

## Interview with Ambassador Stephen Bosworth

Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR STEPHEN BOSWORTH

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[Note: This interview was not edited by Ambassador Bosworth]

*Q: This is the 24th of February and we're at Tufts University. This is an interview with Ambassador Stephen Bosworth. Mr. Ambassador, could you start by telling us a little bit about your background, where you were born and grew up and went to school and how you got interested in the Foreign Service, that sort of thing.*

BOSWORTH: Sure. I was born in Western Michigan and grew up there on a very small farm. At the time my father was working in a lumberyard in Michigan in Grand Rapids. He subsequently several years later went back to college himself and became a high school teacher, but I spent the first 17 years of my life living on this farm outside of Grand Rapids. I went to high school in a place called Granville, Michigan.

*Q: Public high school?*

BOSWORTH: It was a very public high school, not a very good public high school, frankly. It was a decent way to grow up and I guess I learned some habits that have been useful to me later in life like most people who live on small farms. Because I was, well, after

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I graduated from high school, I went to college. I went to Dartmouth College in New Hampshire.

*Q: How did you happen to go there out of Grand Rapids?*

BOSWORTH: I was a high school football player. My high school football coach had played someplace with a fellow who was the director of the athletic information at Dartmouth. He sent out postcards every year asking all of his friends if they had anyone they thought might be able to play ivy league football who could also be academically admitted to a place like Dartmouth. Without talking to me about it, my coach sent my name in and the next thing I knew I was being flooded with material from Dartmouth and became very captivated with the notion of going to Dartmouth. I had no idea of what it was like. I had never been outside the state of Michigan.

*Q: Let me back up. What year were you born?*

BOSWORTH: I was born in 1939.

*Q: So, this is '39 and so what year would you have started Dartmouth?*

BOSWORTH: I started at Dartmouth in 1957. I was in the class of 1961.

*Q: You had never been outside of Michigan?*

BOSWORTH: Well, I'd actually been to Waterloo, Iowa once to participate in a 4-H Club dairy cattle judging contest. That was my own foray outside the state. So, Dartmouth College was quite a shock to me in many ways, a pleasant shock on the whole, but I had done little in my earlier life to prepare me for it. I graduated, well; I was at Dartmouth obviously for four years.

*Q: What did you major in?*

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BOSWORTH: I ended up majoring in something called international relations only because it was an interdisciplinary major that offered me the prospect of not having to concentrate on any one field.

*Q: Did you actually play football at Dartmouth?*

BOSWORTH: I played football one year and discovered that while I liked Dartmouth very much I was not that enamored with college football. I did not play football after my freshman year, but I had a General Motors scholarship at Dartmouth and then as now athletics scholarships are not found at Dartmouth and other Ivy League institutions. So, I was there and could stay even if I didn't want to play football. The international relations major was an interdisciplinary major and I had several professors who were quite influential in shaping my thinking at the time. One of them indicated that he had been in the Foreign Service for a few years right after World War II and told me that he thought it might be a good idea for me to take the Foreign Service exam, which I did. I took the Foreign Service exam and a few weeks later I took the law boards because the other route that I saw as potentially open to me was to go to law school.

*Q: You had made up your mind you weren't going back to live in Michigan?*

BOSWORTH: I was not going back to live in Michigan. There was nothing for me in Michigan except my parents who obviously I had remained close to when I went back periodically, but the notion of living in Michigan held no appeal to me. I guess that was one of the things one of the transformations that Dartmouth provided and that had opened my horizons to a degree that going to a small school in Michigan which would probably have been my alternative I never would have done.

*Q: What did you like about international relations as a field to study?*

BOSWORTH: I found the notion of being able to connect with other cultures with other political systems. It seemed to me to offer a wider range of interests and activities perhaps

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than most other occupations that I could think of. The law was not something that I was drawn to, but law school quite frankly was another way of temporizing the way I made a decision for a few years as to what I might want to do. It was through this professor who suggested that I take the Foreign Service exam that I first became interested in the Foreign Service. I interviewed with a few companies in my senior year at Dartmouth and I remember after one a rather interesting conversation. One of the interviewers said to me, "You know, you really should not be interviewing with companies. You should be trying to join the government in some capacity." I think at that time he was right. I took the Foreign Service exam, passed the written. I can still remember driving, I borrowed a friend's car and drove down to Boston to take the orals and in those years the orals were much different than they are now. They were basically an extended two hour conversation with two or three senior FSOs who asked you questions that they thought would demonstrate either the flexibility or the breadth of your knowledge. They would tell you right after you finished whether or not you passed. I finished this oral exam down here in what was Scollay Square, which is now the Federal Center.

*Q: This was in 1961?*

BOSWORTH: This was in 1961, the winter of 1961. It probably would have been February or March and after the exam was over they called me back in and said well, you passed, we'll be in touch with you as to how you can actually contemplate joining the Foreign Service.

*Q: Did you have any idea at that time sort of how much it paid or any of it?*

BOSWORTH: I had no notion about any of that. I knew that I would probably be living overseas a good deal with my wife in various countries.

*Q: But it was the life you were interested in.*

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BOSWORTH: It was the life and the profession I was interested in. I must say, however, I was subsequently accepted at both Harvard and the University of Michigan law schools. The fact that the Foreign Service was prepared to pay me a salary however small and law schools were not, was at that stage in my life a fairly important factor in my decision.

*Q: Did you have a strong academic record in college?*

BOSWORTH: Not terribly strong. I had not done very well my first year. It took me a while to regain my footing after coming out of what was really a mediocre public high school in Michigan. I eventually did quite well particularly in the social sciences and in my major I did quite well. So, it was not that I was Phi Beta Kappa, but I was a good student.

*Q: So, they said that they would get in touch with you.*

BOSWORTH: They told me they would get in touch with me. I graduated in June. I had put down a \$25 deposit in the University of Michigan Law School which seemed to me at that time like a lot of money. I went back to Michigan. My mother, who was working in the public school system at that time, got me a job for the summer, along with one of my brothers, installing playground equipment for the school playground. I remember working out there in the hot sun thinking to myself this was not exactly what most Dartmouth graduates had in mind as their first job after leaving school.

*Q: How many siblings did you have?*

BOSWORTH: I had two brothers, both younger than me.

*Q: Did they both stay in Michigan?*

BOSWORTH: No, none of us stayed in Michigan. My younger brother followed me to Dartmouth. He went there the year after I graduated and the middle brother went to the

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University of Michigan and got his Ph.D. in economics when I was in Washington. So, all three of us left the state.

*Q: So, you were doing the playground equipment.*

BOSWORTH: I was doing the playground equipment and I got a telegram from the State Department saying we're going to offer you an appointment as an FSO-8. The starting salary I think as I recall was \$5,200 a year. You should report to Washington July 12 or something like that.

*Q: Of 1961?*

BOSWORTH: 1961, the year I graduated from college, so I didn't really hesitate. I sent back a telegram saying I accept. I'll be there. My father by this time had gone back to college so the family was to say the least financially strapped.

*Q: What did your father do for a living?*

BOSWORTH: Well, at that point he was a student. He had gone back to night school first and then was in his final year at Western Michigan University of getting a degree in education and the next year began as a high school teacher of English and speech. That year when I was graduated and waiting to go to Washington my mother was ill and of course not working. Both my brothers were in school, so it was not, it was a financially tough time. Anyway, I went to Washington and started the basic officer course. What was it the A-100 or something like that. From the beginning I was very enthralled and very happy with that as a career.

*Q: You did the basic officer course and at that time how did you, did you have to do a language requirement?*

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BOSWORTH: Yes, I did Spanish because I was assigned, my first tour was Panama and I studied Spanish for four months and then I had just been married to my first wife and we left in March of '62.

*Q: Did you have any input into that assignment?*

BOSWORTH: I had indicated that I was eager or interested in Latin America as a region.

*Q: Was that because of studying it in college?*

BOSWORTH: No, I had taken a couple of courses that had something to do with Latin America in college, but I also wanted to get a language proficiency as soon as possible and it seemed to me that maybe Spanish was the way to go. I looked around the world and saw how many people spoke Spanish and Latin America was a big place, there are a lot of posts there. So, I studied Spanish.

*Q: So, you studied Spanish and you were assigned to Panama to do what?*

BOSWORTH: Well, at that point they had something called central complement assignments for young officers. We rotated through the embassy for six months, four months in the economic section, four months in the political section, etc. As I recall I started in the economic section. After I'd been in Panama for about a year, the Department decided to close the one man, one person consulate that we had in Colon on the other side of the isthmus. Our ambassador at the time.

*Q: Who was that?*

BOSWORTH: A fellow named Joseph Farland who was a republican. He had been held over by the Kennedy administration. He was a political appointee and he had made it the opening of the consulate in Colon, the reopening of it when he had arrived two years previously so that was his signature accomplishment in Panama. He didn't want to close

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it and the Department said, well if you want to send someone who is now assigned to Panama City to Colon to keep it open, that's fine. He designated me to go to Colon and I went there as the principal officer.

*Q: Principal and only officer?*

BOSWORTH: Principal and only officer. I was 23 years old.

*Q: Now, tell me just to quickly, you're there in Panama rotating through the first year.*

BOSWORTH: Right.

*Q: Do you recall any sense now of what the sort of major issues were or what was confronting us in those days?*

BOSWORTH: Well in Panama in the early 1960s there was only one issue and that was the control of the Panama Canal Zone. In fact I went to Colon in July of, it would have been 1963 and in January of 1964 there was an explosive series of riots all along the Canal Zone in Colon and in Panama City. In Colon my first wife and I were living above consular offices so when the mob marched on the consulate they actually marched on us.

*Q: How far was Colon from Panama City?*

BOSWORTH: Colon was about an hour and a half by car, just across the Isthmus. You could take at that point they had the still, they may still have the Transcontinental Railway, which was the shortest Transcontinental Railway in the world. You could drive back and forth in an hour and a half or so.

*Q: Were the riots, did they just kind of bubble up naturally or where did they suddenly come from?*



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BOSWORTH: Well, there was longstanding resentment on the part of the Panamanians particularly the nationalists that the United States had basically taken the Panama Canal Zone and built the canal and of course Teddy Roosevelt admitted that he had taken the Panama Canal Zone to build the canal. So, it was a question of wounded nationalism. Generations of Panamanian students had come forward dedicated to the proposition of reasserting Panamanian sovereignty over the Canal Zone and the particular spark for these riots was a demonstration by American students in the Canal Zone. There had been an agreement I think in 1960 or '61 that the Panamanian flag would fly side by side with the American flag in the Canal Zone. These American students at the Canal Zone high school sort of had a fit of American nationalism and became upset with this and they sort of marched on and lowered the Panamanian flag in the Canal Zone.

*Q: What date would that approximately have been?*

BOSWORTH: That would have been early January of 1964 and the riots then took place that day and the next day and for about a week following that.

*Q: You were in Colon then?*

BOSWORTH: We were in Colon. The national guard, when the national guard which was the national police force finally moved the mob back away from our building and my wife and I and our small young son were trapped inside. They finally got the mob dispersed. They were throwing stones through the windows and all of that. We then after another harrowing series of moves within Colon were driven out of Colon into the Canal Zone by the number two in the National Guard. He put us in the back seat of the car and covered us with a blanket.

*Q: This was a Panamanian national?*

BOSWORTH: These were Panamanian national guards. They drove us across the line into the Canal Zone. There was a lot of violence going on, sniping, and there had been

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several deaths. It was not a pleasant time. We remained in the Canal Zone for about a week. The rioting finally was quieted down. There was a sort of truce established between Panama and the United States but they broke diplomatic relations with us and we kept in our embassy in Panama City, we kept a very small presence.

*Q: Was Farland still there?*

BOSWORTH: No, Farland was gone by that time. He had a *chargé d'affaires*, Wallace Stuart. But Farland had resigned I think in late 1963. We needed people in Panama City to man the embassy who had consular experience and because I had been vice consul in Colon I had a consular commission so they sent me back from Colon with my family back to Panama City. We actually lived in Panama City, moved back into the same apartment we lived in before we went to Colon. There were I think four or five of us there. Generally except for one person who was in charge, he had been the chief of the political section. The rest of us were all FSO-7s or 8s, junior officers. So, we lived in that kind of temporary situation for almost six months and finally relations were reestablished and I was assigned back to Washington where I became the political officer on the Panama desk.

*Q: Now, did this series of riots lead the United States at that time to begin seriously to contemplate any change in the situation would you say?*

BOSWORTH: Yes and one of the agreements that we reached in order to heal this breach and begin a process of normalizing relations was that we would look at the possibility of renegotiating the treaty of 1903.

*Q: Was that the first time they had really said that?*

BOSWORTH: The first time they'd really addressed that issue. This was Lyndon Johnson's first foreign policy act. In July of 1964 I was sent back, reassigned to Washington and I went on to the desk and I became a small part of the general effort to reexamine the agreement and try to begin the process of negotiating a new treaty.

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*Q: Tell me a little bit, I'm interested in the story about the students in the Zone and so forth. What was your sense, I mean I have vague memories of the Zonians being the most intense people about maintaining the status quo. Talk a little bit about your impressions of them in general, would you? How many of them were there?*

BOSWORTH: There were several thousand families there. Many of them had been there for two and three generations. They operated administered and maintained the Canal, which at that point was a very important waterway. Many of them had become very inward looking, very chauvinistic, did not like Panamanians, did not like Panama. Many of them had lived in this ten mile wide strip of land for nearly their whole lives and had never set foot in the Republic of Panama. They were an extraordinarily inward looking lot and they recognized rightly as it turned out that it was a zero sum game between them and the Panamanians. Anything the U.S. gave up with regard to sovereignty over the Canal Zone was a loss to them. They were American colonials. In fact they were in this little American enclave, very well paid, lived very well, very generous fringe benefits and they recognized that as the Panamanians took control of the Canal they would lose.

*Q: What was the administrative structure of the Canal Zone? Was there a governor appointed by the president or how did that work?*

BOSWORTH: Yes, there was a governor appointed by the president and we had our U.S. unified military command was located there, SOUTHCOM. So, we had the CINC who was a four star general and we had the Canal Zone governor and the two of them administered the Canal Zone sort of jointly and the U.S. ambassador in Panama City was the liaison or the link to the government of Panama. It was a very complicated structure.

*Q: Did it work well between the ambassador and the governor in the CINC in general or what would you say?*

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BOSWORTH: My sense was that for the most part it was very dependent upon personality. Of course I was a very green junior officer. I didn't have much of an insight or look into the relationships at the top of the U.S. structure down there. There was a certain amount of resentment on the part of the Americans in the Canal Zone, resentment of Americans in the embassy because they didn't think that we were necessarily representing their interests and in some ways they were correct.

*Q: Was the military in those days, how did they react to the idea that there might have to be changes in the setup? Did you have any feel for that as early as the years you were there?*

BOSWORTH: No, I think at that point there was not much speculation about changes that would affect the status of the U.S. military, not nearly as much as there was about changes that would affect the status of U.S. civilians in the Canal Zone. The military, you remember this was just as we were sort of gearing up for Vietnam. It was also just a couple of years after Castro had come to power in Cuba. It was a good deal of concern about the influence of communism throughout Latin America; the alliance for progress had been launched just a year before. So, this was at that point, Latin America was on the frontier of the Cold War and very much of a sense that we were in competition with forces that we really didn't understand very well. We had just launched the Peace Corps. One of my first jobs in the embassy in Panama as a very green officer was to negotiate an agreement, which established the Peace Corps program in Panama City. Then I toured around the country selecting sites for the first group of Peace Corps volunteers. It was a great experience. That was kind of the spirit of the time.

*Q: Why did they want to have a post in Colon? What was its justification?*

BOSWORTH: There was no real justification for it except that the second vice president of Panama, Jose Dominador Bazan, was from Colon. He had lobbied the newly arrived ambassador in 1960 or '61 to open the post, to reopen it or keep it open, one or the other

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and the ambassador agreed and it did become sort of a thing of honor or pride. There was no real justification for keeping it open. In fact as it turned out during the riots, after the riots we closed it, never again to reopen it because given the physical set up you were part of the Republic which sort of jutted into the Canal Zone, you were really kind of a staked goat over there with very little ability to provide for security. I was there when Kennedy was assassinated for example and you can imagine what that was like for a young FSO to suddenly become the American representative in a fairly significant, fairly sizeable city when our president and a man whom Panamanians of course regarded in some ways as their president was assassinated. That was a kind of searing memory and experience that I will never really forget.

*Q: So, despite the fact that the mob came and threw rocks at the windows, you weren't disillusioned about this business you were in?*

BOSWORTH: No, I wasn't. I found it all kind of exciting, you know, and I guess I was young enough not to really be convinced of my own mortality, although it was also terrifying from time to time. But, no, I found that very, kind of an exhilarating experience.

*Q: So, from that, did you ask to go back to the desk or did they just say?*

BOSWORTH: They just sent me back. I don't know, we may have been going through one of our periodic budget squeezes at that point. Anyway, I would have preferred probably to go to another overseas post, but I had never served in the Department and the powers that be thought it was time for me to go back and I did. As it turned out it was a very good time and a very good assignment for me because I was three years on the Panama desk at a time when we were going through this intensive review of what we wanted to do with the Canal Zone. I had a degree of exposure to senior policy makers and major policy issues that I never would have had and most junior officers did not have.

*Q: Just to review the date thing, you went to Panama in 1962.*

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BOSWORTH: In March of 1962.

*Q: And returned to the desk in?*

BOSWORTH: July of '64.

*Q: July of '64 and were on the desk for three years?*

BOSWORTH: Yes.

*Q: Okay. You're there on the desk and it's the same central issue, which is the question of the canal?*

BOSWORTH: Right.

*Q: We'll come back to that, but were there other things that as a desk officer you spent much time on?*

BOSWORTH: Yes, although frankly they kind of pale in my memory in comparison with the issue of the Canal Zone. Sure, I got involved in some multilateral questions that we wanted Panama's vote on. I got very involved.

*Q: In the UN?*

BOSWORTH: In the UN. I got very involved in some of the internal political issues that had direct and indirect implications for the question of the Canal Zone and its status. I became; I was sort of seized with the notion of knowing more about Panama, its history and its current condition than anyone else in the U.S. government. So, I used to work at this pretty hard and I think probably did make that, achieve that position in terms of its internal politics, its economy which was fairly small and insignificant. Its history, its background. It's a strange little country because it is really very much an artificial relation.

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*Q: Right. How did the government set itself up then to deal with this problem with the Canal? What kind of structure did it have to work on?*

BOSWORTH: Yes. President Johnson appointed as a special representative a fellow named Robert Anderson who had been secretary of the treasury and was an old Johnson crony.

*Q: Not a Latin American expert?*

BOSWORTH: Not a Latin American expert, no.

*Q: Johnson presumably picked him because he was somebody he trusted and knew?*

BOSWORTH: Yes and someone who had political leverage and experience at the senior levels. His deputy, who in fact took on most of the work, was a fellow named Jack Irwin who later became deputy secretary of the State Department.

*Q: Was Irwin a career diplomat?*

BOSWORTH: No. He was then the general counsel of IBM. He had married Tom Watson, Sr.'s daughter and still was married to her.

*Q: How did he get picked for this?*

BOSWORTH: Anderson knew him and Anderson wanted someone he could trust and these guys were both republicans, they were not democrats.

*Q: Did Johnson have that in mind?*

BOSWORTH: No, I think Johnson was trying to protect his right flank by bringing in people to work on this issue. It was as you can remember very controversial and we knew we would have to give up a good deal of what we then had in order to mollify the

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Panamanians and have any hope of a stable long lasting relationship. So, I think Johnson was trying to cover his right flank most definitely.

*Q: This began, this effort began, when did those guys come on the scene?*

BOSWORTH: They came on the scene in 1964, just about the time I came back to the desk. There had been a four or five month period in which the U.S. government was kind of gearing up for this. The fellow who had been political counselor when I first arrived in Panama City went on to be DCM I think in Ecuador or Lima, one of the two and came back as the country director.

*Q: Who was that?*

BOSWORTH: A fellow named Ed Clark, Edward W. Clark and he was country director for Panama. Panama had its own office. It was not part of the office of Central American Affairs.

*Q: Why was that, because of the Canal?*

BOSWORTH: Because of the Canal.

*Q: It had high visibility?*

BOSWORTH: Oh, very high visibility. At that point in Latin America we had back to back positioning of State and AID so there was, the deputy director of the office was an AID officer.

*Q: That was an unusual arrangement, only in Latin America I think did they do that, right?*

BOSWORTH: Yes and it worked quite well actually.

*Q: Did you have much interaction with Anderson and Irwin?*



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BOSWORTH: I was a brash young FSO who developed a knack for writing about these issues fairly quickly so I was frequently the pen for a lot of the things that they were doing. It was a time when I learned a lot about how to succeed in a bureaucracy.

*Q: How do you succeed in a bureaucracy?*

BOSWORTH: Well, I think first of all you have to be relentless and tireless, but also it's very important to have a degree of control or at least influence over what it is that everybody is looking at. So, whoever has the task of preparing the first draft generally has an ability to remain engaged in the issue over a protracted period of time.

*Q: Even though you don't necessarily go to the principles meetings?*

BOSWORTH: You don't go to all of the principles meetings, no. I was an FSO-7, subsequently an FSO-6, so I didn't go over to the NSC for meetings there. I didn't really usually even sit in on the meetings with the assistant secretary, but I was producing the papers that went up.

*Q: Even at this point instead of saying we're really going to be hard nosed and just blow the Panamanians off, they really had decided that they had to make a deal with them?*

BOSWORTH: Yes.

*Q: Was it inevitable or do you think?*

BOSWORTH: Oh, I think it was pretty much inevitable. I mean it was an issue not just in Panama as an issue, but colored our relationships with all of Latin America. This was a time of rising nationalism.

*Q: Was the U.S. hearing from a lot of other Latins?*

BOSWORTH: Yes. It was a big issue in the OAS.

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*Q: The Organization of American States.*

BOSWORTH: Right and you know, our position on that could not stand in total contradiction with what we were trying to do in the alliance for progress. Again you have to look at all these issues in the context of the Cold War. I think we were wise enough to recognize that had we held to a kind of ultra nationalist position with regard to the future of the Panama Canal and the Canal Zone, that it would have cost us very substantially in terms of public opinions throughout Latin America.

*Q: Did you get the sense working on the desk in this issue that the Pentagon was of this view as well?*

BOSWORTH: Some were in the Pentagon, but it was a very difficult issue for them. It struck at the question of the future of U.S. military presence in Latin America. The Canal itself, which was something that strategically, the Pentagon viewed as very important. It was a congressional act I believe which set up a commission to study the future of the Panama Canal and possible alternatives to it. The Panama Canal Authority, I can't remember the full name, but I was involved in the staffing of that as well.

*Q: Did you deal with congress at all during this period to get their sense?*

BOSWORTH: Not too directly. I dealt with some congressional staffers, but again when people had to go up and testify on Panama I would frequently participate in drafting the testimony, but I didn't go.

*Q: What was your sense of congress at this period?*

BOSWORTH: There was strong opposition within the congress to the things that we eventually ended up doing.

*Q: Was that because they were hearing from their constituents?*

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BOSWORTH: They were hearing from their constituents. This was an issue unlike most others in terms of its ability to draw out very strong feelings for the American public. People who otherwise cared almost nothing about foreign policy cared a lot about the Canal Zone because they had learned in school that Teddy Roosevelt took the Canal, the Canal Zone and we built the Panama Canal. It was a symbol of great national pride.

*Q: Was there an effort being made at this period to try to educate congress?*

BOSWORTH: Well, there was, but.

*Q: I mean privately, let me put it this way, privately did you get the sense of great opposition apart from what they said publicly or were they more, how would you characterize it?*

BOSWORTH: Privately and publicly they were pretty opposed. You know, Johnson given his links to the conservative side of the Democratic Party was able to hold some of them in check, but it was not an easy proposition.

*Q: So, you were there for three years specializing in this and you said you did some amount of multilateral stuff in terms of, you were always around trying to round up votes in the UN on various issues I suppose.*

BOSWORTH: Exactly, but that was not a very significant part of what I was doing. I was very focused on Panama, the bilateral relationship, the future of the Canal and the bureaucratic struggles within the U.S. government to try to find a reasonable negotiation position. Then the negotiations actually began with the Panamanians.

*Q: About when was that?*

BOSWORTH: They began I think in 1965 and they continued, they were still going on after I left in '67 and then that agreement fell apart because of a coup in Panama. They went

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through a retracted period of instability and it wasn't until the mid-'70s that the efforts to renegotiate the Canal Treaty resumed and produced a new treaty finally during the Carter administration.

*Q: Did you have a sense of from what you know looking back now were the main parameters in place by '67?*

BOSWORTH: I think so.

*Q: Had they faced up to that they were really going to hand this back?*

BOSWORTH: I think that we had faced up to that very early on, but the notion that we could act as though we were sovereign which is what the original treaty said in a piece of land which was obviously not American, that we had somehow taken that and expropriated, that notion was not durable. We had to figure out a way to get what we wanted, what we thought we needed which was in the end it was an extended period of transition from '78 until '99.

*Q: So, in 1967 you finished three years on the desk with an extensive involvement with Panama. Had you worked your Spanish up pretty well by the time you were finished with this?*

BOSWORTH: It was fair. In Panama it was very difficult to acquire a great fluency in Spanish because everybody spoke English. As soon as they saw me they were tempted to believe I was not a Panamanian so everybody would speak to me in English. It was very hard to practice Spanish, but I had gotten a 3 at the end of my FSI course so I was off language probation.

*Q: In '67, what ever happens to you then?*

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BOSWORTH: Well, while I was in the Department I had also gone to George Washington at night and studied economics.

*Q: Why was that?*

BOSWORTH: Graduate economics. Because I was intrigued by the notion as I'd learned a little bit about Panama, I was intrigued by the extent to which economics and politics were interrelated. The alliance for progress was all about economic development. While I was in Panama I had actually taught a course for a fellow who was an Egyptian who was there with the UN. He was teaching a course and he had been gone for a week so I filled in for him on theories of economic development, which I had taken a course in at Dartmouth as an undergraduate. I decided I wanted to learn more economics and a woman, female Foreign Service Officer who was also on the desk, was a good friend of mine of our family. She had studied economics in graduate school and encouraged me to go to George Washington night school, so I did.  
*Q: Was there an economic specialty type or cone type thing at that point in the Department?*

BOSWORTH: yes.

*Q: There were people called economic officers.*

BOSWORTH: There were economic officers.

*Q: In the middle '60s then?*

BOSWORTH: Right.

*Q: But you went and studied yourself?*

BOSWORTH: Right. I took I guess five or six courses in economics. It was very important to me throughout my career.

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Q: *The Department did not pay for any of it?*

BOSWORTH: They paid the tuition.

Q: *Oh, they did?*

BOSWORTH: Yes.

Q: *Oh, that's a good thing.*

BOSWORTH: I had to summon up the energy to do it two nights a week, but they paid the tuition.

