined her firm. I left the Conservancy. I set up my own little firm. I got a couple of contracts and I was working away doing those things. It was quite different from anything I'd ever done. Some nervous moments there. You wonder where the next paycheck is going to come from. Then out of the blue, late last summer, Carla called me up and said I've heard you've left the Nature Conservancy and are working on your own. I'm interested in seeing if maybe we could work together. One thing led to another and here I am working with her.

*Q: Great. All right, Alex, well, that wraps this up for now.*

WATSON: For now, until I see how many things I failed to mention.

*Q: As I say, you will get the transcript and you are free to play with it, as you will.*

WATSON: All right.

*End of interview*