Q: *So, you had taken the economics courses and had worked on Panama and so what comes up in the summer of 1967?*

BOSWORTH: I was assigned to Madrid, Spain as an economic officer.

Q: *At your request?*

BOSWORTH: At my request.

Q: *I see. In those days did they have an open bidding system by then that you could?*

BOSWORTH: Yes. It was a long time ago, I'm trying to remember, but yes I think they did. You did a sort of a preference.

Q: *You wanted to go to Madrid?*

BOSWORTH: I wanted to go to another Spanish speaking post, the notion of going to Europe was appealing to me and I wanted something that would solidify what I had been studying in the area of economics. I went off to Madrid as the number two economic officer

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in a small two person unit and focused on the internal and external economic relations with Spain.

*Q: How big was the overall economic section?*

BOSWORTH: The overall economic section then was probably eight to ten officers, a fairly significant commercial office, there was a counselor, there was one or two people who did civil aviation and that sort of stuff.

*Q: Who was the ambassador then?*

BOSWORTH: The ambassador at the outset when I first arrived was Angier Biddle Duke and he was followed by Robert Wagner who was the former mayor of New York.

*Q: Duke was also a political appointee?*

BOSWORTH: Duke was a political appointee, Wagner was a political appointee and then when Nixon was elected in '68 Wagner left and a fellow named Robert Hill arrived as ambassador.

*Q: Was he also a political appointee?*

BOSWORTH: He was also a political appointee. The reality is I never worked for a career ambassador in all of my posts.

*Q: That's interesting. So, you get to Spain and what were the prime issues that you dealt with yourself would you say?*

BOSWORTH: The major issue was whether or not Spain's by that time remarkable economic progress would continue and importantly the nature and content of Spain's relationship with the what was then the European Community. Spain had decided in the mid '60s basically it was going to orient itself toward Europe. After a long period of

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alienation following the civil war. They were engaged in an effort to negotiate an affiliation agreement with the EU, with the EC and that was of course of great interest to the U.S. both economically in terms of trade policy, but also political because even then there were people who thought that Spain should be brought somehow into NATO. There was a feeling that if you could build economic connections between Spain and Europe that that could make the process of NATO entry easier. Spain of course at that point was still governed by Francisco Franco. It was without question a dictatorship. It was not by that time a very bloody dictatorship and you could live there as a foreigner without being conscious every hour or every day that you were living in a dictatorship. Without question he was an authoritarian, the country was still badly fractured ideologically and socially by the outcome of the civil war. Many Spaniards have not forgiven the other side and Franco was there in a way that maintained political stability.

*Q: the U.S. interests then would you say that the prime interest was for the U.S. was the NATO military base structure in Spain and the GATT?*

BOSWORTH: Yes, our principle interest was a complex of military bases. We had the naval base, the submarine base at Rota it was very important because it was an essential station for our submarine patrols throughout the Mediterranean. Given our competition with the Soviet Union and the state of our submarine technology at that point we had to be able to put submarines into the Eastern Mediterranean as part of our strategic doctrine. We also had the air base of Torrejon, which was very important to us, because again they back up what we were doing in our presence in Germany and France. We had substantial numbers of American forces where they were not as visible as they might have been, but they were there and the Spaniards knew about them. Our presence really was a mark of legitimacy for the Franco regime without question. As in other places around the world at that time those who were opposed to Franco tended to be very suspicious of the United States because they saw us as providing legitimacy for his continued rule.

*Q: How many years were you in Madrid?*



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BOSWORTH: I was there four years.

Q: '67 to '71.

BOSWORTH: '67 to '71.

Q: *You focused all that time on these particular issues?*

BOSWORTH: I focused on the economic side. It was a strange time in Spain because a lot of people who under a more liberal system of government would have been in politics, particularly in a moderate opposition, didn't see much prospect of affecting the future that way. So, many of them became economists, many of them went into the government on sort of the technical side where it wasn't all that technical. They were making an influence on decisions which had a fundamental impact on Spain in which, for example, opening up the economy of promoting Spain's closer association with the rest of Europe had very substantial political effects over time. The embassy, particularly under Hill, we had the rather strange notion as a country at that point that because we had strong ties to Franco and he was our sort of anchor point in Spain that we should not be dealing with anyone who could be said to be in the opposition. So, Hill particularly was very adamant that no officers in the embassy should be talking to people who were in the political opposition not that there was all that much of an open opposition. There was still the communist party in Spain of substantial strength. They were working in economic ministries. There was the Bank of Spain, Banco de Espana. So, these were all people who were legitimate contacts for me, but who were actually oppositionists and through them I would meet other people. I would write these memoranda of conversation, which at that point in the State Department's affairs was a fairly common way of conveying information. Now of course it's all done on e-mail. The people in Washington were fascinated by all this stuff that I was giving them. I had lunch a few times with Felipe Gonzalez when he was still a sort of renegade professor at one of the universities there long before he became Prime Minister of Spain. Hill never quite understood there could be anything in the area of economics that

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would have any relevance to what was happening politically in Spain. So, I had a good deal of flexibility, which was not enjoyed by all the other officers in the embassy.

*Q: What was Hill like as a manager would you say?*

BOSWORTH: I found him very authoritarian.

*Q: What was his background?*

BOSWORTH: He came from the Boston area. I think he worked for the United Fruit Company at one point. He had been an ambassador. I used to refer to him as a career Republican ambassador. He'd served in El Salvador and in Mexico as ambassador and from Spain he eventually went on and was ambassador in Argentina in the Ford administration I believe.

*Q: Basically did he sort of see himself as the chief political officer?*

BOSWORTH: He was the chief of everything. He did not delegate with great ease. He was very committed to the notion that we had to remain glued to Francisco Franco forever.

*Q: Was that because the Department told him that or?*

BOSWORTH: It was a view in Washington in some ways in the wealthy American establishment at that point. Remember, again, this was the Cold War. There was a feeling that our friends were our friends and we should support them. There was no clearly identifiable democratic alternative at that point in Spain. There was a great deal of concern that should something happen to Franco or should he be politically weakened that Spain could find itself in a kind of domestic chaos that it had experienced in the '30s. Of course we didn't want to see that happen. Spain was important for the stability of Europe.

*Q: This is an everlasting question isn't it? I'm sure you encountered it later and we can talk about the issue of supporting the people and the status quo or trying to push against*

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*it especially if the status quo is nondemocratic. So, that's an old, very difficult and certainly very common issue of our history of our relations with Latin America.*

BOSWORTH: It is in Latin America and many other places. At one point I told people and friends that I specialized in countries which were governed by aging autocrats, I was in Spain in those years and then years later I was in Tunisia. Then of course in the '80s in the Philippines with Ferdinand Marcos.

*Q: So you met people like Gonzalez in Spain and wrote a memorandum of conversation about them. Did you show them to Hill?*

BOSWORTH: They just went out as normal embassy communications and they did not rise to the level of his attention.

*Q: Which meant he didn't try to stifle your contacts.*

BOSWORTH: He didn't try to stifle my contacts.

*Q: Then you also did I suppose regular reporting on these economic issues?*

BOSWORTH: Yes, but at that point we used to write something which was sort of like an economic quarterly looking at current trends and projections in the Spanish economy. That was used by the analytical community all throughout Washington and it was also consumed by American businesses, banks, etc.

*Q: Well, when you say the analytical community back in Washington, who would that be would you say?*

BOSWORTH: Well, it would be the Treasury Department. There was no treasury attache. The analytical side of Commerce, we had commercial officers in Spain, but they were generally in the trade promotion. They would also be in the agency, in DIA and throughout the U.S. government.

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*Q: How did you find, now Madrid is a big post and you were still a pretty junior officer coming from Panama, so how did you find the living in those days in the sense of the embassy community or whatever?*

BOSWORTH: Actually it was good. I had some trouble from time to time with Hill in my last two years I was there. After the first year there was a cost reduction exercise in the State Department. Fortunately for me the position of my then boss, the number one person in this two person office was eliminated and so I became the sole occupant of this series of this little unit and reported directly to the economic counselor. After that my life got a lot better. It was good living in Spain in those days.

*Q: Was there a sense of community?*

BOSWORTH: There was a pretty good sense of community, yes. There was an expat business community in Spain. There were other embassies there of course. At the time I made several friends some of whom I still see from the British embassy, a fellow who then worked for the economic intelligence unit in Spain and various other people that my first wife and I tended to socialize with. I was fortunate in that I was able to travel throughout Spain. My Spanish was by that time good enough so that I could go to Spanish universities and give lectures. I was generally welcomed at universities. It was not, the anti-Americanism was not at a fever pitch by any means. I would develop talks on various books. I remember doing a talk that I probably did 12 times on one of John Galbraith's books. I used those as ways to educate people about American culture, the American economy, etc. Anyway, I got to travel all over Spain. I loved the country. I still do. Probably in terms of personal comfort and enjoyment, probably the highlight of all the places that I've lived in.

*Q: Now, in talking to people like Gonzalez, did you get a sense at that time that there was some reasonable prospect down the road that there were sensible people thinking about*

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*serious questions. You were writing these up and sending them back and people were quite interested in them?*

BOSWORTH: People were very interested. I would get notes from people asking if I could develop more information on this particular question. Yes, I had the sense that clearly Spain was not frozen in amber. Franco by this time was aging. On the economic side liberalization was well underway. State control which had been the governing philosophy of economic management there since the mid '30s was rapidly being dismantled. Spain was lowering its barriers to imports encouraging foreign investment. There was a group of people within Spain who were in the process of acquiring very substantial influence; that was the Opus Dei. They basically ran the economic side of the government. The minister of planning was an Opus Dei member. The vice president was too. The minister of foreign affairs. So, these guys were all dedicated to the prospect of changing Spain economically. They were not all that eager to see change in the political skew, but that did come.

*Q: Was Franco in accord with that approach?*

BOSWORTH: I think so, yes. I mean one of the interesting things is nobody has ever, at least I'm not familiar with it, it's been written sort of obliquely, look at Franco's thinking in those years, what he was really trying to do other than just survive.

*Q: Was it going on in a sense in spite of him, that he didn't pay any attention?*

BOSWORTH: Well, I think to some extent it was going on in spite of him, but he did one very significant thing at that time. He brought Juan Carlos as the Prince in Waiting so that when Franco died Juan Carlos became king. At the time nobody was very impressed with that because it seemed kind of an archaic move that you would bring back a monarch. Juan Carlos went through a training period where he was farmed out to individual ministries for a few months at a time. Generally the people that he worked with or was associated with there had tended to conclude that he wasn't very bright. So, there was a good deal of surprise when after he became king and after Franco was gone he became

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basically the pillar of stability. I think probably he deserves an enormous credit for how Spain has evolved since 1975 and Franco should have some credit for having put him there.

*Q: So, you were there four years?*

BOSWORTH: Right.

*Q: And basically had the same position all the way through except that you got to be in charge of much of your own unit at one point.*

BOSWORTH: Right.

*Q: So, you spent four years in Spain and then what did you do?*

BOSWORTH: Then I wanted another language and I had met some people.

*Q: You wanted that because you thought that was important to you career?*

BOSWORTH: I thought it was important to my career. By this time I was kind of turned on to what was happening in Europe.

*Q: Right.*

BOSWORTH: The European Union, European Community, Transatlantic.

*Q: Did you see yourself then committed to being an economic specialist primarily?*

BOSWORTH: Primarily. I mean I had done something that most Foreign Service Officers though was a little loony and that was that I transferred out of the political cone into the economic cone which of course was kind of counterintuitive at the time.

*Q: Right. Maybe even now.*

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BOSWORTH: Maybe even now. I was convinced and I think I was right that overseas the more interesting jobs where you could do more, you had more autonomy, more independence were generally speaking on the economic side. I would look at my colleagues at my rank in the political section in Madrid, which was a substantial section, and they were all doing things, which by and large I didn't find very interesting. They had been given an assigned political, slice of the political spectrum or a number of units that they could work on. I felt I had sort of unlimited scope to do almost anything I wanted.

*Q: In effect you were doing a sort of political reporting as you've explained on the side.*

BOSWORTH: Well, I would describe most Foreign Service economic work as political economist. It's not, for the most part, strictly speaking, is not really economic at all, it's some of that, but not very much. In the larger posts of course that's done by the treasury attache, so State Department people are basically doing political economy. I'd met a fellow who was then an economic minister in Paris and I decided I'd like to go to Paris so I applied for a job there.

*Q: Who was that?*

BOSWORTH: A fellow named Bob Brand who later went on and he was the ambassador to Australia. He's had a long and pretty good career. I wanted to study French. I thought French would be useful to me. I went back to Washington for four months.

*Q: In the summer of '71?*

BOSWORTH: In the summer of '71. I actually left Madrid in April or May. My family then followed when school was over. I was in Washington for four months studying French and found that speaking Spanish was quite an aid to me because I was able to get it. Actually it was only three months and I got a 3/3 in French after three months. Then we went to Paris where I was again in a sort of internal political unit or economic unit rather, focused

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on what was happening domestically, but more focused on what was happening within the European Union and the European Community. That was a good place to be.

*Q: How many years were you there?*

BOSWORTH: I was only there for two years.

*Q: '71 to '73?*

BOSWORTH: '71 to '73.

*Q: What would you say were the, tell me a little more of the substance of the issues that you worked on there.*

BOSWORTH: These were largely issues having to do with U.S. concerns over the EU's or EC's negotiation of the affiliation agreements, association agreements with a large number of countries in North Africa, Central Europe which we felt were trade discriminatory toward the U.S.

*Q: Because?*

BOSWORTH: Because they created preferences within the trading block and we were not benefiting from those preferences.

*Q: Give me an example of one of those, if you can recall.*

BOSWORTH: The preferences flowed in both directions. The Europeans would give preferences to North Africans for citrus, which would have the affect of damaging the interest of citrus exporters in the Caribbean or in the U.S. In return they would have preferences for sales of manufactured goods under those countries. We were somewhat conflicted on this because on the one hand we supported as a matter of principle the integration of Europe and there were those who thought that Europe would constitute



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a point of stability in the world, again in the Cold War world. Our trading interests were somewhat divergent from that point.

*Q: Did you advocate for things as an economic officer or just report or both?*

BOSWORTH: I was doing more advocating than, it was a lot of reporting, but I was presenting under instruction demarches to the foreign ministry on various subjects having to do with these trading arrangements.

*Q: With the French government or multilaterally?*

BOSWORTH: We'd go to the French government. We had a mission of course in Brussels, which was dealing with the European community as an entity, but we were in all of the major European capitals also dealing simultaneously with the governments and I think probably to a degree much greater than is now done. My sense is that we now deal with Europe pretty exclusively on economic and trade issues through Brussels, not through individual national capitals.

*Q: How did you find dealing with the French on these matters?*

BOSWORTH: Challenging. I decided it was a little bit like Sinatra's song about New York. I mean if you can make it in Paris as a U.S. diplomat, you could probably make it just about anywhere because these were not easy times. It hadn't been that long since the French had pulled out of NATO. De Gaulle had died, but it wasn't going to be a lot easier. It was a difficult time. We were taking over or had taken over from them in Vietnam. We were going through, let's see, we were going through the first stages of disengaging from the gold exchange standard, so we were in confrontation with them over certain aspects of our monetary policy. It was not, not an easy time.

*Q: One issue for example was citrus. Are there any others that particularly strike you?*

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BOSWORTH: Not that I can recall offhand, no.

*Q: But it was the general subject of preferences.*

BOSWORTH: It was the general subject. That's right. The extent to which we were disadvantaged by these association arrangements which on the whole we favored for political reasons.

*Q: For political reasons, the theory being that having a unified European community would ultimately result in more stability than otherwise?*

BOSWORTH: Yes.

*Q: Now did you get a lot of pressure from interest groups in the United States on various matters?*

BOSWORTH: Sure. I was not getting it directly. It was all coming through the State Department, but yes.

*Q: People lobby in effect and in the sense that I guess they're entitled to, obviously, make their views known.*

BOSWORTH: Sure. Yes. Then in the second year I was there. It would have been the second year, again in this small unit, there were four of us in the unit and the chief of the unit was transferred and there was no assigned replacement immediately. So, I was made acting chief and hoped, actually very much encouraged to hope that I would become permanent in that position. I was under grade for the position and in the end the Department put somebody into the job after I'd been doing it for about eight months. At the same time I had also been given a couple of other temporary assignments prior to the economic minister. I was handling civil aviation among other things. I had a very full

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portfolio and I was very engaged. I got kind of disenchanted with the State Department or the Foreign Service at this juncture.

*Q: Why?*

BOSWORTH: Because they wouldn't leave me in the job that I knew I could do and was doing well. I had to go back to being the number two and of course not, I suppose I might not have dealt with it in the maturest manner possible. I decided that with some encouragement actually, I decided to try to get an assignment for a year outside the State Department. I was encouraged to apply for something called the White House Exchange Program, the Executive Exchange Program.

*Q: Encouraged by?*

BOSWORTH: Encouraged by people within the embassy, by people in Washington. I think it was a good thing for me to have done. I went off by myself for two weeks and traveled around the U.S. interviewing with private companies for jobs with this White House Exchange Program.

*Q: I see. So, it wasn't an exchange program that put you in the White House? It was, I see.*

BOSWORTH: No, no. It was under White House auspices and it worked in both directions. People in the private sector came into government; people from government went into the private sector.

*Q: Right.*

BOSWORTH: I ultimately ended up working for a bank in Chicago.

*Q: What bank?*

BOSWORTH: Continental Illinois, which no longer exists.

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*Q: What did you do for them?*

BOSWORTH: I worked in their international department basically doing sort of economic analysis.

*Q: The Department was paying you salary?*

BOSWORTH: The Department was paying my salary, but the bank was sort of committing to use me and we lived in Chicago on the outskirts of Chicago, way on the outskirts. It sort of gave me a time to draw a breath and decide what I wanted to do. The bank wanted me to stay in the end.

*Q: They offered you a job?*

BOSWORTH: They offered me a job.

*Q: What would you have done for them?*

BOSWORTH: Well, for them I would have become their number two working on Latin America and basically they had a fairly extensive operation.

*Q: Oh, they did?*

BOSWORTH: A number of branches down there.

*Q: So you went and you did various kinds of economic analyses for them?*

BOSWORTH: Right.

*Q: Stuff that you had learned to do through?*

BOSWORTH: Yes and I also learned a lot when I was there. They sent me also for example; they sent me back to Spain to do a study for them of where they should be

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strategically in Spain. This was 1974 and it was already clear Franco was not long for this world and they were trying to figure out what they should do in Spain, what was likely to happen there when Franco went. So, I did that for them and they were prepared to send me to graduate school. They thought it would be useful, in fact important, for me to get an MBA.

*Q: Would they have employed you at a higher salary than you were making?*

BOSWORTH: Yes, significantly higher.

*Q: Why didn't you do it? You fool.*

BOSWORTH: I know. Well, it's funny how these things work out. I went to Washington on business for the bank and went by to see a fellow that I had worked with in the embassy in Paris. He saw me and said Julius Katz wanted to see me. I don't know if you ever knew Julius? He was a real institution in the bureau of economic affairs. So, I went up and met with Julius and this was just after the energy crisis, the Middle East crisis in the fall of '73. Julius was trying to figure out how to cope with all of this. He wanted someone to come in and run a small unit in the bureau, which would deal with the multilateralization of this energy crisis. I finally decided that the State Department, I had enjoyed it by and large. I wasn't confident I would enjoy being a banker as much.

*Q: You would have had to return to the Middle West.*

BOSWORTH: That's right. That may have been a factor actually in my thinking.

*Q: So, to be chronologically, you left Paris in the summer of '73?*

BOSWORTH: I left Paris in the summer of '73.

*Q: You did a year with the bank?*

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BOSWORTH: Well, I actually did eight months with the bank.

*Q: Okay, so by the.*

BOSWORTH: By April of '74.

*Q: You were ready to go into.*

BOSWORTH: I left the bank and went back to Washington and went into the bureau of economic affairs and within two months of my having done that I was made director of fuels and energy in the State Department.

*Q: This is working for Mr. Katz and you said he was a legend. Talk about him a little bit.*

BOSWORTH: Well, he probably had as much influence on my career as anybody I've worked with. He was not a Foreign Service Officer. He was a long time civil service employee, but he had worked on international economic issues for basically his whole career particularly on commodities and energy policy and trade. He eventually left government and went to work in the private sector for a few years and then he came back in the first Bush administration. He was deputy special trade representative. He was very kind of crusty, very smart, and very determined. I again learned a lot from him about how to operate in a bureaucratic environment.

*Q: Was he the assistant secretary?*

BOSWORTH: When I first went back he was the principal deputy.

*Q: This is in the Bureau of Economic Affairs?*

BOSWORTH: Bureau of Economic Affairs.

*Q: Right. He was the principal deputy.*

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BOSWORTH: Yes.

*Q: Did you report to him?*

BOSWORTH: I reported to him.

*Q: On this fuels and energy office?*

BOSWORTH: Fuels and energy and then after I'd been there just a few months, Tom Enders came back as assistant secretary.

*Q: Oh, we have to talk about him, too. So, was Katz, I mean, he was extremely smart you said.*

BOSWORTH: Very smart, very decent man, the good despite his crustiness.

*Q: Yes, and a good bureaucratic operator.*

BOSWORTH: Good bureaucrat. Very high standards. Demanded a lot. He was testing you all the time. These were very rewarding, but very intense times that I was there. The energy crisis was a great political issue domestically, as well as a real economic threat to the country. I got very involved both in international energy issues, but also because of that quite involved in domestic energy issues.

*Q: What were you trying to do, what was EB trying to do?*

BOSWORTH: The first thing that we did was, Kissinger had convened a group of Europeans and the Japanese to discuss multilateral cooperation in response to the embargo.

*Q: What did that mean?*

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BOSWORTH: It meant that within 19, let's see it would have been 1974 that we began to set up a new international agency which we attached to the OECD, but was the international energy agency. I turned out to be the principal U.S. negotiator of the agreements that set that up.

*Q: What was that going to do?*

BOSWORTH: That was going to do a number of things. First of all it was going to set up a mechanism for sharing of oil supplies in an emergency. What had happened in the embargo of course was that as oil supplies tightened temporarily, there was tremendous battling within the Western world to try to lock on to available supplies of oil. Those battles began to have very significant political implications. Kissinger in particular was very disturbed by this. He was trying to do things in the Middle East that would require this accord of the Western Europeans. The Western Europeans were feuding with us because they felt that the international oil companies most of whom were U.S. controlled were giving preferential treatment to the United States.

*Q: Were they?*

BOSWORTH: No, I don't think they really were, but there was no transparency. In a world in which transparency was beginning to become so important, we needed a mechanism that we could provide for that transparency. We negotiated a fairly elegant, but somewhat complicated system of sharing oil in an emergency which was tied to commitments to maintain stocks of oil and to share it so that we would maintain an agreed level of consumption among all countries so that we were basically sharing the pain.

*Q: Did that go into effect or has it ever actually been done?*

BOSWORTH: It's never actually been implemented, but the agreement remains and the agency which then became the place where the industrialized countries coordinated



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energy policy became an adjunct to the OECD with its own separate government structure.

*Q: Is it still there?*

BOSWORTH: It's still there.

*Q: Is that one of the reasons that the U.S. set up its own petroleum reserves, did it come out of that?*

BOSWORTH: Yes. It came out of that. I think hopefully we would have done it anyway, but that was something that we were permitted to do.

*Q: So, you set up this agency and that presumably I can imagine was a long Herculean task?*

BOSWORTH: It was.

*Q: What else were you up to? You said you had a lot of.*

BOSWORTH: Trying to work with what was first, then the Federal Energy Agency and tried to get useful, meaningful U.S. energy legislation in place. One of the things that was bedeviling us is that when it was that the embargo took place and oil prices spiked the U.S., in contrast to most other industrialized countries, decided for political reasons not to pass that price increase through into the economy. We imposed oil price controls. We also had the additional complication that we were not only an importer of oil we were a producer of oil. There was no desire to allow domestic oil producers to gain what were viewed as windfall rents from the sudden increase in the world price. So, domestic oil prices were capped and you had a very complicated system for creating blended prices between imports and domestic production.

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*Q: As a foreign affairs agency, how did you play into that as a domestic question because you had to?*

BOSWORTH: Largely because we believed, we being in this case Kissinger, but largely Enders and myself and Julius Katz that our international priorities were jeopardized by not having a coherent credible domestic energy program. That if we wanted to provide leadership on this issue we had to show that we were prepared to lead in fact, not just in theory.

*Q: Did the State Department, I mean as much as it was able to, push for these price controls and so forth within the United States?*

BOSWORTH: No. No, we pushed for the end of those price controls. We wanted the effect of the oil price increase to be passed into the economy, work through the economy as rapidly as possible which is what most other countries had done. As a result other countries came out of that. They overcame those economic consequences much more rapidly than we did. In fact I've always, I've never seen any great analytical work on this, but I think what happened to us later throughout the '70s and even in the early '80s in terms of inflation and stagflation was due in very large measure to our unwillingness to take the economic hit from that recent oil crisis.

*Q: That's very interesting. Did you deal with Kissinger at all? Did you encounter him?*

BOSWORTH: I encountered him all the time.

*Q: What did you make of him?*

BOSWORTH: He was a fearsome character.

*Q: You often hear that he wasn't so interested in economic issues.*

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BOSWORTH: He wasn't interested in economic issues, per se, in fact, I used to sit in on meetings with him and do the notes. I've heard him say a couple of times, stop talking to me about millions of barrels of oil per day, I wouldn't recognize an oil barrel if it walked into my office. He understood very well the political implications of these issues, both the oil question as well as the financial repercussions of the oil question. How do you recycle all of those monies that were suddenly flowing into producers' coffers? Because if you didn't recycle them fairly efficiently, you were going to add to deflation or other economic pressures around the world.

*Q: You say he was a fearsome character, what does that mean?*

BOSWORTH: He was very demanding. He was, I've gotten to know Kissinger very well in years since and I've told him. He kind of takes pride in the fact that people were afraid of him. To deal with him effectively.

*Q: He threw tantrums.*

BOSWORTH: He would throw tantrums. He would throw papers. He was admittedly under some stress to say the least. This was as Watergate was unfolding and he was not at all confident he had a president in place that he could count on. Then after Watergate he was dealing with a new president, Ford, that he didn't know and people were then in that administration were clearly determined to clip his wings. This was a time of some tension for him.

*Q: Do you think he's brilliant?*

BOSWORTH: I think he's brilliant. Yes, he's not an ideal personality, but he is brilliant.

*Q: He did as you say, he took a great interest at least certainly in this economic issue.* BOSWORTH: *yes, without question.*

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*Q: Would you say that he really set a good deal of policy or did he, did it come up from people like Katz and Enders and that they really worked?*

BOSWORTH: On the oil side, I think that the Bureau of Economic affairs really put together this strategy for dealing with all petroleum and financial implications of the oil crisis. He believed in it and he was very instrumental in selling it both to the U.S. government and selling it to foreign governments.

*Q: What was he really selling to foreign governments, the idea that you had to be prepared to share and to cooperate?*

BOSWORTH: To share and the notion that we had, we described at the time a shared vulnerability. There were unilateral solutions possible for the U.S. to our oil dependency, but it was the vulnerability of our major alliance partners that really was the greatest threat to us. There were times in '74 and '75 when the tensions between the Americans and the Europeans became such that one had serious qualms about the fate of the impact on all of that on NATO and our ability to maintain the strong containment position.

*Q: Did the Department through its economic people push I would think they would on the Arab states and others in OPEC to 1) to get off the embargo and 2) to work out the mechanism for the recycling of petrodollars?*

BOSWORTH: Yes. In the end the recycling of petrodollars proved to be something the market could handle fairly well because as we've learned, the marginal propensity to consume by the oil producers proved to be almost infinite. So, they did not simply hoard these reserves, they came back into the international system and they were spent. Having put together consumer cooperation through the International Energy Agency, known as the IEA, and this oil sharing plan and various other elements of cooperation it was clear that we needed a dimension that related us to the producers. So, we then found ourselves to some extent responding to French leadership, participating in something called the

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Conference on Economic Cooperation or CEC, which was centered in Paris, began in '75 and extended through '77. That brought us together face to face with the developing world led in many ways by the oil producers. The chairman of the developing group was from Venezuela. The Saudis were there, the Iranians were there, the Indonesians were there. On the industrialized countries side it was basically the U.S., Japan and the EU.

*Q: How did that work?*

BOSWORTH: With great difficulty, but it worked. I was the principle U.S. representative at that and it took enormous energies with relatively little gain in fact, just to hold things together. It was important in maintaining allied Western solidarity because there were countries within the Western alliance who were very committed to the notion that somehow developing better relations with the producers and believed that the U.S. was not. So, we had to demonstrate that we were ready to do that.

*Q: This was your first serious interaction with the Arab states I take?*

BOSWORTH: Yes.

*Q: Personally?*

BOSWORTH: Yes.

*Q: What did you make of that? That was an experience with dealing with this big question.*

BOSWORTH: It was a great introduction for me in many ways to multilateral diplomacy with non-Western participation. It was very difficult. They were intensely suspicious of us. They saw what had happened to oil as perhaps an indication of what they could do with regard to other commodities as well as a way to get some degree of market power, which translated into political power. It was a way to lean on the West to try to get more concessional aid, more preferential access to markets, more redeployment of industry,

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etc. This was the height of the activity of the group of '77, the new international economic order, all of which basically was sparked by the oil phenomena of 1973 and '74.

*Q: It in effect represented an attempt to really reorganize the economic terms of the world one might say to put it in a very large.*

BOSWORTH: Yes, and not just in economic terms. It was an effort basically of rebalanced power in the world. In retrospect it was really kind of doomed from the beginning because first as it turned out the markets were much more powerful than political agreements could have been. So, markets eventually caused a rebalancing, but not with great rebalancing of political influence.

*Q: You worked for Katz and you worked for Enders. Talk about Enders a little bit.*

BOSWORTH: Tom was I think unique in my experience in the State Department. No one else really comes close to him in terms of intellectual reach and determination and stamina. The only other person I can think of who might come under that same level is somebody like Tom Pickering, to some extent Larry Eagleburger. Tom also did not suffer fools gladly. He was very, very haughty, as only somebody 6'8" can be. A true product of the American white shoe establishment. Number one in his class at Yale. Just a brilliant mind, a little short on what one might call people skills.

*Q: Why did somebody like that go into the Foreign Service?*

BOSWORTH: I asked him that once and he said because he was too tall to be a military officer.

*Q: Not funny.*

BOSWORTH: Then of course after he retired from the Foreign Service, he went on to quite a successful career in investment banking. Tom was one of these people like many of us who is drawn to issues of public policy and who want to find themselves in

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a position where they can say that they can make a difference. Tom's problem was that he contrasted Julius Katz who was also a superb bureaucrat. Tom sort of bulldozed the bureaucracy and his half-life or shelf life in any position was generally about two years. By the end of two years he so alienated and pissed off everybody else around him that he had to move on. This happened to him in EB when he was assistant secretary. As an assistant secretary he would take on the Secretary of the Treasury in interagency meetings and stopped just short of calling him a damn fool. People were afraid of him because he was both so bright and so direct. I became, particularly in multilateral exercises, in Europe I became sort of the soft side of Tom Enders in effect, and he would send me out to be the investigator because he recognized that probably I was better suited to do that than he was. I then worked for him later when I was in Latin American affairs. I was probably the only person ever to work for him twice on the senior level because he could be very difficult. He and I became very close friends and I have a great deal of regard for him personally and professionally.

*Q: How did he and Katz get on?*

BOSWORTH: They got along very well. I mean Julius would occasionally get exacerbated with Tom because he saw as I did that Tom could have been even more effective if he had been just a little bit more malleable. Finally, it would have been in '76 I guess, maybe late '75, Kissinger got such heat from the White House and the Treasury and other places that he had to let him go. So, he sent him to Ottawa as ambassador.

*Q: Yes, there's a famous remark that Kissinger made about Enders but I can't remember it. So, you were in this job from '75 until?*

BOSWORTH: '75, '76, well, let's see I went back in '74 and in 1976 I became deputy assistant secretary in charge of energy, commodities and raw materials in food policy.

*Q: Then you got this job because Katz in the office put you up for it?*

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BOSWORTH: That's right. I'd you know, done as director of fuels and energy, they thought I'd done a good job and I'd had a lot of international exposure and a lot of exposure within Washington. So, this was kind of a natural move.

*Q: So you were the deputy assistant secretary for fuels, energy, raw materials, and commodities. This is 1976?*

BOSWORTH: 1976.

*Q: So, what did that job add to your previous portfolio?*

BOSWORTH: Well, I continued to spend a lot of time on energy, but I had an office director under me who was doing that. What it added to my, it came at the same time that I was dealing in this international forum in Paris so it added commodity policy, things like international sugar agreements, international coffee agreements, it added food policy, an international wheat agreement. Importantly, it added responsibility for leading a U.S. response to demands from the developing world for more commodities, more efforts to establish greater predictability in commodity prices on revenues that the producers would earn. It was another part of the new international economic order.

*Q: Are these agreements really that one can make and it can work do you think? Was it often more of a kind of an exercise?*

BOSWORTH: Political.

*Q: Appear to try to be responsive, but you have the market out there that's doing this stuff, right?*

BOSWORTH: That's right and I became more and more convinced of the power of the market the more I worked on these things. So, then in, let's see in '76 the administration



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changed. Carter came in, Ford left and Kissinger left at the same time and Cy Vance became Assistant Secretary.

*Q: No, you mean, he became.*

BOSWORTH: No, he was the Secretary. I continued doing basically what I was doing except that the government set up the Department of Energy, the Federal Energy Agency, the Federal Energy Administration and Jim Schlesinger became the sort of energy czar within the Carter administration and I became quite friendly with him. I spent a lot of time with him and Cy Vance and others in the State Department were very nervous about Schlesinger because he had been Secretary of Defense and he was power in Washington. They kind of relied on me to keep track of what he was doing, not that I was ever totally successful at that, but I traveled with him a lot.

*Q: He was a pretty formidable figure.*

BOSWORTH: Very formidable. He and Enders and Kissinger were the most formidable people I was associated with. I've remained close to Jim throughout the years. He's a very decent man.

*Q: In working with him then, what sort of issues?*

BOSWORTH: Oil price increases. We would lean on the Saudis to try to get them to resist efforts within OPEC to increase oil prices.

*Q: Did that work?*

BOSWORTH: Not really. They exercised a certain amount of restraint that they might not have exercised otherwise, but their interests were very consistent with ours is that given the large reserves, they didn't have an interest in having prices so high that they would force people to stop using oil and thereby cut into their future earnings.

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*Q: Right. Were they willing to try to act within OPEC to get that point across?*

BOSWORTH: There was a split within OPEC. There were OPEC countries that had large populations that wanted as much as they would earn now and countries like Saudi Arabia who didn't have large populations who wanted to stretch their earnings for more allowed.

*Q: We're now in about 1976 and he's the deputy assistant secretary in the Bureau of Economic Affairs and you worked on energy and you worked on commodities.*

BOSWORTH: Right.

*Q: What kind of relationship would you say that you had overall with people like the Treasury Department? Talk a little bit about the intergovernmental tugs in these places.*

BOSWORTH: They were complicated relationships. Treasury in particular did not automatically agree that the State Department should have the lead on some of these issues. A lot of it depended upon personal relationships. I think I was fairly successful in not co-opting, but including the senior people in the Treasury Department at my level at least into the gestation of policy, making them feel that they were a part of it. In truth they contributed a lot. So, I always took the posture of inclusion rather than exclusion. Treasury was the principal other bureaucratic player in this. There was a tendency, particularly in the republican administration, also in the Carter administration for Treasury to take a somewhat more market oriented position on things than the State Department might have taken because we were obviously interested in trying to seek political arrangements on some issues, not necessarily in having an ideological confrontation over economic over market issues. By and large it worked pretty well.

*Q: Did you work with people at the Agriculture Department much?*

BOSWORTH: Yes, on some issues we worked very closely with the Agriculture Department.

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*Q: How did that go?*

BOSWORTH: Well, there you were really confronting the international or the U.S. domestic agricultural interests. I remember defending a sugar agreement that we had been negotiating. Frank Church summoned me to Idaho for a hearing that he was conducting. He was then chairman of the Foreign Relations Committee in the heart of sugar beet country. We had just concluded a sugar arrangement that needless to say the sugar beet owners were not all that happy with because they were used to a system in which they were paid basically subsidized prices for their sugar production. That was not one of the easiest experiences of my life, but yes, I would come up against these kinds of interests periodically.

*Q: Did you find that and I've read a lot about the sugar business myself, but did you find that the domestic agricultural interests generally get their way?*

BOSWORTH: They're very powerful and yes, they generally at least they don't lose a lot. We've seen it in the last year in the domestic agricultural bill, which came out of the Bush administration, which is a blatant tilt of U.S. policy toward domestic agricultural interests.

*Q: So domestic politics had a lot to do with it?*

BOSWORTH: In these jobs in foreign policy you better have a good grounding in what's happening in terms of domestic politics and an ability that became increasingly important as I went on to deal with individual members of congress. I would go up and testify on some of these commodity issues in the congress, on oil issues. I'd deal with staffers and so on.

*Q: It's often said that the State Department is very good at dealing with foreign governments, but not with our own government particularly with congress and domestic.*

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BOSWORTH: Well, I think there is some validity in that charge in that we don't tend to produce people who are sort of naturally attuned to domestic.

*Q: why do you think that is?*

BOSWORTH: Because we recruit people, we foster people who have an international orientation and to some extent people on the Hill are suspicious, not all of them, but some of them are suspicious of the State Department because they think that we basically, that our constituency is international not domestic.

*Q: Do you think the Department falls down in training on not orienting enough people to this?*

BOSWORTH: Yes. I think there are individual exceptions to this and usually those are a result of people being given jobs or having experiences at sort of a mid point in their career to bring them into contact with congress and give them some sensitivity as to how to deal with congress. I mean it's not a mystery. Basically you remember that the guy you're dealing with needs to be reelected. So, he needs to be able to say to his constituents that he got what they needed from the State Department.

*Q: So the administration changes at the beginning '77, the democrats come in, Mr. Vance comes in as Secretary of a new president. Did you spend much time with Vance or his senior people?*

BOSWORTH: A certain amount of time, yes, with Vance and Dick Cooper who was Under Secretary for Economic Affairs. I spent a good deal of time with him and with Tony Solomon who was Deputy Secretary of Treasury. Fred Bergsten at Treasury.

*Q: Did you see a change then in-between these two?*

BOSWORTH: Yes, actually there was quite a change.

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*Q: I mean people say interests are constant, but what sense did you get when?*

BOSWORTH: Among the democrats there was a greater disposition to look at commodity agreements under certain circumstances not that we ever negotiated any, but they were at least prepared to look at them. These were all very bright people.

*Q: Was Vance interested in economic questions?*

BOSWORTH: Not particularly, no. I got to know him immediately because we had the completing ministerial meeting at the conference center International Economic Cooperation in Paris, this north south bake off and Vance came for that. He was there two or three days and I spent most of that time with him trying to advise him on what was going on. It was very complicated. These poor guys, the democrats were sort of parachuted into the last few months of this conference that they had not been responsible for starting. The senior official level had sort of cooked everything and gotten it ready to go. We had a carefully identified series of tradeoffs that we thought could be negotiated. These guys came in and they were convinced that their negotiating aptitude and within a few hours they had given away every major tradeoff we had. So, we were left there kind of naked. The conference concluded, but did not conclude, as it should not have, with any major agreements. These were not things that could be governed by international agreements.

*Q: I mean this is always an issue when you have a transition especially between parties and so forth that in some sense is a kind of a weakness in our system. So, the north south thing came to an end this dialogue.*

BOSWORTH: That dialogue did. The debate shifted back into the UN structure by and large, UNCTAD and other UN bodies.

*Q: Really not a great deal tangibly came of all this you would say?*

BOSWORTH: No.

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*Q: It was much more of a political exercise.*

BOSWORTH: It was a political show.

*Q: So, you're in EB and how long did you stay there in this DAS position?*

BOSWORTH: I left EB in 19, the end of 1978, early 1979. I was nominated to go to Tunisia as ambassador.

*Q: That's interesting because you were not a product of the geographic bureau structure.*

BOSWORTH: No, I had no home bureau so to speak.

*Q: Yes, exactly.*

BOSWORTH: But at that point there was a desire on the part of the seventh floor in the State Department. I'm not sure who it was, Cy Vance, Warren Christopher and others to show that people doing economic work could advance to the senior level as well as people doing political work. Very early on, not early on, but they eventually ended up taking two people, myself and one other out of the bureau of economic affairs and sending us off as ambassadors.

*Q: Who was the other one?*

BOSWORTH: The other one was a fellow named Paul Boeker. Paul went to Bolivia and I went to Tunisia. As I'd said, prior to that I'd done a good deal of work with Jim Schlesinger. I'd traveled with him to China and the Gulf and other places. The Iranian revolution was bursting just as I was leaving and I got involved in an effort to articulate a policy response to what was happening to oil prices then.

*Q: Was NEA unhappy about your appointment at all?*

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BOSWORTH: No, they didn't seem to be. I mean I'd worked with some of these guys in the north south exercise in Paris and I knew people like Hal Saunders and Roy Atherton and others.

*Q: Because Tunisia would have been one of their attractive posts I would think.*

BOSWORTH: Yes, it was indeed. It was one place where you could go and be effective fairly soon without long grounding in Middle Eastern issues.

*Q: French was as useful probably almost as Arabic I suppose?*

BOSWORTH: Yes.

*Q: You had the French language.*

BOSWORTH: I had the French language.

*Q: So, you went out there in the summer of 1979?*

BOSWORTH: Actually the spring of '79.

*Q: The spring of '79.*

BOSWORTH: I was there two years.

*Q: who was the DCM?*

BOSWORTH: Barry King was the first DCM and then a fellow named David Mack who later went on to be ambassador to the United Arab Emirates.

*Q: Did you feel that you had enough shall we say management experience at this point? Did you worry about that or did the Department try to do anything as far as. In other words you're suddenly from having been in a small economic section I mean a small unit that you*

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*ran in Paris, you had a big job in Washington, but then you're going out to an embassy where you've got to oversee Admin, Consular, Political and then work with agency people, maybe Peace Corps and all that sort of stuff. You felt you were able to step into that?*

BOSWORTH: Yes, I think I've learned through experience enough about management to make me feel rightly or wrongly comfortable about my authority to do that. I was a firm believer in delegation, delegation with accountability. I learned very early on that as soon as you have anybody working for you, you had to be willing to accept their product as your own willing putting your imprint all over it as long as it maintained the requisite standard.

*Q: Right.*

BOSWORTH: I had a very unpleasant experience with a fellow I worked for my first year in Madrid. I had done a lot of writing. I thought I could write. I wasn't Hemingway, but I could write clear prose and he would take great pains spending more time editing my stuff than I'd spent writing it. Without in my judgment at least improving the quality. So, I always said I would not do that to people who worked for me. That doesn't mean that I didn't occasionally and sometimes frequently edit stuff, but I tried to do it in a way that didn't discourage people.

*Q: It's often said that the Department is weak in management. That's why I was curious, but obviously you had a successful career to put it mildly. So, you went out in the spring of '79 to Tunisia and how big a post was it would you say?*

BOSWORTH: It was a small, I think it was what they called then a class three embassy. It had three people in the political section, two or three people in the economic section. It had a large AID mission, which I enjoyed because I like to get into those issues. It had a large Peace Corps program, which I also enjoyed. We had a military attach#, a defense attach# and then a significant logistic tail that was run basically by the State Department.

*Q: They had a language school there I think?*



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BOSWORTH: Yes, there was also a language school there, but I had only the Admin Counselor basically took care of that along with the DCM, David Mack, when he was there because he was a product of that school. I had very deliberately tried to find a DCM who was an Arabist and David was.

*Q: Were you able in effect to pick your DCM?*

BOSWORTH: They gave me a list and I told them from the beginning that I wanted an Arabist, I wanted somebody who could be a complement to me.

*Q: Although he was not somebody you had really known before?*

BOSWORTH: Never met him.

*Q: Yes. So, you were willing to take somebody.*

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We're resuming on day two with Ambassador Bosworth and let me ask you sir, what did you see as the relationship or how did the relationship work between the economic bureau and the other bureaus of the State Department, particularly I think in the geographic bureaus? There must have been some policy tugs back and forth, how did it go?

BOSWORTH: There were frequent policy tugs. I think in those years the bureau of economic affairs or EB as it was called, had some advantages in terms of people particularly in the Enders-Katz years they provided very strong leadership within the building and within the bureaucracy. Enders in particular had a very direct relationship with Kissinger, when Kissinger was Secretary. Then Katz and Joe Greenwald who was also Assistant Secretary had close relationships under Vance. There was a woman who was executive director of the bureau, who had been there for years, Frances Wilson, who I think has since passed away. She was a power, tower of continuity within the bureau and

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regarded economic officers as sort of her chicks and she was going to take care of them. So, she fought fearlessly within the bureaucracy including within the promotion system to get economic officers treated at least on a par with political officers and hopefully in her view higher. But there were policy tugs all the time. I think in those years in the mid '70s EB was benefited by the fact that many of the major crises that the U.S. or problems that the U.S. was dealing with, particularly the energy crisis and some trade questions and the overall north-south set of issues were global in nature. They really didn't pertain specifically to any one geographic bureau so that the bureau of economic affairs within the State Department was very much the lead bureau. I remember when we used to go off to our meetings in Paris on the International Energy Agency and then to the north-south dialogue meetings in Paris, we would frequently particularly for the latter have regional bureau representatives with us who were various kinds of advisors, but not in any way really central to policy making process.

*Q: now did you find particularly where energy was a big issue, how did it go with bureaus like NEA as far as an issue went, was it generally cooperative?*

BOSWORTH: It was generally quite cooperative, yes. We had no interest in being confrontational with the oil producers. On the other hand, I think we were trying to build a kind of consumer solidarity that some of the oil producing countries found threatening. By and large the people in NEA, starting at the top with Hal Saunders, and others, were very supportive of what we were trying to do.

*Q: There was a position you referred to an under secretary for economic affairs.*

BOSWORTH: Right.

*Q: What was your relationship with the EB to that person and why was there an under secretary for economic affairs?*

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BOSWORTH: Good question. I'm not sure why there was or why there still is except that it is someone on the seventh floor who was supposed to be the primary point of connection between the economic aspects of the State Department and the Secretary. When Enders was there the under secretary was a man named, well, first Bill Donaldson who went on to become as we all know chairman of the SEC. Bill I've actually gotten to know quite well in later years. He had a lot of trouble when he was there largely because he was imposed on Kissinger by the White House and Kissinger had no use for him.

*Q: Why did they impose him?*

BOSWORTH: For political reasons in the White House. He was a product coming out of the Nixon administration and he only stayed probably four or five months and then left. He was followed by a fellow named Chuck Robinson. I have no idea where he is now, but Robinson and Enders, Robinson believed that he should be in charge of all of these issues. Of course for Tom Enders that was simply not acceptable. He would not tolerate anybody being between him and the Secretary of State. By and large Tom won. Kissinger used to get very exacerbated with Tom because his insistence on not going through Robinson on various issues complicated Kissinger's life. On the other hand, Kissinger respected Tom's abilities so much that he wasn't prepared to make a big issue of this. Tom basically either ignored or treated Robinson with disdain as only Enders could do.

*Q: That position, was it a job or was it just in a sense to supervise the economic bureau or was it to just sort of prove that the Department was in fact giving visibility to economic issues?*

BOSWORTH: Right, I think largely the latter, to some extent the former, but it was also I think ideally it functioned best at an interagency level. I think that's what it does now. The current occupant of the job Alan Larson was a holdover from the last administration. Alan worked for me 20 years ago and he is a very bright capable guy. I think his value added is that he can meet with the special trade representatives and other senior economic people

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in Washington in a way that an assistant secretary in the current structure just can't. That never stopped Enders and he did it, but I think that probably Alan Larson does it now from the seventh floor. He seems to be a more senior representative.

*Q: Talk a little bit more about the relationship of economic officers to the State Department. You had indicated one of the factors apart from your obvious abilities in getting a job as ambassador to Tunisia was the fact that at that moment there was a push on to give some of these jobs that are considered plum assignments to economic officers. So, in your experience, how did economic officers generally place in the sociology of the State Department?*

BOSWORTH: Well, they were definitely subordinate to lower on the pecking order than political officers by and large. You know, in the '60s and the first half of the '70s, probably the best thing to be from a career point of view in the State Department would to be a political officer working on Western Europe. EUR political officers were looked upon as the princelings of the Foreign Service and considered themselves such. Then what happened I think beginning probably with the energy crisis or perhaps even before that, more and more of America's foreign policy concerns became economic in nature. The State Department had to give greater recognition to the people who were doing this and it had to be sure that the people who were working on economic issues were among the best they had. They couldn't afford if they wanted to prevail in the bureaucratic wars in Washington; they couldn't afford to use people who were not able to hold their own.

*Q: Do you have the sense then that over the years that economic officers have gotten a fair share of the sort of plum jobs?*

BOSWORTH: They've gotten more I think as you look at it on a per capita basis, probably economic officers still don't get as many key DCMships and key ambassadorships as do political officers. They have I think the Department over the last ten years or so, I have not been that close to it has spread things out a little more evenly. You find consular

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officers now getting ambassadorships where they, that was very rare 15 or 20 years ago. Administrative officers even get a few ambassadorships. The testing ground for career officer ambassadorships has always been the DCM route and for a long time most DCMs of significant posts were political officers.

*Q: Exactly. Did you have the sense that the political officers were focused on trying to educate themselves in economic issues sufficiently, to be ready if the substance of their jobs was in many ways was going to be economic issues?*

BOSWORTH: Well, some of the best of them clearly did and they recognized that to do their jobs well, they needed to have some grounding in economics, but there were still large numbers of officers who were basically not numerate, anything with a number in it scared them and they backed away from it.

*Q: Talk a little bit, you said the other day that when you got to be a deputy assistant secretary that you spent a fair amount of time with James Schlesinger who was then the secretary of energy.*

BOSWORTH: Well, at that point he was in the White House. He was the president's special advisor for energy.

*Q: Was this with Ford or Carter?*

BOSWORTH: This was with Carter. Ford had fired Schlesinger from DOD and Schlesinger did not take that well understandably. So, when Carter was elected Schlesinger volunteered his services and Carter accepted. Jim was the most prominent senior republican serving in the Carter administration. In the first year of the Carter administration they proceeded to set up the Department of Energy. In the interim Jim was lodged in the White House. He was doing a fair amount of traveling and also of course working the Hill very assiduously trying to put together key pieces of energy legislation, which by and large he did. He had working for him as eventually his assistant secretary of energy for

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international affairs in the State Department a former colleague of mine and a fairly good friend who had been coincidentally in the embassy in Madrid when I was there.

*Q: Who was that?*

BOSWORTH: A fellow named Harry Bergold. Harry had worked in the Defense Department under Schlesinger when Schlesinger was Secretary and had become very close to him. Jim had a lot of confidence in Harry, but Harry had no interest in energy and the sort of technicalities of energy. So, because he and I got along very well, we worked out a pretty good arrangement in which he was sort of the assistant secretary who was representing the energy department, but I was Schlesinger's particularly inside advisor on what's really happening internationally. I would get calls from him once or twice a week asking to come over. He wanted to talk about a certain issue or a given set of problems. I was working in many ways very directly for him. In fact when I left to go to Tunisia he gave me a distinguished service award from the Department of Energy.

*Q: So, how did you find working with him?*

BOSWORTH: Challenging. This is a very smart guy, very demanding, very gruff in some ways, but the gruffness was more a product I found of shyness than anything else. I liked him. I respected him and I got along with him quite well. I think by and large we did some good work.

*Q: You said you traveled with him. Where did you go and why with him?*

BOSWORTH: Well, as this was before the energy department was formally set up I think we went to, first of all we went to Europe. He was skeptical about the International Energy Agency when he first came to office because it was seen by him correctly as a State Department controlled exercise. He and I and Bergold worked out an arrangement whereby Bergold and I sort of co-chaired U.S. delegations to the IEA. I wanted Schlesinger to become familiar with the agency to meet the people from other governments who were

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involved so one of his first trips was a trip to Europe. He went to France and Germany and I traveled with him. That was the first time I spent an extended period of time with him while on the road. Then in let's see it would have been '78 I guess we went to Morocco and Saudi Arabia. That was an interesting, fascinating trip.

*Q: Tell me a little bit about that.*

BOSWORTH: Well, in Morocco, Schlesinger knew King Hassan quite well, so we stopped and had an audience with the king in Marrakech and a dinner. Of course for me that was the first time I'd met King Hassan and I was quite taken by this experience. I had not been in North Africa previously. From there we went to Saudi Arabia. We went to Jeddah first and then Riyadh and then over to the ARAMCO facilities on the East Coast and met with the king and the various princes, the foreign minister and others. So, it was an interesting insight into how Saudi Arabia functioned. I was the only State Department officer on the trip. Schlesinger had been Secretary of Defense and had also been head of the CIA, which is how he knew so many of these people on a kind of intimate basis, and it was very heady. Quite an experience to travel with someone like that with that kind of intellectual luster with whom I was developing a good close relationship and meeting these people and being sort of at the heart of the issues that were really concerning many in the United States. Would Saudi Arabia for example consent to another round of oil price increases?

Then in 1978 the end of '78, I accompanied him on a trip to China. I had never been to China before.

*Q: Why did you go to China?*

BOSWORTH: To talk to the Chinese about energy concerns, but more importantly, I mean he viewed being Secretary of Energy as sort of giving him license to get involved in various foreign policy and national security issues. This was in a period before we had normalized diplomatic relations with China. Leonard Woodcock was there as head of the U.S. interests section. There was a lot of interest in China in Washington in those years.

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People were traveling there all the time, but I had never been there before. We spent two weeks traveling all around China and meeting with China's officials and seeing things. It was really quite illuminating for me. It was a great trip.

*Q: Let me ask you this, you worked on these energy issues intensively for many years at very high levels.*

BOSWORTH: Right.

*Q: In a sense, I don't want to be too broad, but what would you say is like the guy said after the, what came of it in the end after the Battle of Waterloo. What came in your mind at the end? You have an International Energy Agency, which has never actually had to do what it was set up to do if I understood you because it doesn't really allocate, but it's there I guess if it needs to.*

BOSWORTH: Right.

*Q: What else would you say came of all these endeavors?*

BOSWORTH: I think the most important, probably the most concrete was the development of the sense of consumer solidarity on the question of energy. We not only had the emergency sharing plan, we began to develop various programs in long term research and development activity in the energy area, many of which still go on. Probably the IEA's most important function over the years has been to ensure a degree of transparency in the oil industry that did not exist before.

*Q: What does that mean?*

BOSWORTH: It means that governments and people had some sense of why prices go up and why prices come down and during the '73 '74 crisis there was a great feeling that somehow the oil companies were giving preference to the United States. In fact they really weren't and now within the IEA there is a mechanism in which the oil companies report



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periodically on pricing and the supply questions. I think by and large people now have some degree of assurance that everyone is being treated more or less equitably.

*Q: So, the notions that the fleet of tankers are hiding offshore with the oil, that's not really.*

BOSWORTH: Right. No. So, the oil companies in the end welcomed this because it gave them public credibility of a sort that they hadn't had before. That has been an important contribution. Also over the years the IEA has become sort of the respected source of data and projections. Is oil demand going up, is it going down, what does supply look like? So, it has played a very important role in that sense. It has never actually had to allocate oil, but the mechanism is there if it ever decided it needed to.

*Q: So, does it have like a permanent secretary?*

BOSWORTH: Oh yes, it's attached to the OECD in Paris. It has a permanent secretary, which is now I think run by a Brit.

*Q: Is it basically a Western organization? I mean does it have Arab or Venezuelan members?*

BOSWORTH: Basically, no it does not have any producer country members, but Japan and Korea are now members of it. Japan was a member from the beginning. Korea for a few years.

*Q: You mean producer exporter?*

BOSWORTH: Yes. Right.

*Q: What do you think the results might have been politically from this? I mean did OPEC come to realize its, I don't want to say responsibilities better, but become more sensitive as to what might happen as a result of, before the embargo clearly it didn't know what was going to happen.*

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BOSWORTH: I think some countries within OPEC did. I think key people within OPEC particularly say the Saudis and the Kuwaitis and in the earlier day the Iraqis and the Iranians began to understand that those countries that have the largest oil reserves had an interest in pursuing pricing policies which did not encourage consuming countries to accelerate the development of alternative sources of energy. In other words, they had an interest in making sure that the last drop of oil that they produced had a market. So, I think it has moderated the pricing policies to some extent. On the other hand, I would also argue that by and large the market has been a fundamental importance in setting oil prices over the years. Saudi Arabia has been the swing producer. They have gone up or down as necessary much of the time, not always, but much of the time as necessary to keep prices more or less stable.

*Q: Let me ask you one other thing here and that is, I wanted to just ask about maybe some details of a particular commodity negotiation and discussion. One thought I had was sugar, but if there is another one that strikes you as being particularly interesting. I don't know whether when you were in EB, I don't know, citrus, or did they work on coffee agreements?*

BOSWORTH: We worked on coffee agreements. We never really had a commodity a price targeted commodity agreement in coffee.

*Q: Sugar is a big domestic American constituency.*

BOSWORTH: Sugar is a big domestic American constituency which made it very complicated and within the United States there were sharp differences because you have the cane producers in Louisiana and the beet producers in the West. The beet producers were only able to survive with heavy subsidies. In other words if they had to sell sugar at what was then a world market price they would have been out of business in two years.

*Q: When you say the subsidy, do you mean a direct payment support from the U.S. Of a tariff that raises the price for everybody?*

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BOSWORTH: Exactly. Right.

*Q: Presumably you worked away at this issue. Did the Department ever try to take the position that the free market should operate or was it just clear from the beginning that politically that was not going to be possible?*

BOSWORTH: In the case of sugar that was just not going to be possible. To some extent the same problem that we have had for so long in the textile business, but for political reasons, even though it doesn't make a lot of economic sense, we want to maintain domestic sugar production. People stretched to the utmost to find the economic justification for that. It's usually based on national security that in the event of war, a la World War II we don't want to not have the ability to produce sugar. It's blatantly absurd, but they have a lot of votes and they control a lot of congressional delegations or influence a lot of congressional delegations. You just have to take that as a given now. The EU was then the EC; the EU has the same problem in spades. They should not be producing large amounts of sugar either, which they then sell at a directly subsidized price around the world. Sugar should be produced by and large in developing countries. That's where the growing conditions are best and labor costs are lowest, but the EU like the United States even more blatantly than the United States wants to produce for political reasons continue to produce beet sugar and their farmers require subsidies in order to do that.

*Q: Now, sugar obviously must have been one element of this so-called north south dialogue which I guess got going in the '70s. There were as you were saying yesterday, there were big meetings in Paris on the subject.*

BOSWORTH: Right.

*Q: Does that exist in some form today as it did then? Is there a group that comes together and talks about these things?*

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BOSWORTH: I think there is still UNCTAD the U.S. UN something or other which focuses on commodities. I think that a lot of the fervor of those issues has dissipated over the years. We were struggling mightily to resist something called the common fund for commodities back in the '70s. Basically, that was a desire on the part of the producing companies largely the G77 to have the industrialized countries contribute money to a common fund which would be used to as they said improve commodity production and make commodity production more efficient in some areas and could be used to stabilize markets by intervening in markets where prices became too low. We for obvious reasons basically because we regarded it, the other industrialized countries did as well, as sort of a back door unofficial development assistance of foreign aid. We resisted this mightily. In the end it was never really enacted. There was some sort of agreement that kind of papered over the differences that was struck sometime after I left the battle. This was a time when the developing countries largely because of the experience with the oil industry, the oil markets believed that they could use their political influence, political weight to get economic concessions out of the West. The West was determined to keep talking about market oriented policies.

*Q: They saw the example of oil and could they apply this to other commodities?*

BOSWORTH: Exactly.

*Q: And control the prices.*

BOSWORTH: As it turned out of course they really didn't control oil either.

*Q: Not on the long term.*

BOSWORTH: Not on the long term because as the price went up a new supply came in. You had Mexico, you had the North Sea, you had the North Slope, so a new supply came in and the market rebalanced at a lower price level.

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*Q: Did the developing countries try to use the commodity issue as a lever, you know, saying if we don't get better prices we'll have social unrest and that can lead to.*

BOSWORTH: Oh, sure there was an element of that. It was more implicit than explicit for the most part. But, yes.

*Q: Well, let's go on then to Tunisia. You went to Tunisia in 1979.*

BOSWORTH: In March of '79.

*Q: March of '79. What were the major issues that you were confronting then?*

BOSWORTH: Well, the major issues were then basically Tunisia's concern over Libya and our concern about Libya and Qadhafi.

*Q: Why was Tunisia concerned about Libya?*

BOSWORTH: Because they viewed him as aggressive, as interested in consolidating a position in North Africa. He would periodically issue declarations calling for sort of a pan Arab unity in North Africa various federations and federal schemes that would sort of knit the countries together. He never really had any basis in fact, but it was almost all hortatory, but it made the Tunisians very nervous. At one point soon after I arrived, there was a gang of Libyan commandos, I don't think they were very organized, but they came across the border and attacked a police post in a small southern town in Tunisia. The Tunisian government called for U.S. support, U.S. assistance. In a largely symbolic move we brought in two big C5 aircraft with various pieces of military equipment onboard and unloaded them visibly and tried to calm the Tunisians down and it basically worked.

The other big thing that happened when I was there and this was very interesting to me, that was the time when the Iranian hostages were taken in our embassy. The president was Bourguiba who by this time was in his '80s and was failing. He would have good

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days and bad days, good hours and bad hours, but he was a determined friend of the United States. He gave us credit for basically having kept the French from arresting him during World War II and giving him the opportunity to become the George Washington of Tunisia. This is a man with a very expanded vision of himself in a historical role, but his historical role was indeed quite important. He had one story about this experience of how the American Consul in Tunis during the war smuggled him out of Tunis before the French could get him. He told that over and over and over to American visitors. When the Iranian hostages were taken there was of course that vote in the UN Security Council in which we needed a majority to condemn Iran for having seized our diplomats. Tunisia happened to be on the security council and of course as an Islamic country, an Arab country, this was a very tough issue for them and had Bourguiba taken a straw vote within his cabinet it would have been unanimous against joining the U.S. in this. Yet he himself made the determination, I had gone to see him, made a strong demarche on instruction from Washington and he made the decision himself to support the U.S. and cast the Tunisian vote in favor of the U.S. position on the resolution. It was something that earned great appreciation in Washington. This was a time when we were very tough force. So, about a week later the sixth fleet came through and the commander of the fleet, a vice admiral, when the sixth fleet came in the commander would always come and call on the president. I accompanied him to this meeting with the president as I accompanied all and I'll never forget this. He thanked him for the support on the hostage issue and presented Bourguiba with his midshipman's sword, which of course naval officers only have one of and he gave it to Bourguiba. Bourguiba who at that point was as I say he had good days and bad days, he was rather frail and rather uncertain. He took the sword out of its scabbard and started waving it around. The palace chief of protocol was a young Foreign Service guy and myself were trying to back up and stay out of the reach of this saber he waved around. Finally the protocol guy took it away from him and in effect went up and took his wrist, so it all worked out fine. But Bourguiba, it was quite an experience dealing with this guy. He had this great affection for the United States, a great sense of appreciation and would do almost anything that we wanted.

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There was another time when he was giving a reception on a national day or on a feast day which was basically an Islamic feast day and it was a national holiday in Tunis. About 10:00 in the morning the protocol chief called me and said the president has asked why you are not attending this reception. I said for many reasons. First of all because I'm not Muslim and my country is not Muslim. He said, no, I know that, but the president would like to see you, he wants you to attend. I got dressed and my official car wasn't around so I drove our personal car down the hill to the palace. In Tunis the embassy residence is up on a hill overlooking the palace. A great place. I went through the receiving line and of course all of my Islamic colleagues in the diplomatic corps were befuddled as to why I was there. It was just one of those kinds of things that happened frequently when Bourguiba was around. I don't know what it's like now. I've not been back to Tunis, but I'd like to go back at some point. It's a lovely little country.

*Q: So, you were there three years?*

BOSWORTH: I was actually only there two years and about four months.

*Q: So one issue was the one as you said about the American hostages in Iran. How did our relations there play in the broader questions that we had with the Arab world would you say?*

BOSWORTH: I arrived about two weeks after Camp David and Tunisia under great pressure had broken relations with Egypt so I had a brief meeting with the Egyptian ambassador before he was packing his bags and leaving. That period there was a PLO mission in Tunis. It was a difficult period for the Tunisians, Mid-East diplomacy and for American Mid-East diplomacy. There was a strong Palestinian presence in Tunisia. Palestinians were very much engaged in Tunisia in very constructive ways. I mean they were basically running the country in some respects as they were running many countries in the Arab world. They provided the brain power.

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*Q: About his experiences in Tunisia and he was talking about the influences of Palestinians there. You were saying that they ran a lot of stuff?*

BOSWORTH: They ran a lot of stuff. They were very capable people. Many of them had been there for two or even three generations, but they still felt very Palestinian. They were not assimilated into the Tunisian population. We had a couple of Palestinians working for us in the U.S. embassy who were among our more capable non-American employees. In fact I wouldn't qualify among our more capable employees.

*Q: How do you account for that culturally?*

BOSWORTH: I think there is a high premium, there was and I hope still is, I don't know, on education.

*Q: Why for them and not maybe for others in the area?*

BOSWORTH: They were I think by and large more urbanized, more cosmopolitan. They were not Bedouins, they were not nomads, they were staked to the ground, this in the former Palestine. For whatever reason they were in many ways standing stood out in terms of their capability.

*Q: So, they would have an influence on countries as it reacted to things like the Camp David process in other words?*

BOSWORTH: Yes.

*Q: Now the PLO had its mission there although I think Arafat did not come out of Lebanon until '82 I think, but the PLO had its mission, its office there.*

BOSWORTH: Right. They had a mission there as they did in almost all Arab countries.

*Q: Now we couldn't talk to them formally, right?*



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BOSWORTH: We weren't supposed to. I mean I would run into them a lot and we had receptions and national days. I would always be civil to them. I really didn't have anything to say to them of any substance. There was nothing I engaged them on that had any real meaning.

*Q: Right. Did you have the sense that they tried in any way to work against or undermine Bourguiba's regime in any general way or they just focused on their particular issue internationally?*

BOSWORTH: I think they just focused on their issue. Bourguiba was quite pro-Palestine of course in his dealings on the Middle Eastern process. He had been more accepting of the existence of Israel than most other Arab leaders, but he was nonetheless fairly pro-Palestinian. I think he personally favored the Camp David accord, but he was simply not able to stand against the wave of the rest of the Arab countries.

*Q: In the wake of the Camp David thing, did the Tunisians themselves attempt to play having barely broken diplomatic relations, a minimum of public relations purposes, did they attempt to play a significant role in the Palestinian Israeli issue?*

BOSWORTH: Not really. I mean a Tunisian whose name escapes me at the moment became head of the Islamic conference about that time and through him they were trying to play some sort of a role. They also within the Arab councils were able to play a role, but they were very conscious of their relatively small size. The other Arab countries were somewhat suspicious of Tunisia because of its European ties, the fact that French was widely spoken there, their strong attachment with the U.S. So, they were not real major players in any way on the Middle Eastern issues. I followed those issues a lot and would have conversations with Tunisian officials about them when we were making demarches around the Arab capitals on various points. I would go in and make them, but this was not sort of a centerpiece of my work where it would have been for example if I had been in Jordan or had I been in Syria.

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*Q: Now, you were not an NEA hand or an Arabist either way. Do you want to talk, one of the issues that always comes up about NEA and somebody wrote a book about this, too, but it was a little negative toward the Foreign Service Officers in NEA, one side seemed to say that NEA was really a real Arabist entity that was very anti-Israel. The working level officers, the other side would tend to say no, that in fact they sort of looked down on Arabs and were much more impressed on the technological democratic achievements of Israel and really didn't care much for the Arabs in general. I wonder if you had any sense either way on that issue?*

BOSWORTH: I think probably. First of all if you were going to be an NEA type, if you're going to spend most of your career in NEA or out in the field or in Washington, the reality is that there's only one Israel and there are a lot of Arab countries. So, just by the function of the numbers you would spend much more time in an Arab capital than you would in an Israeli capital. I think that probably if there was a tilt in either direction it was modestly pro-Arab, certainly anti-Israel in terms of some of the things that Israel had done, the incursion into Lebanon and now of course what's going on with the Palestinians. With that being said I was always impressed by the professionalism of people in NEA. I think that they viewed themselves as they were as representatives of the United States and it was U.S. interest that they were trying to promote. The problem of course was that as a country we've never been able to really articulate very clearly our interest in this very complicated part of the world other than to say we're for peace. There are times when peace is disrupted from the Arab side, times when it's disrupted from the Israeli side. Usually its disrupted from both sides, so its not surprising that it seems to me that America's representatives in the region tend to be identified with whatever fashion is on the rise at the moment. We don't really have a coherent national policy on the Middle East, so it's not surprising that individual NEA officers have difficulty defining themselves.

*Q: What would you say the American interests were in a small country like Tunisia?*

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BOSWORTH: Basically to, well, at the time, they were basically to have a sympathetic ear for some of our concerns about broader issues in the Middle East, to have basically a pro-Western orientation. This was an important country for the U.S., for the U.S. in that region surrounded by Algeria on the one side and Libya on the other, so it was really Tunisia and Morocco as voices that we could more or less count on to be reasonable with regard to their attitudes toward us. The issue of Islamic fundamentalism had just begun to emerge in Tunisia when I was there and it was not yet an acute concern. It wasn't I think until several years later when we began to view Islamic fundamentalism as basically an anti-Western threat. Those were primarily the U.S. interests. Well, you didn't have the feeling when you were there they were sort of on the front line of the Cold War. We knew the Soviets were trying to do things there, but there was no real disposition on the part of any Tunisians to welcome back the Soviet Union in any fashion.

*Q: Did you find that you could operate pretty well in French without having to know Arabic there?*

BOSWORTH: Yes, I could. All of the people that I dealt with in the government and in the private community spoke French. I made a couple of television appearances in French and gave a number of speeches in French to business groups. Now, whether that's still true or not I don't know. I mean that was 20 years ago. My sense then was that the country was losing its capabilities in French. English was on the rise, but French was on the decline. Tunisia had a problem, because the Arabic spoken in Tunisia was not Middle Eastern Egyptian standard Arabic and people from the Middle East had trouble understand Tunisians.

*Q: Interesting. Did the U.S. have much of an economic stake in the country?*

BOSWORTH: Not great. I mean there were a few American oil companies there. We had some interest in a pipeline that was being built to transport Algerian natural gas into Europe that was being built across Tunisia. As I said some American oil companies were

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doing some exploration work there, nothing very significant. We sold a few things there, but the two things that I concentrated internally while I was there was 1) our aid program which was fairly significant.

*Q: Talk a little bit about that.*

BOSWORTH: Well, we had a big rural development project down in central Tunisia. We were trying to promote greater self-sufficiency, greater ability on the part of Tunisians to grow basic commodities, particularly wheat and produce that they sold into the European Union. We had a number of cooperative and other projects going down there and I got quite engaged in those items. I found them interesting.

*Q: Did you feel that they worked?*

BOSWORTH: I think they were working by and large, whether they're still working, I don't know. I'd be interested in going back and seeing what happened to them. The other program that I got quite involved in was in the basically the renovation of the Tunisian military. It was a very run down institution. So, I managed to get some additional more military sales money and we managed to begin the process of rebuilding their military. This was done primarily with the eye on the Libyans who of course had become very much engaged with the Soviets.

*Q: Did the Libyans make serious effort to undermine the government of Tunisia do you think, or was it more rhetorical?*

BOSWORTH: It was somewhat rhetorical, but we were getting intelligence reports of Tunisians or of Libyans rather dealing with Tunisian dissidents.

*Q: Funding people?*

BOSWORTH: Funding people.

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*Q: Did the U.S. have a military mission there then?*

BOSWORTH: Yes, we had a military assistance mission and we also had a defense attach#.

*Q: how did you find your working relations with those people?*

BOSWORTH: Very good, by and large, very good with both of them.

*Q: Was there a Peace Corps program there?*

BOSWORTH: There was a very big Peace Corps program, run by a young guy French by birth, French American who was very energetic and I enjoyed very much. I would travel around with him visiting Peace Corps people out in the field and that was great fun.

*Q: Did you think that was a useful program?*

BOSWORTH: I thought it was very useful for the American Peace Corps volunteers. I think over the years that's probably been its greatest value. It has produced a large number of people in this country who have had the experience, which is for Americans unique, of living abroad and living in very basic conditions. So, I think it has been a great program for us. I wouldn't cite it as having really materially advanced the process of economic development although they make contributions, no question about it.

*Q: Good point. Did the Department pay much attention to Tunisia when you were there would you say?*

BOSWORTH: Not a lot. We were in the Bureau of North African Affairs. Libya and Algeria demanded more attention. Morocco of course was larger. The Libyan incursion in I think it was '79 or '80 brought some attention. I was quite content not being under Washington's scrutiny all the time. They would sort of let me run my own show.

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*Q: I was just curious, why when the PLO came out of Lebanon in 1982 or '83 why did they go to Tunisia as opposed to anyplace that they might have gone to?*

BOSWORTH: I'm not sure, I think probably because the Tunisians were willing to take them and it was a long way from Lebanon, a long way from Israel. As it turned out it wasn't far enough from Israel. It didn't stop the Israelis from. Well, remember they put their air force in there and destroyed a lot of PLO housing.

*Q: In part as you said because the PLO had had offices there already that presumably could act as a base to receive them.*

BOSWORTH: Yes. Tunisia was a very pleasant place to be. If you could choose between Tunisia and Libya, you'd choose Tunisia.

*Q: Exactly. Do you think that there is a thing called a Tunisian nationality?*

BOSWORTH: Yes. I think Tunisians feel Tunisian. I think they also feel Arab and I think increasingly some of them feel Arabic, Muslim. It was always quite a secular place. Bourguiba did a number of things such as the role of women, family planning, which were just not done in other Islamic countries.

*Q: Do you think that stuff has stuck?*

BOSWORTH: I think it has by and large stuck. The fellow who is now president was then the chief of military intelligence when I was there. He is very secular in his orientation. Now he like other Arab leaders may have trimmed his sails sufficiently to avoid major conflicts with the Islamic establishment in Tunisia, but by and large it was a secular country, much more so than any other country in the Middle East.

*Q: Women could go about?*

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BOSWORTH: Women did go about unveiled at most times.

*Q: Drive automobiles?*

BOSWORTH: Drive automobiles. In those years though you were beginning to see women, younger women particularly who were going in covering wearing heavy scarves, etc. Down in the small villages, you would still see women in burqas, not many, but it was not unheard of.

*Q: So, you were there until, you went there in the spring of '79 and you were there until the late summer of '81?*

BOSWORTH: No, June of '81.

*Q: June of '81. Is that because of the change in the political regime because usually ambassadors are there a little longer than a couple of years?*

BOSWORTH: Yes, I could have stayed at least another year and was planning to do that even though quite frankly I had by that time done all the things that I really wanted to do so I didn't feel terribly challenged anymore, but it was a very pleasant place to be. I then got a call from Tom Enders who had just been asked by Al Haig to be Assistant Secretary for Interamerican Affairs, a part of the world that Enders had never been in.

*Q: Why would Haig ask Enders to do that?*

BOSWORTH: Because he wanted somebody who was basically a ramrod, somebody who was and this was an area of great concern for the U.S. He just was looking for sort of the best available athlete.

*Q: Had he known Enders before?*

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BOSWORTH: Yes, not well, but everybody knew of Tom. At that point Tom had been ambassador to Canada which is where he went when Kissinger exiled him from EB and then he went to EU. He was ambassador at the EC in Brussels.

*Q: Does it strike you as odd and what does it say that as brilliant as Enders was, that they would take someone like that and put him in charge of ARA. Could you think of an analogy where they would take someone like that and put him in charge of NEA?*

BOSWORTH: Probably not.

*Q: Or even EA, maybe EA, but I can't imagine that, you know, what does that say in a sense?*

BOSWORTH: Well, remember this was at the height of the fermenting problems in Central America. The Sandinistas had taken power in Nicaragua. The ideologues in the Reagan administration coming in were convinced that Cuba and behind Cuba the Soviet Union was instrumental in making all of these things happen. They had become very discontented with the sort of ARA, as it was then called, Foreign Service Officer establishment — of the people who had been in and around Latin America for 25 or 30 years, were sort of going from embassy to embassy, in and out of the assistant secretary position. They were very unhappy with these people.

*Q: Do you think that was a fair judgment?*

BOSWORTH: Not entirely, no. But I think ARA was a very kind of parochial place and probably benefited from being shaken a bit. My sense is that it is not that parochial anymore. Remember when Kissinger was Secretary he had this scheme called GLOP and he was going to require that people, officers have at least one tour out of their area of specialization?

*Q: Right.*



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BOSWORTH: I think he had in mind Latin America. In any event, Tom came there with a mandate to shake things up. Basically his mandate was to solve the problems in Central America. He called me. I was down in Sfax, Tunisia, giving a speech and he managed to get me on the phone and I remember the conversation very vividly. He said I'd like you to come back and work with me on Latin America and be the principal deputy. I don't know if I want any other deputies or not. We have an opportunity to do some interesting stuff.

*Q: And be there in two days.*

BOSWORTH: And be there in two days. I went back about a week later and went back for just a week or two to kind of get my bearings and get vetted by the personnel people in the White House who were vetting all assistant secretaries at this point. Then went back to Tunisia and did my farewells and packed out and went back to Washington.

*Q: So, this was the summer of '81 now?*

BOSWORTH: Yes. I was, I came there permanently in June of '81.

*Q: Now this is a very controversial period then as I think one looks back at it. My impression of it. I had worked in ARA in the middle '70s in the policy planning office. Anyway, this is not my story. How was this issue being approached particularly about Central America? Who was telling Enders what to do if anybody and what was he telling you and what did you do?*

BOSWORTH: Well, it was a very difficult time. In fact of all of my years in the State Department in the Foreign Service, this was probably the most difficult period I ever had.

*Q: What years?*

BOSWORTH: This was June of '81 through the end of '82 when I left. So, I was there 18 months. Now in that period we had the civil war in Central America, Nicaragua, the

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Contras, El Salvador, Guatemala massacres, tremendous violence. Then Allen Ryder who was then a correspondent for the New York Times in Central America described it to me at one point. He said that he had put in for a transfer and wanted to leave. I said, "Allen, why are you leaving?" He said, "Because I'm not going to sit here any longer and watch my friends kill each other." That's what was going on in Central America. It was just awful. The Sandinistas who had taken control of Nicaragua were viewed by the West and the United States and elsewhere in the world as sort of the reaction to Somoza. They were viewed as the good guys. It became I think very clear very early on that they were not good guys. They had their own agenda and it was just as nasty in some ways as Somoza's agenda. Then subsequently we had the Falklands war when Argentina tried to take back the Falkland Islands. We had the debt crisis in Mexico and it was just one thing after another. I found myself in that office from 8:00 in the morning until 9:00 or 10:00 at night, six days a week. So, it was a very difficult time and a time of some spiritual torment. I have some sympathy for the people who are now working in the Iraq issue for example, the FSOs. You know you are involved in a policy, which is very controversial within your own country. We were invited to occasionally go out and appear on college campuses and make speeches. You did so at some peril. I remember one Saturday afternoon leaving my office and walking into central D.C. just to watch the demonstrations. I was very struck by the similarities between what was going on then and what had gone on just a few years before that on Vietnam. There were many things about the policy I didn't like, I wasn't comfortable with.

*Q: Like what?*

BOSWORTH: I didn't think it was all being directed from Moscow and Havana. I thought Moscow and Havana stood to benefit from some of the things that were going on, but I thought basically it was all indigenously based. I didn't make the Sandinistas or the insurgents in El Salvador any better and it didn't make the right in El Salvador and Guatemala any worse. They were bad enough as it was. I guess I accepted that the U.S. because of proximity and interest in the region had to be somehow involved. In the end I

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think our presence made a difference. I think that the basic decision that we made in '81 to support a process of democratic elections in El Salvador provided the kind of third way for Central America. We worked very hard at that. We brought in election observers and supported a process that had a lot of credibility. Over the next several years long after I had left the scene, elections were the way that the place was eventually transformed or at least pacified. Salvador, Honduras eventually even Nicaragua.

*Q: But there was sort of a feeling, one was the feeling that bureaucratically a lot of people in ARA were rather mistreated in this deal, on the internal stuff by the attitude of the administration. Secondly, that the U.S. itself was out there really messing around in areas that maybe it shouldn't have been messing around in and doing it in some very devious and dubious ways. That's not my view, but that's a view.*

BOSWORTH: Yes, I know that's a view. Given the context of the time I can understand why some people would have that view. Enders came into ARA. I arrived there three months later and I didn't know many of the people. I hadn't worked in the bureau. They knew me to some extent but only by reputation for my time in EB, but I was greeted as the guy, the savior, the person they would come to when they didn't dare to go to Enders because they were so afraid of him. He was, you know, this guy is six eight and very austere.

*Q: I remember when he walked down, he was beautifully dressed, tall, and when he walked down the corridor, you just got out of the way. He didn't even look to see.*

BOSWORTH: He expected them to get out of his way.

*Q: He was formidable and you had to be the nice guy.*

BOSWORTH: I was the nice guy. I worked for Tom before and I respected him and I had a relationship with him which I could speak my mind and I wasn't afraid to do that.

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*Q: Did you feel in fact that ARA was short on talent?*

BOSWORTH: No, they had some very talented people. Now, we did recruit some people into ARA for key jobs it turned out for the most part to be very good.

*Q: I remember for example the case, wasn't there a guy named Jim who was considered a very capable guy and he got sent to Afghanistan or something?*

BOSWORTH: Jim was very capable. Well, he was sent someplace, I don't know where he went. Jim's problem was that the republicans, particularly republicans on the Hill, had targeted him during the Carter administration as someone they didn't like. So, that had nothing to do with Enders. That was done right from the White House. There was no way that Enders or I could have protected Jim. I dealt with Jim a lot trying to help him find a place to go and he did finally.

*Q: I think he went literally to Nepal or Afghanistan.*

BOSWORTH: He then came back of course later and he kept his head down for a few years and came back and I think finished as ambassador in Argentina. We brought in people like Craig Johnstone who was not an ARA hand, but came in and became director of the Office of Central American Affairs.

*Q: Wasn't Negroponte an ambassador somewhere in that period?*

BOSWORTH: John was in Honduras.

*Q: He was also known in ARA.*

BOSWORTH: No, he was primarily in East Asia. Ted Briggs was an ARA figure and he served for a year as the other deputy who was, well, at the time there was just two of us and then there was just one deputy, me.

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*Q: Really?*

BOSWORTH: Yes. Tom brought in somebody, we brought in somebody as an executive assistant, sort of ran the bureau internally. A very smart thing to do and I think it really was much more efficient than the traditional structure. This was a guy who was a fairly senior person. He was basically an administrative officer.

*Q: Who was that?*

BOSWORTH: Tony Gillespie.

*Q: Oh, yes.*

BOSWORTH: Tony used this as a springboard. He then went on and had a very illustrious career and served as ambassador I think twice.

*Q: Within the White House where would you say the intense pressure came from on Central America?*

BOSWORTH: It came to some extent from the president himself although I found Reagan pretty disengaged on most issues. It came from political appointees there who were very conscious of their and others' ideological postures. It came from Bill Casey.

*Q: I was going to get to that yes.*

BOSWORTH: Bill Casey. This was the beginning of my relationship with Bill, although I had known him when he was under secretary years before for economic affairs, but Bill was very involved in Central America to the point which I think he basically did some very unfortunate things. He was not honest and straightforward to put it mildly. I read Bob Woodward's book called Veil. It was one of the best treatments I've seen of Casey. He can be a very engaging guy and was very smart and very determined, but very devious and duplicitous. I had to go up with him a few times to testify in closed session before the

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intelligence committees on the subject of Nicaragua and the Contras. I was very much the second seat at this hearing, but Bill was, he never really misled them, but he was certainly less than forthcoming about what was going on.

*Q: The initial national security advisor was Richard Allen I guess at the beginning?*

BOSWORTH: Yes, I didn't really know him.

*Q: Was he engaged do you think in this? In other words, if you stack up, it always seemed to me that if you stack up the amount of attention that was given to this area of Central America versus in a sense what you might call a quantifiable American interest in the area, that there was some kind of huge disproportion between those two things and yet the summaries and it really is an ideological issue as a theological question for some segment, I guess primarily of the Republican party but there probably were some democratic hawks around.*

BOSWORTH: As in 2001 this time, that time also, a lot of this was a reaction to what had gone before. You remember Reagan came into office and announced himself as loyal to America's friends pointing to what had happened to the Shah in Iran, pointing to what had happened to Somoza in Nicaragua as people who had been long time friends of the United States. We had abandoned them and he said we will not do that anymore. That was part of it. The other part of it was a conviction on the part of many people that this was all being directed from Cuba and there were ties between the Sandinistas and the Cubans, no question. But Al Haig for example used to talk rabidly about the need to go to the source. If you were going to solve the problem with Central America, you had to solve the problem with Cuba. I'll never forget one of the most bizarre exercises I ever participated in in all my years in government. I was the newly arrived principal deputy in ARA. Tom I think was traveling someplace. Haig charged us with producing a set of proposals on what to do with the boat people, Marielitos, the refugees that had come out of Cuba in '78 and '79 who for the most part were really bad people. Most of them were in a federal penitentiary

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in Atlanta and there was a lot of agitation on the right in the United States to get rid of these people, send them back. So, Haig charged me and the fellow who was the chief of the joint staff in the defense department to come up with proposals for how we could do this. Of course it was a totally bizarre exercise, we were never really going to do it. At one point we came forward with a proposal, which we presented to Haig first, and then he called Weinberger over and we presented it to both of them. It was to take a derelict freighter, shackle these guys inside the hold, put the freighter on autopilot and send it up onto the beach outside Havana. Haig actually said he thought it was a great idea and commended us for our imagination. Weinberger was appalled and then I think Bill Casey may have been there and Casey or somebody from the agency made the point that beach was where the Russians in Havana went to sun bathe Sunday afternoons and maybe it wouldn't be a good idea to have a freighter come roaring in. That was the sort of stuff that was going on there. All the stuff that was surrounding the activities in the Contras and the effort to try to interdict the supply of equipment and arms from Nicaragua that was going into Honduras and going into El Salvador, which was really happening, but the notion of how you would stop this. The agency, a fellow named Dewey Claridge has written a book. Dewey is a delightful rogue and I really enjoyed him, but he would come up with some of the most harebrained schemes. I mean these people all needed adult supervision.

*Q: Later to be a big central figure in the Iran Contra.*

BOSWORTH: Oh, without question. Ollie North was involved in all this.

*Q: So, there you are and so the Central American thing is being seen through this prism again of East West relations with Cuba as one thing and behind them the USSR, so this is part of the great struggle and it's also I guess a kind of in another way kind of manageable thing. I mean its something that we think we can really put our footprint in. You have all these issues in front of you. When Enders got into it how did he feel about it? Does he really bring himself up to speed on the issues and what did he think?*

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BOSWORTH: Right. He thought as I did that we had to try to find a third way to as I put it earlier that it was feckless to try to win militarily.

*Q: The third way being in a sense if you had Somoza and his notion on one hand and the Sandinistas on the another, there had to be something in-between.*

BOSWORTH: There had to be something better than both of them.

*Q: Yes, and it might be actually something approaching some semblance of democracy.*

BOSWORTH: We had to find something that would appeal to Ronald Reagan and basically we found elections, democracy. We were laughed at early on, but you know, Enders deserves great credit for having sold this concept within an administration that despite its rhetoric was somewhat hostile to this whole notion.

*Q: Well, what did they think they could do?*

BOSWORTH: They wanted to go to the source and get rid of, you know, cut off the head which was Cuba.

*Q: How were you going to do that?*

BOSWORTH: Damned if I could figure out a way.

*Q: No, but I mean if they said that, did someone then follow up and say, well, we have to have an invasion of Cuba?*

BOSWORTH: Yes, that's the sort of thing that they were talking about.

*Q: Really?*

BOSWORTH: Yes.



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*Q: Interesting. You dealt with this in a sense on a country by country issue I suppose. You had a central plan?*

BOSWORTH: It was all part of the same problem. Yes. The Guatemalan military, which was just awful, killing guerrillas, killing Indians who were not guerrillas, the massacres in El Salvador. Deane Hinton was the ambassador in El Salvador at that point. I used to get on the phone with him on the secure line once a day and he would tell me the latest horror stories. These people were out of control and yet because we were seen as their not protectors, but at least aligned with them in opposition to the rebels, we were being tagged with their atrocities. It wasn't until we began to see some progress on elections. There was a big election in, let's see it would have been early '82 in which Duarte won.

*Q: Napoleon Duarte.*

BOSWORTH: Napoleon Duarte. He won in El Salvador with our strong support for the process. I don't think we got too engaged in the election itself. The process was what was crucial because both the right wing and the insurgents were trying to disrupt the process. Anyway, it was a very difficult, complicated time. Finally Enders got fired.

*Q: Why was that?*

BOSWORTH: Basically for a memorandum that I wrote with his full support and in fact he asked me to do it. We had been talking for some time about what we were going to do about Nicaragua. The notion that we were going to continue to support these Contras who were coming in and basically outside U.S. direct control, public relations disaster, but on the other hand the Sandinistas were visibly exporting their revolution into the rest of South America.

*Q: They were definitely, they were getting help from Cuba.*

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BOSWORTH: They were getting help from Cuba. Cuban military equipment was arriving and they were sending money and weapons into El Salvador, Honduras and Guatemala. Enders went down to meet with the commandants in what would have been the summer of '81 and he in his very blunt fashion said, "Look, we would probably be prepared to let you continue to live and exist here in Nicaragua, but you are trying to export this revolution to other countries and that is something that we cannot allow or cannot live with." I think it was Ortega, Daniel Ortega said to him, "You don't understand, do you? The revolution is our shield. In other words we have to keep exporting it in order to continue to survive." It was, we again decided that there had to be a third way and that basically the third way in this instance was to negotiate.

*Q: So, you draft up a memo on the Contra question?*

BOSWORTH: Yes, on the question of the Sandinistas really, what were we going to do about the Sandinistas? There was no political support in the United States for putting American troops in there to take them on, no political support for doing anything about Castro and the Contras were visibly backing up in terms of U.S. interests, so we proposed that we begin a process of negotiation with the Sandinistas and try to persuade them that we would give them certain security guarantees in return for their explicit agreement to stop aiding rebel movements elsewhere in the region.

*Q: Who was the memo going to?*

BOSWORTH: The memo was going from the Secretary of State to the White House.

*Q: Did Haig agree with that memo?*

BOSWORTH: Haig was no longer Secretary. That was when George Shultz was Secretary.

*Q: Did he agree with that?*

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BOSWORTH: He basically agreed with it, yes. This was still fairly early; he hadn't been in office even a year at that point.

*Q: But it would have gone in effect as a memo from Shultz to the president?*

BOSWORTH: Yes.

*Q: So, why did Enders get fired?*

BOSWORTH: Because he was seen as responsible for the memo.

*Q: Shultz was not prepared to go to the mat to defend him at that point I gather?*

BOSWORTH: Not at that point. I mean Tom again.

*Q: Did he and Shultz clash?*

BOSWORTH: No, not really. I mean I think George had a lot of regard for Tom. Tom had put up so many backs in the White House. Bill Clark, Jeane Kirkpatrick, Bill Casey, Weinberger, all these people just wanted him gone and George Shultz had other fish to fry including issues with the Soviet Union.

*Q: Was the memo leaked and then became?*

BOSWORTH: No, it just went and when Jeane Kirkpatrick got her hands on it and Bill Clark got his hands on it it just blew up. So, I had already been asked by Shultz to go to another job and sort of that memo was almost my last act in ARA and then I moved to policy planning.

*Q: Let me back up a bit, then, what was your impression, did you go to meetings where President Reagan was in attendance? Did you ever talk to him?*

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BOSWORTH: My contact with Reagan call came later when I was ambassador in the Philippines and I had to meet with him every time I came back to give him a briefing on what was going on.

*Q: But your sense of him is that he was just not into the details.*

BOSWORTH: Not into the details.

*Q: Maybe we'll talk a little bit more about that later on. What about your sense of Haig as a Secretary of State?*

BOSWORTH: Haig was a very volatile guy who could be charming, but who could also be very confrontational. I have more than once; I had his index finger right in my breastbone. Something had happened that he wasn't happy about, usually stories in the press that he thought that our bureau was responsible for. He was very sensitive to press criticism. On the other hand, he was sensitive in general.

*Q: Did Enders ever try to do that to go sideways with the press do you think?*

BOSWORTH: No.

*Q: No. So, Haig didn't like that kind of stuff.*

BOSWORTH: No, and of course the entrenched bureaucracy of the State Department in general was suspicious of him. He never really recovered from that famous I'm in charge here and then the White House was sniping at him firstly and wouldn't give him a White House airplane when he needed it. He tried to do shuttle diplomacy on the Falklands issue. Enders traveled with him on those trips from Buenos Aires to London and back and that obviously was not successful. I found him very difficult to work with. I came to know him better in years later and rather like him. I still have a decent relationship with him, but he was very insecure as Secretary of State, very conscious of his position, very sensitive

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of any insults or jibes at him. The White House was just out to get him. George Shultz then came in it would have been September or October of '81, yes, because, no '82. Shultz was a very different type, very balanced, very quiet.Q: Was Haig, how did you feel about him as an analyzer of issues?

BOSWORTH: Haig had never really recovered from his experience in Vietnam and in some ways being Nixon's close advisor. Haig was among those that believed that basically this whole thing in Central America was being directed from Havana. He had been a young colonel or a young major even in the Pentagon at the time of the Bay of Pigs and still felt scarred by that experience. He was very much a hawk on Central America.

*Q: Was a lot of it being directed from Cuba?*

BOSWORTH: There was no question that Cuba saw its interests as advanced, but I think fundamentally the problem was indigenous. Unless you were willing to address that, there was not really a hope of solving it and it was, the solution had to be very long term. It involved economic aid, which we managed to get substantial increases in. It involved trying to civilize the militaries in the region. We were partially successful and it involved trying to build democratic institutions.

*Q: Talk a little bit about this Falkland Islands question. Were you in your job in ARA at the time of that?*

BOSWORTH: Yes.

*Q: I remember there being a big debate between some people who wanted to support in effect Argentina because they felt that really they were entitled to have those islands and obviously felt that no the European NATO whole question of relations with Britain, talk a little bit about that.*

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BOSWORTH: Well, within Latin America of course there was a great feeling of sympathy for Argentina.

*Q: The Latin American countries.*

BOSWORTH: Right. Within the bureau there was some feeling of sympathies for Argentina, some FSOs who had been spent most of their careers working on these countries. I think Enders and I had sort of the same view which was basically it would be very nice not to have a war, but that in the end if push came to shove, the U.S. had no choice but to support as quietly as possible and without as much as drama as possible, support the UK.

*Q: Wasn't Jeane Kirkpatrick somebody that was weighing in very strongly on the side of Argentina?*

BOSWORTH: Yes. Yes.

*Q: Why was that do you think?*

BOSWORTH: Well, because she felt a great affinity with the Latin Americans in general. Remember she had been in full praise of the Argentinean military and their government. She was not a constructive influence in many of these things.

*Q: Did she know much about Latin America really apart from that general theory?*

BOSWORTH: Not really.

*Q: She liked these conservative governments were at least our friends.*

BOSWORTH: Right.

*Q: So, she weighed in on that side.*

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BOSWORTH: I remember vividly a meeting Haig had with the Argentinean foreign minister when he had already been to Buenos Aires and come back.

*Q: I'm talking with Ambassador Stephen Bosworth. We're talking about the Falkland Island war, which took place, basically I think in the summer of '82 or early summer.*

BOSWORTH: Spring, summer.

*Q: Spring and summer of 1982 and talking about how the U.S. got to its position and what we did I guess in support of the British.*

BOSWORTH: The Argentines never really thought the British would come after them. They thought they were far enough away, 12,000 miles, that the British navy was not what it had been of course and that they would simply make a fuss and then go away. Haig I remember when the Argentine foreign minister was in Washington on this problem and Haig had been in Argentina and had not persuaded them to withdraw. The foreign minister was in Haig's conference room and I was there as sort of a note taker and a backup. Haig said, "Look, Mr. Minister, you have to understand. The British are the most warlike people in the world and you think they're not going to do anything about this. I can promise you right now that unless you withdraw she is going to send her navy and her army after you and they're going to come." The poor minister was simply disbelieving. He said, "We can't beat them." Well, of course, 60 days later the British were there and retook the Falklands. We were trying to keep a position, not of neutrality, but kind of quiet support for the British. Many of our Latin American neighbors were very upset about all of this and it strained our relationships.

*Q: Did we provide some Intel or satellite photos?*

BOSWORTH: We did. We did. We provided satellite intelligence. We provided refueling. We provided logistical support and given the history of our relationship with the UK we

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couldn't have done otherwise. Look at what's happening today as we prepare to act jointly on the subject of Iraq.

*Q: Yes, we've just been joined at the hip with them.*

BOSWORTH: Yes. Jeane Kirkpatrick and Bill Clark who was a national security advisor and others would try to get the president into a position so that he would give Mrs. Thatcher a little, but not too much. She of course understood exactly what was going on. She would call on the phone and we would get word that another call, phone call was going to be made.

*Q: She called Ronald Reagan?*

BOSWORTH: She called Ronald Reagan and of course he had to take the call, nobody could stop him from taking the call. So, we had prepared these talking points very carefully and give her a little bit of what she wanted, but not everything. Once he got on the phone with her within two minutes his pants were around his ankles.

*Q: He was very fond of her.*

BOSWORTH: He was giving her everything she wanted. It was really kind of laughable in some ways.

*Q: Obviously the British won in short order and I assume for a period our relations with the Argentineans and other Latin Americans suffered a bit as a result of that.*

BOSWORTH: Our relations with Argentina suffered although fairly shortly thereafter of course the military government fell. Then we were very actively engaged in helping the Argentineans trying to rebuild a democratic institutions. I got involved with that when I was in policy planning a year or so later.

*Q: Just say a couple of words about Cuba in your sense of our policy.*



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BOSWORTH: We were of course very anti-Castro, there was a great deal of hostility as there is now. Our policy was driven by two things. Driven by an interpretation of Cuba's role vis-#-vis the Soviet Union in the Cold War. It was also driven very substantially by the Cuban American population in the United States. I remember a fellow who had been director of Cuban affairs who was a very able Foreign Service Officer who had gotten crosswise at some people in the Cuban community.

*Q: Who was that?*

BOSWORTH: Myles Frechette. When Ted Briggs left as the second deputy in ARA, Tom and I wanted to make Myles the first deputy in his place. Basically the White House said no because the Cuban Americans don't like him. They don't want him in a policy position.

*Q: I always thought it was interesting, you had a huge Polish community in the United States and Hungarians and others which never stopped us from having relations with those regimes. I've often wondered if maybe it was just the fact that it was Castro himself, he's lived so long and he's been in so long that maybe if he had died in 1970 let's say. There was still a communist threat maybe even the Cuban American community might have been able to and therefore, the U.S. government, I don't know whether that. It seems strange when one looks at this, I'm not saying that's my view, but that's a position often articulated that we could deal with everybody else, the Chinese. We could never really normalize with the Cubans.*

BOSWORTH: I think its been a bizarre policy for 40 years and one very much not fundamentally in U.S. interest. It has, the policy has been highjacked by the Cuban American community certainly in the years since the end of the Cold War. It's very difficult to construct a rationale for continuing to try to isolate the country particularly when we have failed. I think there is a good reason to believe that had we treated Cuba differently that probably Castro would have been long gone. I attribute all of this basically to the

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power, influence and money of the Cuban American community. They were very strong financial supporters of Ronald Reagan.

*Q: They themselves, no one could have been able to convince them that in a way it was being more to their interests in a sense to engage rather than just treat Castro as a pariah. Okay, that's interesting. So, you were there about a year and a half. Enders gets fired and what happens to you?*

BOSWORTH: Well, before Enders got fired I was, I'd seen a good deal of George Shultz at various lectures including Latin America and he called me to his office one day. It would have probably been in November and said that he was making some changes in personnel. Paul Wolfowitz who had been director of policy at the time was going to go to the East Asia Bureau.

*Q: Was he a career officer?*

BOSWORTH: No. He had been around government for a long time. He's been actually in the defense department in the Carter administration, but Paul was then in policy planning and Shultz asked me if I would be willing to become director of policy planning.

*Q: Is that because he wanted Wolfowitz out or he wanted Wolfowitz in EA and therefore.*

BOSWORTH: It was not clear. Sometimes George could be obscure about why he did things.

*Q: I mean did you get any other sense elsewhere around the building?*

BOSWORTH: I think he wanted Paul out of SP, but he definitely did want him in EA. Anyway, I hesitated briefly because of my, by this time strong emotional attachment to what was going on in Latin America both the good and the bad. I remember talking to Tom about it and he said I had no choice the Secretary's asked me to do this, you've got to do it. So, I very quickly told the Secretary I'd be very happy, pleased to move to SP. The

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last thing I got involved in in ARA, I moved on the first of January, but the last thing I got involved in was Surinam and there was a group of royal military officers that were running Surinam. They rounded up and killed several prominent civilians who had been opposed to the military rule. There was, the agency believed that there were connections between these military guys and Castro or another one of those situations. So, I went off to, I keep getting phone calls about every time there is an election in the Netherlands. I went to the Netherlands on a quiet mission with a general from the White House and met with the Dutch foreign minister and Dutch prime minister with Reagan's personal approval and asked if they would be prepared to join with us in a military expedition to get rid of these guys in Surinam. They said no. They said our public would never support it and we just can't do it. So, I turned around and went home and reported to the White House what their reaction had been and that was kind of my last official act there.

*Q: What came of that in the end?*

BOSWORTH: Nothing. Eventually the leader was replaced, but they, they were nasty people. It was something that was doable from a military point of view, it would not have been bloodless, but it was doable.

*Q: This was right at the very end of 1982?*

BOSWORTH: Right.

*Q: So, you went into policy planning at the beginning of '83 and do you think this was because you had had exposure to Shultz and presumably there must have been other people around the building that had you know, I mean had a reputation obviously and all of that would, because it seems unusual to me, I can't think of an instance where somebody has gone from ARA. This speaks again to the general culture of the Department, these peak positions very often are either from Europe or some outsider is brought in or whatever, so.*

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BOSWORTH: Yes, I think probably Shultz was attracted to the breadth of the things that I had done in the past, the economic stuff and North Africa and ARA. I was kind of surprised that he asked me to do it, out of left field as far as I was concerned. It was a great job, I enjoyed it.

*Q: We're starting again with Ambassador Stephen Bosworth and when we left off the ambassador was just getting transferred from the Bureau of Latin American Affairs. Okay, so, you're not sure why the Secretary asked you to take this job?*

BOSWORTH: No, but I'm glad that he did. First of all it got me out of ARA at a very difficult time. In fact, I left ARA in January of '83 and Tom Enders was basically fired in December of '82. I went in January of '83 and Tom had been relieved in December of '82 because of the dispute of how to deal with Central America, particularly how to deal with Nicaragua. So, he went off to be ambassador to Spain and I left and went up to policy planning.

*Q: Who replaced him as assistant secretary?*

BOSWORTH: Tony Motley who had been our ambassador in Brazil. Tony was a non-career personnel person, but very savvy politically and had done a good job in Brazil and was brought back from Brazil to be Assistant Secretary.

*Q: This was in the fall of '83?*

BOSWORTH: No, this was the fall of '82 and then in January of '83 I went to policy planning.

*Q: Okay. What was the, well, what was the state of policy planning when you went there? Was there any agenda that they set for you?*

BOSWORTH: Not really. Policy planning is a kind of a strange position in many ways because it doesn't have any set agenda or set list of responsibilities. Its role really depends

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upon what the Secretary of State wants. My predecessor was Paul Wolfowitz. Paul went on to be Assistant Secretary for East Asia. As director of policy planning at that point, the first thing that George Shultz wanted me to do was to bring in some distinguished people from the outside to form sort of a policy planning council and there were five of us with myself as the chair. Then we had a staff underneath us. That was somewhat of a departure from the way policy planning had been organized before. Basically we had one person who was very familiar with the Soviet Union; another person who was concentrating on the Middle East; someone else doing economic affairs, etc.

*Q: Were these people actually on the payroll?*

BOSWORTH: Oh, yes. They were on the payroll. They were senior people with clearances. One of them was another Foreign Service Officer, a fellow named Paul Boeker. Paul had been ambassador to Bolivia and was then out of the Department for a year or two and then came back and came to policy planning. When he left policy planning, he went on as ambassador to Jordan. It was an interesting place to be. The Secretary wanted us to try to look ahead and try to anticipate issues as they came at the U.S. Very difficult to do given the sort of the tenor of foreign policy decision-making. Shultz was pretty good at it in terms of being willing to dedicate some of his time to consideration of problems that were not yet upon him. That turned out to be a very stimulating place to be. I learned a lot about problems in areas of the world that I hadn't spent much time on including Asia. I was not at all an Asianist before that job. I spent a certain amount of time on the Middle East and on Asia and in the summer of '83 I remember vividly when Benigno Aquino was assassinated in the Philippines when he returned from exile. I didn't have a notion at that point that eventually I would end up going to Manila. Of course, that's the way it turned out. Anyway, policy planning was a good place to be. We didn't have any sort of set area of responsibility. A lot of it involved your success depended upon your ability to work within the bureaucracy to convince other bureaus that your presence would not be negative factors as far as they were concerned, but you could make them better.

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*Q: The sense that I often had, a distance, was that one of the major roles was really speech writing and the preparation of certain kinds of statements for the seventh floor principals. Was that right?*

BOSWORTH: We did a lot of speech writing, yes. That was something that we were organized to do and did it fairly effectively.

*Q: how did you find working with the geographic bureaus?*

BOSWORTH: It depended. Some of them were very nervous about our presence. Others saw us as an asset. They were always afraid that we were going to second guess them with the Secretary and sometimes we did in fact. That was in part our role. My view was we should try to make things better and not make things worse. So, I always was interested in finding situations where we had expertise and background that could be added to.

*Q: Did you have a clearance responsibility for papers that went to the Secretary from the geographic bureaus?*

BOSWORTH: Yes. Particularly anything that had more than implications beyond any single bureau. Again, your ability to see papers that went to the Secretary depended very much on personal relationships.

*Q: Including presumably your own relationship with the Secretary?*

Bosworth: Yes.

*Q: How did you think that went?*

BOSWORTH: I had great respect for him. I thought it went well. I was never a personal intimate of the Secretary, but in a professional sense I thought we had very good relations.

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*Q: You found him to be pretty impressive?*

BOSWORTH: I found him to be very impressive. He was very dedicated to the institution of both the Foreign Service and the Department of State and spent a lot of time thinking about it and working on it and trying to improve its effectiveness. I think probably never before or since has a secretary depended so heavily on the career Foreign Service for senior positions with the possible exception of Kissinger. I think now Colin Powell is depending quite heavily on career Foreign Service. Following Al Haig and Cy Vance and others, this was a new departure for the Department. So, I think morale in general was quite good.

*Q: Do you remember any particular dominating issues or questions that you focused on in that job?*

BOSWORTH: Well, we had, we spent a lot of time working on the Middle East. Peter Rodman who was one of the members of the policy planning council had a particular background in the Middle East, but we all spent a lot of time working on it. I remember vividly Paul Boeker and I spent a lot of time working with the government of Israel. Their economy was in a real mess at the time and we recruited a group of outside economists to come in and basically help us assess what should be done with the Israeli economy and make some recommendations to it. This included people like Stan Fisher and Milton Friedman and others probably four or five very prominent economists. One of the conclusions that we came to was that the Israelis, the then Israeli finance minister whose name escapes had the notion that he wanted to basically manage the Israeli economy to limit inflation and create new confidence in the Israeli economic future. I remember a meeting that we had with it would have been I think Don Regan was Secretary of the Treasury then and Shultz and a few other people on this question of whether or not we should allow or encourage Israel to adopt the dollar as the currency for the Israeli economy. They didn't, but the story was leaked prematurely and in fact the Israeli finance

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minister as I recall was forced to resign. That was one of the things that we were involved in.

We were also involved in the aftermath of the bombing of the Marine barracks in Beirut and various projects for the Secretary.

*Q: That's an incident that's often talked about even cited today and I guess the question would be what was the mission of those Marines, do you remember?*

BOSWORTH: I really have difficulty remembering. I think the mission basically was to.

*Q: Initially it was to help the Palestinians sort of oversee their departure to Tunisia as I remember.*

BOSWORTH: No, I think the mission really had to do with Syria's occupation of Lebanon. We were there as a symbolic presence designed to encourage the Lebanese to come to some new consensus as to their political arrangements and to try to give at least atmospheric assurance against the spread of terrorism. Also this was after Sabra and Shatila, the refugee camp massacres, the Lebanese rightists who were responsible for with the alleged encouragement of Ariel Sharon, so it was a very difficult time. We clearly, the U.S. was very deficient in what we now call force protection and the Marines were much more exposed than they ever should have been. I remember vividly a horrible time.

*Q: How long did you spend in SP?*

BOSWORTH: I was in SP about a year and a half. It was cut short because I was asked to go to the Philippines as ambassador. During the time I was in SP, most of that time I was no longer in the Foreign Service. I was a schedule C employee of the Department of State. You may recall there was a provision of law when the new career Foreign Service was established, the Foreign Service Act, which allowed people with a certain number of years of service to retire early before they were 50 or whatever the limit was. If they decided not



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to join the new career Foreign Service, it was a safety belt for people who didn't want to go into that. I decided for a variety of reasons that I didn't want to join that in the Foreign Service. So, I basically retired, but then was reappointed as a Schedule C employee and when I was in policy planning and then when I went to the Philippines as ambassador I went as a political appointee.

*Q: A presidential appointee.*

BOSWORTH: A presidential appointee, but a non-career presidential appointee. I don't think it made too much difference because everybody still thought of me as career Foreign Service. I must say I sort of thought of myself as a career Foreign Service Officer.

*Q: How did that appointment come about that since you had no real prior experience with Asia?*

BOSWORTH: Well, basically it was because in the law of unintended consequences, Larry Eagleburger who was Under Secretary of State decided he wanted to leave government and Shultz then needed a new under secretary and he decided he wanted Mike Armacost who was then ambassador to Manila to come back.

*Q: Under Secretary for Political Affairs?*

BOSWORTH: For political affairs. So, Armacost was coming back and then Shultz needed to put somebody in the Philippines. This was of course a very delicate time in the Philippines because these decisions on personnel were all made in January and February of '84 and in August of '83 Benigno Aquino had been assassinated. Our relationship with Marcos was under great pressure both from our own congress and elements in the Philippines. We needed to, I think, there was something of a course correction policy toward the Philippines. So, when Shultz asked me to go out there; the Philippines of course is a very curious place because it is in Asia, but it's not really of Asia in many respects. Someone joked that probably given my experience in Central America I was as

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well suited to go to the Philippines as anyone could have in terms of background. So, my time in policy planning was relatively brief. I think I was there 16 months, but it was long enough for me to have a flavor of the place and to use that time to get a kind of exposure to the sort of broad sweep of American foreign policy that I had not had the opportunity to do previously.

*Q: So, the Secretary in a sense, you say because of your proximity and presumably your demonstrated confidence, reached out to you and asked you. You didn't expect that, I take it?*

BOSWORTH: No. I didn't expect to go to the Philippines. I didn't expect any of that. I was actually at that point looking around for jobs outside government.

*Q: Your arrival in the Philippines as ambassador was about when?*

BOSWORTH: It was in April of 1984.

*Q: So, set the scene then. You arrive in '84 and what's happening?*

BOSWORTH: Well, the Philippines is getting ready for national assembly elections. This was the first significant political event since Aquino's assassination. The first electoral process of any note that had taken place since Marcos had lifted martial law, which I think, was done in '81 or '82 or something like that.

*Q: Your instructions from the Department going there are what essentially?*

BOSWORTH: Basically to keep the Philippines quiet, don't let it blow up. Some of us saw I think then that Marcos had become a liability.

*Q: Were you told to take a particular attitude to him before you went?*

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BOSWORTH: We were distancing ourselves from Marcos and from the Malacañang palace. Marcos himself by this time was not well. We knew that, we didn't know exactly how ill. We weren't sure what was wrong with him, but we knew he was not well. There was a political legal process that had been launched after Aquino's assassination in response largely to pressures from the U.S. Congress to try to ascertain what actually had happened and who was responsible. It was a national commission that was interviewing witnesses and laboring away on this subject. This election was scheduled for May of 1984 and was the first time that members of the democratic opposition were allowed to run for office. They were not very well organized. They were quite fractionated. We were intent on creating and helping them to create enough democratic space so that they could organize themselves, campaign and basically bring out the vote. I had to go out early in fact in order to be there when that occurred. My wife and I were planning to be married sometime later in the year, but we learned I was going to the Philippines, we accelerated that process. We were not able to accelerate it enough so that she could go with me in April. I went out in April. I was there for the national assembly elections. I went back to Washington in early June, we were married and we came back to the Philippines in June.

*Q: Of 1984?*

BOSWORTH: 1984. The Philippines was a very tense place. Marcos had ruled there since 1965. He had imposed martial law in 1972. He had lifted martial law in the early '80s. There was an unbelievable level of corruption in the country. The military was both corrupt and repressive. The communist insurgency known as the New Peoples Army had begun to attract the attention of Washington intelligence analysts because of their growth. The democratic opposition lacked someone to rally around a number of people who had been active politically before martial law, some of them even during martial law. Corazon Aquino, Benigno's widow had gone back to the Philippines after he was killed, she was there. She at that point was not very active politically other than as a symbol. The economy was in terrible difficulty. It had very little if any foreign exchange. Demand

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was repressed, depressed. The Philippine businesses were unable to obtain the letters of credit. They couldn't do normal commercial business. It was just not a very easy time for the Philippines and for the U.S. it was not an easy time. Many people had begun to accuse us of having propped Marcos up and having kept him in power. We were trying to distance ourselves from him but not to the extent to which we would bring him down. Reagan was president. He and Marcos had what they considered to be a close personal relationship. I couldn't quite understand that because they had never spent all that much time together. Reagan had been elected on a platform, which included among things the need for American support for longstanding friends. This was after the Shah had fallen in Iran and it seemed to happen after that. Somoza and Nicaragua, so there was a belief deeply held in the Reagan administration that we had to stick with our friends and Marcos was a friend.

*Q: This was the substance of the Jeane Kirkpatrick article that we talked about before?*

BOSWORTH: Yes, it was.

*Q: It kind of crystallized.*

BOSWORTH: But Jeane came to the Philippines in the first two months that I was there and we called on Marcos and had a long conversation with him. I got her together with some members of the democratic opposition as well as other people in the Marcos government. I think she came away with a clear understanding of the complexity of what we were facing and just to say that we supported Marcos was not sufficient. We had to also be supportive of a democratic process. That basically was the horse that we rode in the Philippines for the next couple of years.

*Q: This is a riddle that you often find in many countries with which we do business even until today.*

BOSWORTH: Indeed.

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*Q: You're there and you're trying to stimulate the democratic process so to speak and how does that develop and what happened?*

BOSWORTH: Well, I think you try to create and put some pressure on the government and that's what we were doing in the Philippines.

*Q: How do you do that?*

BOSWORTH: You go in and talk to them. Without being too blatant about it you make it clear that some elements of the American relationship are dependent on their beginning and in this case Marcos beginning to allow more space to the democratic opposition and express concern over the gross extremism on the left. You push for economic reform and end the corruption, etc. All of this of course gave Marcos very much the impression that we were pushing him, we were putting him in a stressful situation which we were indeed doing.

*Q: Was it still a view that the military bases were central to our?*

BOSWORTH: Oh, that was what basically over everything, that the bases at Clark and Subic, remember this was the height of the Cold War and the early years of the Reagan administration. We needed those bases we thought and I think we did to offset a growing Soviet presence in Vietnam. Those were always seen as being very important to us.

*Q: You wanted to keep the American interests intact with the bases?*

BOSWORTH: Right.

*Q: At the same time, so give me a little bit of a chronology then of how this went. How many years were you ambassador?*

BOSWORTH: I was there three years.

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*Q: So from '84 to?*

BOSWORTH: From May of '84 through that rest of that year. Then we had the national assembly elections, a conclusion of the first phase of the investigation of the Aquino assassination which produced the result that sent it further into the legal morass. Marcos continuing not to be healthy. He was suffering from various things including we now know a kidney malfunction. He was on dialysis and had a kidney transplant in 1985, which did not work. Anyway, '84 was relatively calm after the national assembly elections. Then we went into '85 and we were putting more and more pressure on Marcos at my recommendation. We were encouraging the political opposition to organize themselves more effectively.

*Q: Washington was backing you up?*

BOSWORTH: Washington was more or less backing us on that. Shultz was backing us very heavily. He saw very clearly that the long term relationship with Marcos had been changed here. Marcos had to change or our relationship had to change, otherwise we were placing our longer term interests in the Philippines at risk because it was not in our interest as having propped Marcos up beyond the time which his own national constituency didn't any longer want him.

*Q: How did the Pentagon feel about this?*

BOSWORTH: By and large they understood. They of course were always very conscious of the need for the bases, but we were fortunate at that point in having some people in the Pentagon who I think were quite clear thinking. One of them was Rich Armitage. He was the principal kind of Pentagon guy in the Philippine account. More and more pressure was mounting on Marcos in '84 and '85. Finally in November of '85 we had had a number of people over there. Bill \_\_\_\_\_ had come and then Paul \_\_\_\_\_ came out as a special emissary from the president, to basically

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push Marcos to try to get him to make some economic and political reforms. Marcos didn't really ever evidence much desire to do that. What he did do was to prove that he wasn't well understood so he hired a top-notch republican public relations firm in Washington to present his case.

*Q: Is that Hill and Knowlton?*

BOSWORTH: No, it was Black, Manafort and Stone. I kept telling Marcos that his problem was not how the message was being transmitted, it was what was in the message. He was not too fond of hearing that. I got along with him during all of that time pretty well. I rather admired him in some ways. I mean he was a man of enormous intellect. The only man in the Philippines I ever found I could sit down and have a kind of global conversation with. He reached a point where his moral compass had gone badly astray. He had no vision of his own life beyond being president of the Philippines. He was not in good health. He was under pressure from his wife and various cronies around him to just keep plunging around him because they knew if he left or if he reformed to any significant extent that they were, their status was very much at risk.

*Q: Do you think the wife was very influential?*

BOSWORTH: Oh, very much so, but she was always subservient to his decision. The notion of Imelda is a kind of an independent presence; presence, yes, but independent decision making. I've always found difficult that to accept. For example there were those who thought that she was the one responsible for the assassination of Aquino. She and the chief of staff of the armed forces. I never was able to agree with that because it seemed to me neither of them would have dared do that without Marcos' informed consent.

*Q: For somebody who was pretty intelligent, that decision to kill Aquino right out in public as he gets off an airplane seems to be somebody's incredible decision.*

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BOSWORTH: I think the problem that Marcos had by this time he had convinced himself that they could get away with almost anything in the Philippines. I think he honestly thought that he would blame it on the communists and everybody would accept that. They didn't and it was botched. It was not well done.

*Q: So, you're going along through the middle '80s and this is '85 and '86 and how is the attempt to?*

BOSWORTH: Finally in the fall of '85 the pressure on Marcos had become quite severe. Casey having been there, [inaudible] having been there, messages from the president all of which I was orchestrating from the embassy. I was continuing to tell him very strongly that he had to allow more space for the opposition, he had to do something about bringing those who most people thought had been responsible for Aquino's assassination, at least have been the agent of that, he had to bring them to justice in incredible fashion. He really couldn't bring them to justice in incredible fashion because that would have cost him all of his support or much of his support that he had within the senior ranks of the military. So, in November of '85, while being interviewed on one of the Sunday morning talk shows on American television, suddenly said, well, I'm tired of you guys pressing me and I'm going to have an election and then I'll show you who really deserves to run the Philippines. He called an election, the so-called snap election. This was in November. The election was scheduled for early February. Corazon Aquino was persuaded by some people in the opposition that she should be a candidate. She and a fellow named Salvador Laurel fought it out as to who would be the presidential candidate. She won and Laurel became vice president. He was constantly besieging me to try to get me an interview with her and persuade her that they should be reversed. The ranking should be reversed and he should be the presidential candidate. The U.S. position in the Philippines was really in a way kind of unique. We were on the one hand in the minds of many Filipinos seen as the great Satan of the West. On the other hand we were seen as the *dues ex machina* from whom all solutions would come if only we decided that's what we wanted



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to do. Most of the Filipinos were saying two thoughts in their minds simultaneously. There was a degree of dependence if you will on the U.S. that was very much exaggerated in many respects. People really thought that Marcos was still there because we wanted him to still be. December and January were given to campaigning. The campaign had developed fairly rapidly and was quite vigorous. Marcos himself was not in good health, but he had a tremendous will of his, he was out there on the campaign trail, making speeches and shaking hands. I think from the beginning he thought, he basically thought he was going to win easily. He was out of touch with popular sentiment. I think his fall back was he thought, well, if I don't win I can always cheat enough to win. What he didn't anticipate was that the level of international interest would be as great as it was and the presence of the American journalists, foreign journalists and the various election inspection observation teams that came from the congress and from the civil societies in the country and elsewhere around would be as great as they were. So, his ability to win it by cheating became very constrained. To this day no one really knows who won that election. My belief has always been that she won it probably not by as wide a margin as some people thought, but nevertheless she won it. He, however, then within the week after the elections sort of seized the process and managed through his minions and the national assembly predictably to introduce the vote saying that he had won. Well, that wasn't the end of it contrary to what I think he had assumed to be the case because then the public antipathy began to rise. They didn't just shut up and go back to being a housewife. The opposition became even more vigorous. Because of pressures in our own congress and in our own public, we remained very engaged. We came to the position of pushing away from Marcos in that week or two after the election. There was one, I remember, one statement out of the White House that Reagan was quoted as saying, well, there was probably some cheating on both sides, at which point the Filipinos went nuts. I fired back a message to Shultz and to the White House saying that we couldn't stay on that position. Fortunately over the next three or four days with a lot of heavy lifting from George Shultz the White House issued another statement that said the government had not run a fair election.

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*Q: What would have led Reagan to say that? Were there partisans of Marcos in the NSC or elsewhere in the White House?*

BOSWORTH: There were partisans of a view that we should not abandon our friends and Corey Aquino was a non-entity, unknown and untested and that the democratic opposition in the Philippines was dangerously left and that our presence at the bases would be at risk and that we should continue to back Marcos. Phil Habib who was then retired from the Foreign Service came out as an envoy from the president about a week after the elections when all of this was boiling away; he came out basically to gain us some time. I mean there was nothing he could do other than go around and see a lot of people, which he and I did including Marcos and Aquino. Phil came away from that week convinced that Marcos had lost the capacity to govern and was no longer capable of governing because he didn't have the support of the Filipino people anymore. He went back to Washington to expound that point of view which was the point of view that I was expounding from the embassy. The day he left to go back to Washington was the day that there was this so-called people power revolution in the Philippines that began. Ironically it began because a group of young military officers who were opposed to Marcos had become opposed to it and to their chief of staff had been plotting as we now know Juan Ponce Enrile, the minister of defense and to some extent with Fidel Ramos, the acting chief of staff until Marcos just before the election basically found their innocent.

Marcos' forces basically knew that these guys were plotting a coup. We knew it in the embassy as well. I had been sending word back to the coup plotters to stop it, not to do it because as much as I thought Marcos should go, I thought it would be in some ways be totally disastrous to have him replaced by a military government particularly. To arrest these coup plotters. They also knew that Juan Enrile, the minister of defense, was involved. That was of course quite a shocker because he really had been a long time supporter of Marcos. This group of colonels and young officers took refuge in one of the military camps out on the outskirts of Manila and [inaudible] called me. This was the first

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that we knew that this was happening. I was in the residence in my office writing a cable reporting on Habib's and my last conversations with Marcos and others.

*Q: This was about what date now?*

BOSWORTH: This was I think the 21st or 22nd of February, 1986.

*Q: 1986.*

BOSWORTH: Yes. Then [inaudible] called me and said, we are surrounded. We're holed up and you've got to help us. Well, it wasn't clear to me at that point exactly what we were dealing with. Still I thought it might be at that time was just a military coup. Of course we let Washington know. By this time it was on the airwaves. CNN finally, the first time, had the capability to telecast directly via satellite and they had a cameraman and a reporter in the camp where the military people were holed up. So, I alerted Washington, it was early morning back there. They were watching it on CNN. They knew more about what was happening on the ground there than I did in the embassy because I didn't have access to CNN. That evening I was in contact with Mrs. Aquino's camp and her directly. She had been down in the central Philippines. We were very concerned about her safety and I offered her refuge on a U.S. naval vessel that happened to be in the vicinity.

*Q: That was on your own initiative?*

BOSWORTH: Yes. I told Washington afterwards that I was quite confident that they would approve. I had been in contact with her brother who was one of her principal advisors during the political campaign because they were very concerned that Marcos would try to knock her out by basically assassinating her which was not by any means unthinkable. Washington had given its approval with the notion that if at all, if everything else failed I could invite her to come to the embassy residence. I couldn't do that because she was not in Manila, but I did offer her refuge on the ship. She wisely concluded that she didn't want to do that. She didn't want to appear to be under U.S. sponsorship, so she took

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refuge for the night in a convent and then early the next day came back to Manila. In the meantime Cardinal Jaime Sin had gone on Radio Veritas which was a very small transmitter sponsored by the Catholic church when he learned that Enrile and Ramos and their supporters were in the military camp and he said to the Philippine public that you've got to go help them, take them food. Of course at that point people began to pour out into the streets and once that happened it became clear that this may have started as a military coup, but was much more than that now. She came back the next morning and she sort of took visible control.

*Q: This is Aquino?*

BOSWORTH: This is Aquino. Which was very important because I was very conscious of the need not to be seen as to be putting the U.S. behind a military coup attempt. Since we had by this time pretty much concluded publicly that she had basically won the election, there was nothing wrong with putting our support behind her. For the next two days my role consisted primarily of 1) keeping Washington fully informed and 2) warning Marcos directly on the phone that he should not move by force against Enrile and Ramos in a military camp. He should not do anything that would jeopardize the safety of hundreds of thousands of Filipino civilians who were out in the streets supporting Mrs. Aquino and demanding Marcos' resignation. Finally, over the next couple of days the situation played out so that we issued a statement, the U.S. from Washington, which I then transmitted, to Marcos and others saying in effect the time has come you should leave.

*Q: Now that statement, did you in effect compose that yourself and send it back to them for approval or did that come up?*

BOSWORTH: I don't remember where it came from. It was a judgment that we reached pretty much simultaneously. I think I was probably out ahead of official Washington in making that judgment.

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*Q: Were you able to talk in those days by secure phone to Washington or did you have to keep doing it by cable?*

BOSWORTH: The secure phone connections were very bad. In the end we had to do a lot of talking on the unclassified open line because there was no other way to manage communications.

*Q: It is interesting as you say that CNN at that point really begins in effect this new sort of revolution.*

BOSWORTH: This was the first one.

*Q: Yes. So, you get a statement then that basically says that the position of the U.S. government that Marcos should go.*

BOSWORTH: Right. The time has come. With that we had removed the sign of heaven from him, the mandate of heaven. He was done. Then it was a question of how to get him out safely.

*Q: How did that? I mean did he immediately say, okay, I'm leaving?*

BOSWORTH: No, he didn't say, okay. His first words to me were I'm terribly disappointed. You don't understand. Your government doesn't understand. This is a military coup and I have to resist it. I said, well, we don't agree that it's a military coup any longer. We think that it is something bigger than that. Anyway, these are my instructions. I then got back to him the next day. He was in the palace with his family and his grandchildren. We offered him three alternative routes out. Basically by land and by sea and by air. He opted for the air route and he sent some of his minions and his baggage out by boat. We took him out by helicopter. We took him to Clark where he spent a few hours and then we put him on a plane and he went out first to Guam and then to Hawaii. Of course, he died in exile.

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*Q: That's the idea of going to Hawaii. It sort of evolved from a discussion process?*

BOSWORTH: Yes. There is a big Filipino presence in Hawaii. He knew Hawaii. It was very important to us and to President Reagan in particular that we not allow him to be harassed, that we would give him safe haven basically in the United States, but we wouldn't let him go back to the Philippines. Well, he never really had a complete safe haven because the legal people began coming after him very quickly. Eventually, even after his death they continued to go after the estate. He never went back to the Philippines until after his death.

*Q: He leaves and Mrs. Aquino comes to power.*

BOSWORTH: Mrs. Aquino comes to power and a great upsurge of national spirit and good feeling. The U.S. for a time at least was, we were heroes, because we had taken him out. I remember going down to call on her the day after Marcos had left. She was not yet living in the palace. She was in her office in her family's building. As I came out having exchanged statements of good feeling with her and her principal aides, a big crowd of people on the outside all started cheering for the U.S. and me. It was really kind of an extraordinary experience since I previously used to go into my office at the embassy driving through large crowds of demonstrators all saying, Bosworth go home. Some of them had little clips underneath that Bosworth go home saying and take me with you. Filipinos had a sense of humor if nothing else.

*Q: How would you characterize your relationship with Mrs. Aquino in a policy sense and what did you make of her?*

BOSWORTH: I had a very close relationship with Mrs. Aquino in many ways personally of course. It was incumbent upon me just because of circumstances to try to interpret her to Washington and interpret Washington to her. This was of course the normal role of an ambassador, but in this case it was more demanding because she had so little experience.

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She was a woman of tremendous integrity and great courage and I liked her generally and personally. She liked me and she liked my wife. Her great supporter turned out to be George Shultz. Others in the Reagan administration were less enthusiastic about her and many questioned her ability to run the country effectively. I always considered that she was sort of the mother of the Philippines. Her role essentially was to oversee the reestablishment of democratic institutions. There were missed opportunities. The government was not very coherent. It was torn from the right and from the left. There were great divisions within the government so that particularly in terms of economic policy, there were opportunities that were lost that were not regained until she finished her presidency and Fidel Ramos became president. That was a time of considerable consolidation and forward movement economically. Under her the Philippines became a democracy again with all of its imperfections. She endured numerous military coups because Juan Enrile who had been frustrated by her having taken over the revolution in effect, he never accepted the legitimacy of her presidency and even when he was minister of defense was supporting coup activity against her. She overcame all of that again with strong support from the U.S. That was after I had left. I think the U.S. relationship with her was on the whole very positive. There were things that we did that she didn't like. She did not like to receive what she called gratuitous advice. You had to have a relationship with her in which she would ask for your advice, but just to go down there and tell her what we thought she ought to do, didn't work. Of course Washington's sensitivity to that was not always too well defined. We didn't like the fellow who was then her chief of staff because we thought he was not doing well by her, and we were suspicious of his longer term motives about us. I remember one time I received an instruction in effect to go down and tell her we didn't like her chief of staff and we thought she should get a new one. I simply refused to do that feeling that there were many people around the world who probably didn't like Ronald Reagan's chief of staff, but we would not continuance them telling us to get rid of him. There was a patronizing attitude on the part of some in Washington.

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The President himself, Reagan, never developed much of a relationship with her largely I think because Nancy Reagan had this close relationship with Imelda Marcos and she was never willing to set that aside.

*Q: Mrs. Aquino becomes president in 1986 then and how much longer did you remain in the Philippines?*

BOSWORTH: Right. That was February of '86. I left in April of '87.

*Q: April of '87. The base structure agreements and so forth were still in force when you left?*

BOSWORTH: They were still in force. We began a renegotiation in '89. I had suggested to Washington that we accelerate the schedule for the renegotiation because in my judgment we were never going to be in a better position to do that than we were right after the revolution. But Washington didn't want to do that for various reasons none of which I ever quite understood. By the time we began to renegotiate the rose had faded a bit from the times of the revolution and our support and it proved to be very difficult and in the end the possible negotiation was blocked by a nationalist minority in the senate. She never really sort of leaned in forcibly enough in support of a new agreement at least in the view of those in Washington. That was by that time it was the Bush administration.

*Q: Talk a little bit about your relationships with the rest of the embassy. Did you feel that you mentioned a little bit about the military attaches, they must have been a significant presence in the embassy I presume?*

BOSWORTH: The attaches were a significant presence, but not as significant as they might have been because we had these huge military establishments there, Clark and Subic. The American commanders there were deputy commanders. Deputies to Filipinos. That was the way it was set up under the previous base agreement. We had extensive connections into the Philippines military and some of them who are defense attaches and



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one or two of those were quite productive. In fact that's how we learned of the impending coup plotting. In managing the relationship between the two governments I found it much more important to work with the commanders of Clark and Subic. It was always, the lines of responsibility were always quite clearly defined. I was responsible for overall relations with the government that included their relationships with their military counterparts. It worked well. During the crisis it worked particularly well because their presence, the military's presence, their transport and logistical instruments we would never have had otherwise. We had helicopters right there to take Marcos out when it came time to take him out. We had a transport plane to send him to Guam, all of those things. Civil military relations in the embassy and within the American country team were excellent. In fact my wife and I were just two weeks ago down in South Carolina and spent three days with the guy and his wife who worked as the commanding admiral at Subic Bay when we were there. So, we've retained those friendships and I think we trusted one another so we were able to operate in times of crisis with great effectiveness and a minimum of ego involved.

*Q: Did you feel you had a good working relationship with the agency people there?*

BOSWORTH: The agency people were superb. The agency's relationship with the Philippines was very longstanding. They used to joke that their real problem in the Philippines was that if they recruited somebody within a week that person could not pass a lie detector test because one of the questions on the lie detector test was have you told anyone about your relationship with the agency. They of course as soon as they had a relationship went out and told all of their family and friends because it was an asset socially for them. The agency was quite well informed and worked very effectively with the other constituencies of the American presence there. I had a very close personal relationship with the station chief.

*Q: Talk a little bit about this communist insurgency thing because it seems as if there was a kind of endless insurgency problem in part of the country and is that because without too much of a historical thing on it, but is that because the Philippines themselves cannot*

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*figure out a way to solve that problem and what attitude did you take towards it when you were there for example?*

BOSWORTH: There were two kinds of insurgencies. One was the Islamic insurgency.

*Q: Right. Was that noticeable when you were there?*

BOSWORTH: Well, it had faded a bit by the time I was there. It had been strongest in the '70s and of course, now in the last few years has risen again. That was an insurgency that came primarily out of Luzon and it had its roots and the demands for Philippine Muslims for autonomy. At one time back in the '50s during the Huk insurgency, the government had taken many people from an area which was very overpopulated, and it relocated them where there was lots of land. That was good in one respect, but the problem with it was that it intermingled Christians with Muslims so that it was very hard if not almost impossible to segregate the two communities so that you could give the Muslims much autonomy other than a kind of token autonomy. This had been a dispute that had gone on for a long, long time. Islamic insurgency or Muslim insurrections in the Philippines date back to the arrival of the Spanish in 1523. The other kind of insurgency was much more of a kind of traditional communist insurgency. The so-called New Peoples Army. It was very similar to the way that the Viet Cong had operated in Vietnam. Local organization, building networks themselves throughout the country. Building a military capacity that was basically a guerrilla capacity. Very much targeted against the government as well against the United States, but primarily against the government. Immediately after Marcos left and Mrs. Aquino began to assert herself and do certain things we concluded that Marcos himself had been the best recruiter for the New Peoples Army. Now, it's still there. Its never disappeared entirely in fact I think within the last year or two it may have actually gained a little momentum. There is a long history of rural insurgency, rural violence in the Philippines that goes back well into the Spanish period. It has its roots in poverty, its sense of national injustice and also in the way that the Philippines is organized I think my own personal view socially and politically. There are very few organizations in the Philippines

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that are organized on a horizontal basis. Loyalties in the Philippines go up and down. They don't go horizontally. The labor movement in the Philippines is not very impressive for example for that reason. Political parties are not ideological parties for the most part for that same reason. Everything is done on the basis of personal relationship.

*Q: It's a client relationship.*

BOSWORTH: It is. There's a Filipino phrase for this and it means that you protect people underneath you and people above you protect you and the chain of obligation runs up and down. It does not extend horizontally. I think that that's a reason for the fact that the rule for the Philippines is still not the kind of public order and rule of law that one would like to see.

*Q: So, you're there until, well, is there anything else in particular that you want to talk about in your period there? Any issues?*

BOSWORTH: I think just managing the new relationship with her. I remember the embassy country team the morning after she had been inaugurated and sworn in as president. I said, you know, we're all going to look back on yesterday as the end of a fairly easy era in U.S. Philippines relations because one of the positive things about dealing with a dictatorship is that if it is an effective dictatorship it can run the relationship quite effectively. You may not like what it costs, but when we have a problem we can work it out fairly efficiently. Of course, with a sprawling newborn democracy, that was not possible and the relationship was frequently quite messy.

*Q: Were you surprised, I mean this isn't strictly in your credo, but were you surprised in effect at how fast in the end the bases went out and that we seemed to have survived their closure? In retrospect how do you think about that?*

BOSWORTH: Yes. I think, well, I was surprised, but it was not necessarily only because it was the decision that the Filipinos made or we made, there were decisions and

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circumstances change. By 1989 it became apparent that the former Soviet Union was going to become a former Soviet Union fairly soon. That meant that the Cold War was effectively coming to an end and that the need for us to maintain bases as part of a chain of containment was diminished. Also, Mount Pinatubo erupted and God played some role in this and that eruption made Clark Air Base simply unusable. Then of course the Philippine senate made it impossible for us to save Subic. I think if you would ask the U.S. navy today if they would still rather have something at Subic the answer would be of course. It was a great harbor, very efficiently located, but clearly we've learned to operate without it and there are many Filipinos in fact who still lament the fact that we left.

*Q: So, you were there for three years? So, your tenure came to an end in the summer of '87 more or less?*

BOSWORTH: In May of '87.

*Q: Okay. Is that because the three years were up?*

BOSWORTH: No. It was mostly driven by personal considerations. Our children, our blended family of children were back in the States. They were then most of them in the university. Financially I was strapped. My wife wanted to go back. She'd enjoyed the Philippines enormously, but she wanted to be closer to our families and she wanted to go back to school. It was just a sense that three years was enough. In fact, George Shultz didn't want me to leave. As it turned out, he put somebody in there who was very effective, Nick Platt, who was my successor. He tried to persuade me to stay and I stayed for a few more months, but that was enough.

*Q: So, you leave in '87 and you had already in effect retired from the Foreign Service. So, then what did you do?*

BOSWORTH: Yes. Then I came back here and Dartmouth College where I had graduated offered me a fellowship for a few months and we went up there. I did some writing and

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some speaking and some lecturing on campus. I looked around for a job and I finally settled on a position with the U.S. Japan Foundation in New York. I had considered briefly going to California. I had a job offer out there, but we decided to stay on the East Coast because again most of our children were here. I went to the U.S. Japan Foundation in New York. We moved from Hanover, New Hampshire down to New York and Connecticut. I ended up staying there from '88 to '95.

*Q: At the Japan Foundation?*

BOSWORTH: The U.S. Japan Foundation, which is a private grant, making institution.

*Q: Where does it get its funding from?*

BOSWORTH: It had a major gift from a very prominent and very controversial Japanese back in the early '80s. His name was Ryoichi Sasakawa. It was given to a group of Americans, so it is an American institution organized under American law with a lot of independence. We were giving away five to six million dollars a year when I was there. I learned a lot about Japan and traveled extensively in Japan and elsewhere in Asia. That in many ways is how I became more of a specialist on Asian issues. I was engaged in a number of task forces, the Carnegie Endowment, the Century Association. I was also doing quite a bit of consulting for private companies. I was on a couple of boards. I taught as an adjunct professor at the School of International and Public Affairs at Columbia for four years.

*Q: So, you're there until '95 and then what happened?*

BOSWORTH: Then I was asked by some former colleagues in the State Department if I would take on the task of organizing and running the institution that was being created to implement the U.S. agreement with North Korea called the Korean Peninsula Energy Development Organization.

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*Q: Say that again, the Korea?*

BOSWORTH: Korean Peninsula Energy Development Organization, known as KEDO.

*Q: Okay. So you were asked to take that on and you do it?*

BOSWORTH: I did it. I wasn't eager to do it at first. In fact I spent six months working for them half time and working for the U.S. Japan Foundation half time because we had an apartment in New York which was owned by the Foundation and a house in Connecticut that we owned. We had a pretty good life and the U.S. government was in effect asking me to jump off a cliff because this was a new organization. It didn't exist. I was the first employee.

*Q: Let's talk about that position. Where did that whole thing come from?*

BOSWORTH: Well, there was a so-called agreed framework between the U.S. and North Korea in 1994 whereby they agreed to freeze their nuclear weapons program and we agreed to give them in return alternative energy supplies including heavy fuel oil and two light water reactors. KEDO was set up by the U.S., South Korea and Japan to implement that agreement basically to build nuclear reactors in North Korea. At a certain point I decided it sounded like a life experience that I shouldn't pass up.

*Q: This was going to be funded by?*

BOSWORTH: Funded by those three governments.

*Q: Including the government of South Korea?*

BOSWORTH: Yes.

*Q: Okay, and so, but they were going to put it in the framework of in effect a corporation that was a quasi-governmental?*

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BOSWORTH: It was an international organization. It was sort of like an international consortium and it had a commercial task to build these reactors. Yes, it was an international organization recognized by the UN, but a specialized international organization. We had no offices. We had no staff. We had no nothing.

*Q: Who was it that came to you and asked you to do this?*

BOSWORTH: It was Bob Gallucci.

*Q: He had negotiated the agreement?*

BOSWORTH: He negotiated the agreement.

*Q: The agreement, right and the purpose of the agreement was to try to keep the North Koreans in effect from developing an independent nuclear weapons making capacity?*

BOSWORTH: Right. Exactly.

*Q: Okay.*

BOSWORTH: That story of course is still on hold.

*Q: That's why this is a most.*

BOSWORTH: So, I agreed to do it, but I said I can't do it full time until I'm more confident than I am now that this is actually going to be a permanent or semi-permanent institution. Very soon the governments of South Korea and Japan assigned two senior diplomats to this enterprise as my deputies and we begin to set up this organization. We found office space in New York and began hiring support staff and receiving people who were coming in from the three governments who worked for us. Then we had to negotiate an agreement with the North Koreans which became, which was a more detailed version of the agreed framework from Geneva which stipulated what kind of nuclear reactors we were going to

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build and how we were going to build them. The Korean Electric Power Company, known as KEPCO became our prime contractor.

*Q: Is that the North Koreans?*

BOSWORTH: South Korean Power Company. The national power company. We hired Duke Engineering as our technical consultants and spent the first four months negotiating an agreement with North Korea which proved to be a very arduous task and very difficult, very complicated, but fascinating because I learned something about the North Koreans and how they negotiate.

*Q: What's that?*

BOSWORTH: First of all their negotiators have very little room to maneuver. Everything comes from and goes back to the very top. These are people who live on the edge of crisis all the time and they're very comfortable there. Brinkmanship is in their bones. Yet they're not very effective negotiators. If you learn how they operate and how patient and don't need an agreement within any given time schedule, you could usually do very well with them.

*Q: Did you go to North Korea?*

BOSWORTH: I went to North Korea when I was with KEDO twice. Once in the fall or in the spring of '96 and then again in the summer of '97 just as I was leaving KEDO. *Q: Okay, we'll come back to that, so you started there about when did you say?*

BOSWORTH: I started in July of '95.

*Q: '95 and you were there until the summer of '97 approximately.*

BOSWORTH: It was there until October of '97.



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*Q: Okay, so the summer of '95 until October of '97 and you're getting this thing started and you're trying to negotiate. Now, did the North Koreans, did you feel in essence that they did want to do this, that they wanted to go through with it?*

BOSWORTH: Oh, I think there's no question then at that point that they wanted to go through with it.

*Q: The reactors were to be paid for by this consortium? In other words all the money was coming from this?*

BOSWORTH: Yes. They were just receiving this.

*Q: Plus the heavy fuel oil.*

BOSWORTH: Plus the heavy fuel oil.

*Q: Which was for them to run power plants as well?*

BOSWORTH: Yes.

*Q: Your sense is that they were as much as one can tell, that they wanted to do it and did you think, were there inspection mechanisms on the nuclear fuel side to make sure that they weren't doing something else incorrectly?*

BOSWORTH: Well, that was one of the things that we had to negotiate, but the IAEA had been brought in as a result of the agreement in Geneva the agreed framework. They had come in in October of '94 to monitor the freeze of the North Korean facilities at Yongbyon. Their inspectors were onsite.

*Q: Which was a freeze not a dismantling?*

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BOSWORTH: Not a dismantling. The dismantling was scheduled to take place subsequently after we had made progress in certain definitions of various stages of completion of the nuclear reactors.

*Q: You're getting this thing set up and you're getting going in your negotiating and how far did you get by October of '97 would you say?*

BOSWORTH: We had negotiated the supply agreement. We had negotiated a number of protocols supplementing the supply agreement, governing our privileges and immunities in North Korea, our specifying the site and how it was going to be developed. We'd gotten quite a ways, but we didn't have much money because the governments had not yet appropriated large sums, so we were sort of getting by on a wish and a prayer by scraping by. We had started the task of site preparation in the North, the site was a place called Kumho, which was on the northeastern coast of North Korea, and we had taken it over. We had the presence there of the South Korean contractors were there. They had people there. We began to create basically a village, which our people lived in and worked in.

*Q: Were there fuel deliveries?*

BOSWORTH: Fuel deliveries were proceeding. We never had enough money for that either. The political reality is that within about a week after the U.S. and North Korea signed this agreement the republicans gained control of the U.S. congress and the conservative branch of the republican party hated this agreement because it was seen as basically submitting to North Korea and its forces. So, there was a strong determination from the beginning to kill this plan. The Clinton administration was not prepared frankly to invest all that much political capital in keeping it going or at least not prepared to invest much political capital in extracting money from a congressional process. So, we were on a wing and a prayer constantly in terms of our ability to finance the purchases of heavy fuel.

*Q: Did the money come from the Japanese and the South Koreans?*

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BOSWORTH: No, the agreement among the three governments was that the U.S. would take care of the heavy fuel oil. The Japanese and the South Koreans would take care of the nuclear reactor costs.

*Q: how much money were we talking about for the heavy fuel oil approximately?*

BOSWORTH: Approximately, well it varied depending on what the market was doing, but it was anywhere from \$60 to \$100 million a year.

*Q: Presumably that would be money that would be spent with American corporations for this oil?*

BOSWORTH: We did it through international tender on the international market.

*Q: Interesting. Do you think that was a mistake perhaps, that it might have generated more political oomph?*

BOSWORTH: I don't think so. In global terms this was literally a drop in the bucket.

*Q: But still hard to get out of congress.*

BOSWORTH: Yes, not for economic reasons, but because they hated the agreement.

*Q: You must have felt that in one sense you can characterize it as blackmail, but on the other hand what is the alternative I guess?*

BOSWORTH: That was always my question.

*Q: You must have felt that therefore it was a desirable thing otherwise why would you be working there.*

BOSWORTH: No, I thought it was a very good job.

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*Q: You had a good job before you.*

BOSWORTH: Yes. I didn't ask for this.

*Q: Yes, right, no I understand. I mean did the republicans, did you ever meet or talk with any of them? What was their alternative?*

BOSWORTH: They didn't have one either except some may have had the alternative of basically bombing North Korea and taking out their nuclear facilities.

*Q: Yes, but obviously after 9/11 you're more alive to these issues, were they alive to the notion that the North Koreans could produce nuclear material and start selling it on the black market to people?*

BOSWORTH: I think they were conscious of that. In fact remember in '93 and '94 there was a great atmosphere of crisis over this issue on the Korean Peninsula.

*Q: Which is why then sent Gallucci there I suppose to negotiate something.*

BOSWORTH: Gallucci was the negotiator and that's why Jimmy Carter went there and there are those who think that Carter's visit averted war. We're now revisiting this thing for the second or third time. We've been through all of these issues before.

*Q: Right. You were getting the money I mean you were getting the oil delivered.*

BOSWORTH: We were getting some money from the U.S. congress. We were getting the Defense Department to reprogram some funds. We had negotiated a line of credit from the Japanese. They had a line of credit of 15 million dollars, which we would draw down and then pay back when funds came in from other sources, but basically the money came out of the U.S.

*Q: Was there a fixed amount of gallons of fuel or barrels?*

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BOSWORTH: 500,000 metric tons per year.

*Q: Were they meeting that actually?*

BOSWORTH: Yes, we met it. We were a little late. We would stretch the year a bit, but we were meeting it.

*Q: The North Koreans in principle should have been satisfied on that particular score?*

BOSWORTH: Yes, I don't think that there was ever, they never became too upset about that. I mean I think they were conscious that we were making a good faith effort to deliver on schedule and if we slipped a month or two, not a big deal. I think the reality is that the North Koreans never saw this as just an energy agreement. That wasn't why they did it. They saw it as an agreement aimed at bringing about a normalized political relationship between them and the U.S. It was that that they were disappointed. The Clinton administration until the very end didn't seem willing to take any political risk to try to bring that resolution about and then of course when Bush became president he was adamantly and flatly opposed to trying to do that.

*Q: Where did Mrs. Albright stand in that? Was she willing to?*

BOSWORTH: She didn't really get energized on this issue until the fall of '98. By this time I was in Korea as ambassador when various things happened that basically called her credibility into question. She then began to be more interested in Korea.

*Q: Was it President Clinton himself I mean did this issue get to him much in that he himself was not willing to?*

BOSWORTH: I don't think the issue got to him much, but that's no excuse. What happened, the one constructive thing that happened was the North Koreans fired a missile off over Japan and that got everybody's attention. Then there was a suspicion that we

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found another nuclear related activity elsewhere in North Korea and Mrs. Albright was very embarrassed by a very hostile reception in one of the congressional committees. What really happened was we got Bill Perry to come back as a special envoy to do a policy review and he produced a series of recommendations that basically got us back on track with the North Koreans but more importantly with the South Koreans and the Japanese.

*Q: Did the South Koreans and the Japanese sort of agree that this should be the first step of a framework toward more normalized U.S. North Korean relations?*

BOSWORTH: Yes, but they also wanted, well, their primary objective was stability on the Korean Peninsula.

*Q: Right.*

BOSWORTH: The South Koreans were very determined to try to deal directly with the North Koreans which of course the North Koreans at that point didn't want to do.

*Q: Because?*

BOSWORTH: Because that would convey a sense of legitimacy to the South Korean government, which they had never accepted. It wasn't until Kim Dae-jung became president in 1998 that South Korea began the so-called sunshine policy, which they began to try to charm the North Koreans into a dialogue, which eventually did.

*Q: Was it foreseen at the time in 1994 when the framework was negotiated that somehow there might then be a series of steps between the Americans and the North Koreans to continue but you feel with the change in the congressional thing that that suddenly sort of was all frozen?*

BOSWORTH: Sure. There was discussion. There was a provision for ending the sanctions, economic sanctions, establishment of diplomatic liaison officers, all sorts of stuff that the North Koreans expected we were going to move on. Now, they were their

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own worst enemies in many respects because we had North Korean submarines washing up on South Korean coasts. We had various incidents taking place that earned them the enmity of everyone.

*Q: Right. In any case the political pain that might be seen to be involved no one wished to really take that on the American side?*

BOSWORTH: Right.

*Q: You're delivering the oil, but I suppose did you get the sense by October of 1997 that the North Koreans were becoming disillusioned even then because they weren't seeing anything else coming or at least by then it was still going along?*

BOSWORTH: It was not that visible if they were discontented. They constantly harassed you and hectored you, about not doing things.

*Q: Right. Meanwhile the preparations are going forward to build these reactors and so forth.*

BOSWORTH: That's right.

*Q: What happens to you then personally at this point?*

BOSWORTH: I got a call from Sandy Berger in April of '97 asking if I would be prepared to go to Korea as ambassador.

*Q: Did that come kind of out of the blue for you?*

BOSWORTH: It came very much out of the blue as far as I was concerned. I had not looked for it and was not that eager to do it initially. I talked to my wife and we both become enthusiastic. She was particularly enthusiastic right from the beginning. Our time at KEDO had given her certain contacts with South Koreans. She liked Korea a lot and I

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think she could envision herself as living there. I went back to Berger and said okay, we'll do it.

*Q: This was basically since your earlier, your last embassy had been a republican administration, so do you feel you were seen as a nonpartisan person in essence?*

BOSWORTH: Yes.

*Q: Okay. Just before we get to that, you took a couple of trips to North Korea?*

BOSWORTH: Right.

*Q: What was your sense of that place?*

BOSWORTH: It's an awful place. It's desolate, barren, sterile. You really have a sense of being dropped off the face of the earth in the 21st Century, very repressed, hillsides are all barren because they've burned all the wood, lots of erosion, an economy that was visibly not functioning. Smoke stacks that don't have any smoke coming out of them.

*Q: Do you accept the notion that there probably is a huge amount of something verging on starvation in that country?*

BOSWORTH: Yes.

*Q: I mean it seems to be often the case.*

BOSWORTH: Yes.

*Q: Did you meet, how high up the leadership level did you go?*

BOSWORTH: The most senior person I met when I was there was a deputy foreign minister who was seen by everyone as being the de facto foreign minister.



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*Q: Did you get a sense of a person at that level that you were dealing with somebody who had shall we say wide views?*

BOSWORTH: Yes, wide views, but very narrow objectives.

*Q: Yes, right.*

BOSWORTH: Being the survival of the regime. The man I dealt with most was an ambassador at large in the foreign ministry who was my counterpart.

*Q: With Ambassador Stephen Bosworth. Today is the 3rd of April. We have been talking about the ambassador's involvement with Korean affairs and just to start I want to ask sort of a general policy question, which is as follows. You had said that when the congress changed in 1994 and the republicans came in as a majority that the Clinton administration became much less inclined to take political risks in connection with its policy toward North Korea. I may not be characterizing that correctly and of course you have the chance to correct obviously. One of the things that strikes me is that if you think in the broadest terms about the formulation of foreign policy, on how things get done, that it's often a mix of domestic American interests and then the people that are actually professionally working on the policy and those things can come together in all kinds of different ways for each issue that comes up. I'm surprised a bit about North Korea because I wouldn't have thought that there would be much domestic political interest at all in North Korea. That there would be probably no economic interest, but very few people in the United States probably pay much attention to or care much about it. So where would the political dynamics of interest be in this question for example of the initial agreed framework where we were going to deliver the oil and the South Koreans and the Japanese were going to assist with the development of nuclear power plants? In a sense who would be opposed to this and why?*

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BOSWORTH: Well, I think people were opposed to it whose world view was such that they considered any kind of dealing with North Korea or any other government that seemed prepared to use some form of blackmail as succumbing to that blackmail. They viewed North Korea as using their nuclear threat as blackmail against us and thought it was morally weak of us to succumb to that. You're right. I don't think there was a strong high level of interest around the country in this. North Korea seemed a very distant threat in those days. It's not quite so distant now. I think people are beginning to understand why it's a cause of concern. I think first it was this question of not wanting to appear to be succumbing to blackmail. Secondly, it was the rising even then, rising antipathy within the republican party particularly on the conservative wing of that party to the Clinton administration, which was seen overall as being morally bankrupt and weak. Basically almost anything that the Clinton administration proposed these people were going to fight. After the congressional elections in '94 they had much more influence because they control to a very great extent the outcome of the congress.

*Q: Take up this question just for a second. You obviously, you took this job with this new agency so you must have felt that its goals were desirable. So, how do you answer this statement that this is somehow a type of blackmail?*

BOSWORTH: I think you have to look at what the alternatives are and those are the same alternatives we face today. The agreed framework was in effect the beginning of the first effort to try to engage with North Korea to bring them out of their isolation and to tie them more firmly into the rest of the world in the belief that that would tend to stabilize the situation. It would then acquire interest or a stake in behaving reasonably because if they didn't they would begin losing benefits. The alternatives to that are pretty bleak. One, we can do what we periodically tried to do and that is ignore North Korea and sort of wait for it to collapse because it is obviously a pathetically weak state in many respects. The problem with that is it has not collapsed and we I think should realize that as the regime senses that it might collapse it's going to be increasingly desperate in its behavior and its

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desire to attract our attention to engage with us because of things it wants and needs. The other alternative of course is to resort to military force and because of the proximity of Seoul and the configuration of forces along the demilitarized zone the use of force is not a very attractive option because the North Koreans retain the ability to do devastating damage to South Korea, particularly metropolitan Seoul. This is not the South Korea of the 1950s. This is now a South Korea that is the 12th largest economy in the world so that a conflict on the Korean Peninsula would not only bring untold human destruction, but it would also give a devastating blow to regional and global economies.

*Q: You feel then that if you're trying to put a balance up that in a sense trying to engage them in this way is the lesser of many unpleasant choices.*

BOSWORTH: Exactly. I mean I, you know, none of us like the notion of having to deal with a government like that in that way, but the world is a collection of various shades of gray. Very few problems in international affairs can vend themselves to a black and white analysis.

*Q: Before you took up the job of being ambassador in South Korea and you were in this other role, did you have a chance to try to engage people on the right in this country in any substantive way, serious conversations on the subject or is that possible?*

BOSWORTH: I gave a number of interviews. I did a number of speeches to various interest groups in Washington, New York and elsewhere, so yes, I was speaking for the concept of KEDO. I was speaking for the concept of building cooperation with our key allies on problems that were a concern to all of us. That was one of the other aspects of KEDO that I found attractive and that I thought might provide something of a model for how the U.S. and our allies and friends would organize ourselves to deal with this sort of regional security threat other than on a giant alliance basis like NATO or other than unilateral which is the way in Asia we had customarily worked. I thought this was a good model and something worth experimenting with.

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*Q: But you really didn't feel I take it that you were able to make much headway in the intellectual competition or the argument with the right on this particular topic? Not that you didn't try.*

BOSWORTH: Not at the time although there was one powerful argument that did have an effect and that was that because of the agreed framework what we knew North Korea could do at the site, the nuclear site at Yongbyon was frozen under the agreement. We had forced all of North Korea's production of enough plutonium to produce probably over an eight year period that it was enforced probably almost 100 nuclear weapons. That was a considerable accomplishment.

*Q: Were the North Koreans getting technology from outside to do this?*

BOSWORTH: They were getting some. I mean they'd had access to some technology from the former Soviet Union back in the '80s. Then as now of course evidence that's being discussed in the newspapers and we knew at the time that there was collaboration between North Korea and Pakistan. Each had something the other wanted. North Korea presumably had the techniques available how to weaponize nuclear material and North Korea had a fairly sophisticated medium range missile program. So, this was a meeting of different, but related capabilities. We still don't know whether in fact North Korea actually produced any nuclear weapons. We're not even 100% certain that they extracted plutonium, which was not reported to the IAEA. It's quite likely in my personal judgment, but that's not quite the same as saying we know to a certainty.

*Q: As you said earlier, sometime in early 1997 you got a call from Mr. Berger who was I guess the?*

BOSWORTH: National security advisor.

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*Q: National security advisor. Was it at all meaningful that the call came from him and not from someone in the State Department for example?*

BOSWORTH: I suppose yes that it was because basically it reflected a level of interest within the executive branch that I do this. If I'd just gotten a call from the office of personnel in the State Department I might not have responded. I had had offers or requests from the Department over the preceding ten years to do various things some of which I had been willing to do, but did not involve a full time firm reentry into the State Department, but a couple of ambassadorships that I was not interested in doing. This one struck me as different.

*Q: Do you think that the main interest in that, I mean leaving aside your own abilities obviously, was because of your familiarity of this North Korean nuclear issue?*

BOSWORTH: I think they were looking for someone who had some experience in dealing with Koreans. I'd had a lot of experience dealing with South Korea and with North Korea. It was my work with the U.S. Japan Foundation that brought me into contact with Northeast Asia in general. So, they were looking for someone who was an experienced ambassador, who had done it before, who would come across in Korea in particularly, South Korea as being a serious appointee.

*Q: About what time did you take up the job as ambassador in South Korea?*

BOSWORTH: I arrived out there in November of '97 and then of course it was just as the financial crisis was cresting in South Korea.

*Q: Was there any contention during your confirmation hearing on the North Korean subject?*

BOSWORTH: No. I kind of sailed through. The confirmation process has become a little scary over the years because of the way it works. At least I found it different from the

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last time I had done it which was when I went to the Philippines in '84. There is no one in the executive branch who sort of at least, there didn't seem to be anyone, sort of offers comfort and consolation and guidance as you work your way through this.

*Q: Doesn't the bureau do that for you?*

BOSWORTH: It's a very complicated system. To a very limited extent.

*Q: Really?*

BOSWORTH: Administratively the bureau can be helpful, but.

*Q: Don't you get a deputy assistant secretary or somebody?*

BOSWORTH: I didn't in my case. I was never terribly concerned, but in effect given the disclosure requirements now it's a little bit analogous to being asked to strip naked and stand up on a platform in the public square and let people look at you. It's not a comfortable process to go through, but in my case it went fairly uneventfully.

*Q: You arrived in October? That's a topic by the way that I might come back to later on. You arrived in October of '97 and what kind of instructions did you have from the United States government?*

BOSWORTH: First, I arrived there just as the financial crisis was raging. I had had consultations in Washington and it was going very rapidly. I went to the APEC summit in Vancouver en route to Korea.

*Q: APEC being?*

BOSWORTH: Asia Pacific Economic Cooperation Forum. President Clinton was there. I did not have a meeting with him independently, but Larry Summers was there. He was then deputy secretary of Treasury. He and I had a long discussion about what was

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going on in the Korean financial system and globally because we were by that time very concerned that Korea was in a position where 1) it could go into default and threaten the stability of the international bankers system and 2) that economic difficulty could prejudice the security arrangements. When I arrived in Korea in November, my mandate really was to try to do everything I possibly could to help stabilize the financial system and that was consuming interest for almost the first year I was there.

*Q: What were you doing?*

BOSWORTH: I was basically working very closely with the key Korean ministers. The new president once he was elected, Kim Dae-jung, the deputy prime minister for economic affairs and various other economic ministers trying to insure that they complied with the agreement that they had established with the IMF. Then very importantly working with both Bob Rubin and Larry Summers back in Washington to insure that they understood what was happening in Korea and to bring from them insights into the Koreans as to how to deal with the financial crisis. We were instrumental in helping them reschedule their short term foreign bank debt, a whole series of major steps that were key to their being able to survive financially. The interesting thing about all this of course was that I did this virtually with no written instructions and in fact with only limited guidance from the State Department because my principal interlocutors in Washington were Rubin and Summers and the Treasury Department.

*Q: Was the State Department, should the Department have been involved in that and if you had been back in EB would you have been more involved in a sense than you felt the Department was?*

BOSWORTH: I would have been. I would have certainly tried to be more involved and I think the Department in some instances was trying to be involved, but this really, the die had been cast for this during the Mexican commercial crisis a few years earlier when the president, the White House gave direct authority over this to the Treasury Department and

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State over the years has come to be a far less significant player in international economic issues than it was when my generation of people were active.

*Q: Is that because State was weak or because they were just in a sense outmaneuvered?*

BOSWORTH: It is a situation in which having less authority means that over time you become less capable. The State Department responsibility of international trade area was very weak, much weakened in the late 1970s. It went through Treasury and to STR.

*Q: Special Trade Representatives.*

BOSWORTH: Right. State's role was very limited. State was the object of great suspicion within particularly the congress because it was believed, I think, falsely that in our efforts of international economic issues we were so concerned about the feelings of our foreign constituencies that we gave short shrift to American interests. I don't think that was true at all, but in any case the result over a period of a couple or several administrations there had been a profound weakening of the State Department's role in most of these issues. In a time when we had to react very quickly and with great agility, there was no time to get written instructions out from Washington. I remember the first couple of days I was there the embassy sent back a couple of long, not long, but pertinent messages about what was happening within Korea. I called the Treasury Department, Larry Summers, whom I had known previously and I asked him if he had seen these messages. He said, you're got to understand, we don't work on the basis of written messages. They're too slow and unwieldy. We work here on the basis of an occasional e-mail, but more importantly all communication, telephone calls. If you have anything that you think Bob or I would need to know, pick up the phone and call us. From then on that's what I did and still even now the result is that the sort of the archival record of what was done during that period is very lean, with very little in it.



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*Q: This is how we'll find out. Tell me, give me a quick snapshot of the situation as you arrived in Korea then economically.*

BOSWORTH: Korean foreign exchange reserves were running down rapidly. They probably had less than a week's requirements. The public was in a panic.

*Q: This had happened why?*

BOSWORTH: This had happened basically because Korea in terms of international finance was borrowing short and lending long. They were borrowing money from foreign banks, turning around and Korean banks were lending the equivalent of that out to Korean companies at a long term basis.

*Q: Is this because there was no analog of the Federal Reserve to control the thing?*

BOSWORTH: First of all, there was inadequate supervision of Korean banks. Secondly, Korean companies were very much overleveraged. They had tremendous debt to equity ratios which is unsustainable. By this time, by November this had become very visible that there had been a financial crisis in Thailand. It was very difficult in Indonesia. The Asian financial crisis was in full swing. In the case of Korea it happened very quickly. In late September the IMF had a mission out there and came back and said Korea is in okay shape, there's no problem. I went over to Treasury in October when I was getting ready to go to Seoul and asked about the Korean financial situation. I was told by senior people at Treasury then, we're not worried about Korea. We're worried about Thailand and Indonesia. Within three or four weeks this crisis had spread very much into Northeast Asia and into Korea.

*Q: They're running out of?*

BOSWORTH: They're running out of foreign exchange. As loans came due the banks were not rolling them over again; they were pulling them back. The public was in panic.

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Also, Korea was in the last few weeks of a presidential electoral campaign and a lot of feeling in Korea, one of my concerns was that Koreans would begin to look for an external villain to blame for this problem. There was a tendency briefly in that direction, but with the election of Kim Dae-jung the Koreans managed to pull themselves back together pretty quickly. I think our support for them in this period was very important.

*Q: That consisted of?*

BOSWORTH: That consisted of being willing to provide some emergency liquidity from the Treasury Department.

*Q: How do you do that?*

BOSWORTH: Through an exchange stabilization fund with the Treasury Department, which it has legal access to.

*Q: They don't have to run to congress?*

BOSWORTH: No. Congress is not happy about this and we in the end didn't have to use it, but it was a psychological step that was very important because it helped to restore confidence internationally if Korea was going to be able to meet its obligations.

*Q: Right. You work with the exchange stabilization fund. The IMF comes in presumably prodded at some length by the United States to provide some kind of liquidity or some kind of?*

BOSWORTH: Well, the IMF came in with a major agreement eventually. The IMF arrived about the same time as I did and very quickly put together their first IMF program or IMF agreement which was signed I think before the 5th of December of '97 and which frankly did not work. It did not restore confidence. The run on the Korean foreign exchange reserves continued. We then did a second agreement or the IMF did with strong encouragement from us. It was signed on Christmas Eve. That agreement worked. The

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currency began to strengthen. The Korean won had depreciated by almost more than 100% at this point.

*Q: What was the essence of that one?*

BOSWORTH: The essence of that one and the reason that it worked was not so much the requirements that it laid on Korea to do things, it was more that it frontloaded much of the liquidity that was going to be available so that international market looked at that and said well, if they're going to have that much money available, this was a 58 billion dollar bailout or a confidence restoring program of which the Koreans didn't draw all of it. They didn't draw the portion that we had committed. They did draw from the IMF and the World Bank and from the Asian Development Bank.

*Q: Have they paid any of that back?*

BOSWORTH: They paid it all back.

*Q: They did? That's amazing. You were presumably dealing then at the most intense levels and at the highest levels of the Korean government I take in this period?*

BOSWORTH: Oh, yes.

*Q: Were any of these people you had known before or met?*

BOSWORTH: No. A few, but not very many.

*Q: Did you have trouble in the beginning?*

BOSWORTH: No, I didn't. I mean they were so desperate they clearly were looking for advice. I was fortunate enough to have had some experience and exposure to these issues over my time in the Foreign Service and to some extent while I was out of the State

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Department. I was able I think to communicate on subjects for the most part a lot of people find rather arcane and complicated.

*Q: It's interesting. In other words, you were not selected in a sense with the Korean financial crisis in mind and yet you did have this background.*

BOSWORTH: No, not at all. Yes.

*Q: So, how long did that crises preoccupy most of your time?*

BOSWORTH: Well, it preoccupied me for most of the first year I was there which would have been most of '98. In the second half of '98 security issues began to crowd in on us. It was in August of '98 that the Koreans, the North Koreans fired their long range missile out over Japan into the Pacific Ocean. That of course was a major event. It was in that same period that Kim Dae-jung, the president of South Korea, began outlining publicly his so-called sunshine policy and it was at that time we made a visit to the United States and spoke with a joint session of congress, laid out his program and so on. Actually for most of the time I was there these financial and economic issues were big requirements on my time. The security issue became increasingly important as we went through that period.

*Q: Did you deal directly with Mr. Rubin, the Secretary of the Treasury? How did you find him?*

BOSWORTH: Yes. A very impressive guy. A very decent man, very able, very much without ego. I've maintained contact with him since.

*Q: Mr. Summers had a significant role in this as well?*

BOSWORTH: Oh, yes.

*Q: You consider him also to be a pretty able character?*

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BOSWORTH: He's a very able guy. He does not have Bob Rubin's interpersonal skills.

*Q: He has a reputation for being a little excitable?*

BOSWORTH: He is, but he's so smart that you can forgive him a lot.

*Q: Rubin was someone that you could call on the phone and get through to him?*

BOSWORTH: Yes. He never moved his family to Washington, so he was living in the Jefferson Hotel.

*Q: Right.*

BOSWORTH: I learned and he confirmed that he was generally there late in the evening. I would just call him at the Jefferson Hotel and we'd talk.

*Q: He was as you say, he was down to earth so you could talk to him directly in an unvarnished way?*

BOSWORTH: Yes.

*Q: You really felt that if this contagion had gone on beyond Korea and so forth that the international economic system was really looking at big problems?*

BOSWORTH: I think it was. I mean the most vulnerable at that point were probably the Japanese banks who had large exposures in Korea. They had not been able to count on being repaid and there were times when it had tried to hold back all the money, their system would have been under great stress. It's impossible to look back and say, well, if we hadn't done this, that horrible thing would have happened. Clearly the threat of a substantial setback for the international financial system was very real.

*Q: Do you feel more confident now about the Korean economic situation?*

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BOSWORTH: Yes, they've done a lot and one of my tasks there was constantly, largely in public, but also privately to prod them gently to continue doing the sorts of restructuring things and reforms that they had to do to get out of that crisis and then to lay a stronger foundation for their economy. This was something that was a little delicate because I didn't want to appear to be preaching to them. On the other hand, the government made it known to me that they found this kind of reinforcement from the U.S. ambassador to be very useful.

*Q: Right. They could blame it on you.*

BOSWORTH: In some cases that was correct, but it was kind of a fine line that I had to walk to give advice, but not be sort of imperial about it.

*Q: Did the Department of State, were they unhappy, did they know that you were calling Mr. Rubin on the phone at night?*

BOSWORTH: Yes.

*Q: Was there unhappiness about that?*

BOSWORTH: I think there was, but it never became a real problem. We took it, at some point I think it was in January we started, I think the Department had instituted this sort of daily report from embassies in Asia on what was happening. We reported fully, but that did not substitute for my direct contacts with the Treasury Department.

*Q: Would you say that I had talked to Mr. Rubin on this day?*

BOSWORTH: I was transparent about it. On the other hand, I didn't rub their noses in it either.  
*Q: Also, you didn't ask for them every time you did it, you didn't say, may I call them up or something?*

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BOSWORTH: No.

*Q: You couldn't do that given the time constraints and everything?*

BOSWORTH: That's exactly right. No, my view of being an ambassador has always been that I work for the president. I don't work just for the State Department. I have a broader constituency in Washington than just one department, no. For the most part I always communicated with the White House through the State Department. I had a couple of conversations directly with Sandy Berger, but I didn't try to go around the State Department to get to the White House. There was no need to because Rubin and Summers were fully informing the White House.

*Q: did you get the sense that the president was interested in this issue?*

Bosworth: Very.

*Q: So, you begin then, you have this economic situation. Then you begin to confront the security issues. Now, talk a little bit about that. The North Koreans launch a missile in the summer or fall of 1998 I guess?*

BOSWORTH: Well, the North Koreans were becoming even at this point somewhat discontented at what they saw as a lack of progress on some parts of the agreed framework because they had always seen that as an agreement designed to lead to full normalization of relations with the United States. They were not happy that it wasn't moving forward for them. Their missile test was clearly a demand for our attention. To that extent it worked because as a result after a lot of thrashing around the White House and State and others asked Bill Perry the former secretary of defense to come back and do a policy review at this point which actually became more than a review. It became an effort to actually develop a policy toward North Korea. I remember George Tenet visited Seoul

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in about the middle of '98 I believe and I was complaining to him on the security front I couldn't get anyone's attention.

*Q: He was the CIA director?*

BOSWORTH: He was then director of the CIA. That no one in Washington seemed to be engaged on this security issue.

*Q: Where's the State Department?*

BOSWORTH: Damned if I know. They weren't concerned about this and finally when Perry was brought in it was after the North Korean missile. Mrs. Albright had had a very disagreeable session up on the Hill in one of the committees.

*Q: What was the substance of that?*

BOSWORTH: The substance of that was that somehow she was charged with not being informed about what was happening in Korea. She reacted as you might expect to that and supported Perry's effort to come back. She then assigned one of her special assistants, actually the counselor of the State Department to do the principal action.

*Q: Who would be?*

BOSWORTH: Wendy Sherman to be the principal action officer on Korea and she worked closely with Bill Perry. We basically all worked together. The embassy was very much a part of all this. I went back to Washington a couple of times for meetings in the White House on the subject of policy toward North Korea. Anyway, we finally put together something that was a strategy and on that basis we moved forward. Eventually the North Koreans were persuaded that we were serious and in the last few months of the administration in 2000 we made significant process. I mean there are still major issues left, but the Secretary went to North Korea as you recall. There was some consideration given to the president's going to North Korea. I think many of us were confident that once we had



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gained enough momentum in moving toward a more normal relationship with the North Koreans that that would be preserved and that we would continue down that path. Then of course when the Bush administration came into office that proved to have been a false hope because they very visibly froze the situation.

*Q: We'll come back to that. Let me ask you this. Did you look at U.S. interests with Korea, you've obviously got to think now significant economic interests and in this you have the security interests. Do the South Koreans themselves take, I mean do they have significant defensive capabilities of their own or are they just really relying on us?*

BOSWORTH: Oh, no, they had very substantial military capabilities. They have a 600,000 person military establishment. That has much more technological capability than does the North. Now, it's not the equal of the U.S., but in terms of numbers and capability, I would argue that probably they could handle the North Koreans by themselves. The difficult is that if there were a conflict it would take them much longer to deal with the North Koreans if they did not have active and substantial U.S. anticipation. So, the cost to them would be enormous.

*Q: Is the 37,000 I think that's the right number, around 37,000 troop presence, is that I mean is that a significant military presence or is it a symbolic guarantee or is it both?*

BOSWORTH: It's both. I mean it is more than a trip wire. It is the sort of platform on which in theory a substantial increment or expansion of U.S. forces would be based and a detailed operation plan to get people in.

*Q: To get people there in a hurry.*

BOSWORTH: In a very big hurry, but it still takes time. In particularly a time like now, with what we're doing in Iraq, we don't have that much available to deal with.

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*Q: You see a lot of pictures of demonstrations in the paper on the part of the Koreans that seem to express an anti-American attitude. How do you characterize from your experience there that relationship? I mean is that a meaningful picture of the feeling or is that just a number of people that are on hand?*

BOSWORTH: It should not be ignored. I think it's important to place it in context. Sure, there are some people largely on the left fringe of South Korean society who vehemently want the U.S. out of there. There are others, however, who find the U.S. presence difficult to accept, not for primarily ideological reasons, either out of pure internationalism or because it's not that easy to live side by side with the U.S. military particularly in a country which is now highly urbanized and where there is no space. There's no space for the U.S. military to stand. I mean they're cheek by jowl with Korean civilian populations all over the place. What was earlier a helicopter base out in a rice paddy someplace is now surrounded by high rise apartments and those people don't like the fact that the U.S. military is doing night landing exercises right next door to them. It's becoming increasingly a source of friction to have the U.S. militaries in these areas. Now, as you may know there is a discussion of pulling them back to the South where in theory at least they would be in more space. Then, the nationalist aspect of this should not be underestimated. The same Koreans who believed it's important to have us there also resent the fact that we're there. There's a dualism in Korean thought on this subject that is undeniable. Korea has had foreign military forces on its territory since the late 1800s. They don't want them.

*Q: Presumably there are some real cultural differences in a sense there are more significant than they might have elsewhere and those are all on a day to day basis I suppose.*

BOSWORTH: I'm not sure they are more significant than perhaps our problems in Okinawa, but sure on a day to day basis it ain't easy. Both sides may try very hard, but there are inescapable points of view.

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*Q: Did you feel that the U.S. military as you dealt with them as reasonably sensitive to these problems?*

BOSWORTH: Yes, for the most part. On the other hand, the U.S. military is fixed on its mission as it should be. Its mission in Korea is to be ready and for our military readiness means training. To train was inevitably going to be a source of friction and disruptive. The U.S. military while some of them may have understood why the Koreans were unhappy. They kept saying to themselves, well, we're here to protect them which is in part true, but we're also there because our definition of national interests seemed to be benefited by our being there was not just an altruistic act.

*Q: You say you have the security question, you have the economic issues. Let me ask you something else, as you look at the list of the immediate vicinity, one would think why for example don't the Chinese lean in more on the North Koreans or do they lean on them to try to make them more reasonable players in the world?*

BOSWORTH: I think they do lean on them to some extent. There's some, there's a report that they cut off their petroleum supply for a while just to get their attention. First of all North Korea is very resistant to pressure from China. There's a long history in Korea, Chinese pressure on them to do things they don't want to do and the history of them resisting. Secondly, China's interests in North Korea are similar to ours, but not identical. The last thing China wants to happen is the collapse of North Korea. They're not willing to push them so far that they risk collapse.

*Q: Because?*

BOSWORTH: Because of the prospective flow of refugees across the Yalu River into China, an area of China which is heavily populated by ethnic Koreans and in their century's long concern about internal stability, are really worried that rapid influx of refugees would be destabilizing.

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*Q: Does this explain in part why the Chinese keep saying they want us to deal directly with the North Koreans, not in a kind of group framework?*

BOSWORTH: I think everybody increasingly would be willing to deal in a group framework if indeed the North Koreans would. The difficulty is that only we have what the North Koreans say they want which is a direct assurance from us that we're not going to attack them. China can't give them that. South Korea can't give them that. We have to give it. North Korea understandably is concerned that if there is a multilateral framework of some sort that it's going to be them against everybody else so they feel rather exposed.

*Q: You got, you felt that the thing was on track as the latter part of your ambassadorship was wearing down at the end of the '90s. Mrs. Albright had gone to North Korea and so forth. There's an election in 2000, President Bush is elected and what happens after that?*

BOSWORTH: The most immediate thing that happens is that I left. I left in February of 2001.

*Q: Was that pre I mean, that had already been planned?*

BOSWORTH: Yes. I had accepted the job here at the Fletcher School in May of 2000 because I knew that my tour in Korea, I had signed up basically for three years and I knew there was going to be a new president no matter which party won. While I enjoyed it enormously as did my wife I found it very stimulating and challenging, ambassadors, we don't appoint ambassadors for life, so three years is a good run at it. Anyway, I was, the financial implications of my being there were rather painful. Everybody knew I was coming back.

*Q: What happens then? You come back and then what happens to the policy?*

BOSWORTH: Basically I think we then had a president who was in all ways distrustful of to say the least of Kim Il-Sung of North Korea and he didn't believe that we could deal

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with him in a diplomatic fashion, that we couldn't negotiate meaningful agreements. That of course caused great strain initially in the U.S. relationship with South Korea because Kim Dae-jung, the president, had invested tremendous political capital in the so-called sunshine policy. He went to Washington in March of 2001. Some of my last advice to the South Koreans before I left was don't go too soon. Don't go this soon because the new administration is not going to be ready to deal with this issue and you may not like the answers that you get. Sure enough, they didn't like them at all. Now whether going later would have changed those answers, I don't know. You may recall that Secretary Powell initially was very positive on the notion of continuing U.S. engagement in North Korea and was visibly, publicly, if not rebuked, at least reversed by the White House.

*Q: Again, where is that coming from? Is it the president himself?*

BOSWORTH: I think it comes from very basically two sources. One is a group of people who came into the new administration determined to destroy the agreed framework. These were the same people who hadn't liked it since 1994. Some of them came out of congressional staff positions, out of a think tank in Washington, representing basically a conservative republican wing. Secondly, and far more importantly, came from the president himself who I think very much views South Korea as a black and white proposition. This is a man for whom there is a great deal of moral absolutism as he views the rest of the world. It's viewed in his rhetoric about Iraq. He's been publicly quoted as saying that he loathes Kim Il-Sung. Then he puts them in the axis of evil when you talk about preemptive defense and we talk about a new doctrine governing the use of nuclear weapons. All of these things make our allies the South Koreans very anxious and significantly resentful and of course they produce a reaction in the North which is not necessarily one we like.

*Q: Is there a sense on your part that the North Koreans are somehow engaged in the support of international terrorism?*

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BOSWORTH: No. They were, they supported their own terrorism against the South back in the '60s and '70s, but there is no evidence that I'm familiar with or even aware of that they've been doing anything in that area for a long time.

*Q: So, the old, the use of the word axis in the '30s would certainly imply that some direct relationship between the Japanese, the Germans and the Italians, however weak the Asian European connection was. When you resuscitate that term and you say the axis of evil, is there any sense that the North Koreans somehow have worked or had much contact with the Iranians or the Iraqis as a collective entity?*

BOSWORTH: No. Ironically their strongest contact of cooperation was with one of our major allies, Pakistan.

*Q: Yes. You get into this question of whether they had violated this nuclear agreement. I guess Assistant Secretary Kelly was there, would be last fall or maybe the year before?*

BOSWORTH: No, it was in October of last year.

*Q: He goes there and apparently they say to him, yes we did. Well, now you've got the goods on him. Was that going on in a sense all the time during the '90s or they supposedly were.*

BOSWORTH: We had I suspected others did as well, but they had retained what you might call a hole card as a bargaining chip. While they froze their facility at Yongbyon which we could verify they might well be pursuing some nuclear activity someplace else. As it turned out they were. Now, we don't know, unfortunately and I don't know how much insight we have into how far along they are. As you may know, there are various paths to developing nuclear weapons. One is a plutonium path, which is the one they were embarked upon previously and which was frozen. The other is a highly enriched uranium

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path, which is apparently the technology, which they have been pursuing for the last few years.

*Q: Is there an argument that if they've lied to us this way, then why should we?*

BOSWORTH: Sure.

*Q: How did you see, where do we go from here with this problem?*

BOSWORTH: I think once our current preoccupation with Iraq is over we're going to have to turn some attention to North Korea. I think that there is reason to have some optimism that we can put together something in the way of a multilateral framework within which to deal with it, but I think in the end we're going to have to sit down and talk directly with the North Koreans. Now, whether they are going to be willing to bargain away their nuclear capability, I don't know. I would have thought six months ago that the answer was probably yes. Now, I'm not certain. Only because I think that they may have, that the only effective deterrent, the only effective instrument of national security for them is a nuclear capability. They are watching carefully what we are doing in Iraq. I think they are not confident that we would not strike at them if they had only their conventional military capability vis-#-vis South Korea. I personally don't believe we would ever attack them simply because the risk for South Korea would be unacceptably high.

*Q: You think then that hopefully there can be some kind of arrangement made because there has to be down the road?*

BOSWORTH: Yes.

*Q: Let me go back and ask you a couple more things about South Korea. Talk a little bit about our economic relationship with them. Do you feel that at least in your time there apart from the economic stabilization issue, what kind of trade volume do we have with North Korea, I mean with South Korea?*

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BOSWORTH: It's a very important trading partner for I think for us, I think they are the sixth or seventh largest trading partner that we have. The evidence of that trading relationship is increasingly visible in this country. You look around you see KIA automobiles and Hyundai automobiles and Samsung television sets and computers and monitors and they are all over the place.

*Q: Do you feel that it's a, I don't know if this is the right word, but that it is a more balanced relationship in the sense that are they a reasonably open trading partner or are there problems like we often have with Japan?*

BOSWORTH: We still have some problems with Korea, but far less than we did five years ago. Their barriers to our exports are lower by far than they were. We have a tendency here to measure the value of a trading relationship only in terms of what we export to the other country. We should also be conscious that we get benefit from buying things from other countries. This is certainly true in the case of South Korea.

*Q: No, I think that's fair. I think the issue is whether you have a level playing field for our exports, I guess I mean. I'm not so concerned with the numbers.*

BOSWORTH: Well, the Koreans would argue that we are not very consistent. For example, we have been concerned over the last four or five years about imports of steel and what that does to our steel industry. We imposed quotas on steel imports last year. Those hit Korea even though we were never able to demonstrate that Korea was doing anything illegal under the WTO to stimulate sales of steel. The fact of the matter is that Korea has probably the most efficient steel industry in the world because they've put a lot of money into it. They argue that our adherence to the rules of free and clear trade is not total.

*Q: Those steel quotas that we put on were in essence a function of American domestic policy, rather than an economic question.*



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BOSWORTH: Exactly. Right.

*Q: Let me ask you a couple of more general questions then. You have seen policy, have an unusually broad scope I think for a career diplomat in terms of the regions you've worked in and the nature of the jobs that you had. Say a little bit in general about the formulation of policy. I mean, how much of it do you think, is it case by case, is it mostly a reflection of domestic political pressures? If you were brainstorming for five minutes, what would you say about how foreign policy gets made?*

BOSWORTH: In the end foreign policy is made by people coming together and talking and making decisions. I think there is undoubtedly an influence from domestic constituencies. This is particularly visible in the area of economics and finance, but it is true in all areas. I think each administration, every administration that comes into office determined to somehow organize in making the foreign policy better, there's always the notion that somehow you can fix problems through the organization chart. In the end I've become convinced that people are far more important than the organization chart. It's how people relate to one another to the degree of which individuals have a vision of where they want to go and are willing to be relentless in their pursuit of those goals. Stamina is in many ways a more important requirement for senior policy makers than is intellectual brilliance. You just have to be prepared to wear them down. Now, I think also the ability to articulate particularly in writing, I'm sorry, orally, what it is you're trying to do. It's very important in our system because you've got to bring a lot of people along. You have to bring the executive branch along and you have to bring the congress along. You influence the congress not just directly, but through various interests groups and constituents and I think this has been a weakness of the State Department over the years that it has not been very effectively engaged with the American public and has not been seen by large elements of the American public as being in U.S. interests. I think that's a false accusation, an incorrect accusation, but it still holds.

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*Q: If you were running, I mean if you had control of the State Department's personnel system for example.*

BOSWORTH: Thank God I don't.

*Q: No, but I mean, as a training measure, leave aside how you fill out the assignment orders and so on. How would you try to train a contemporary diplomat? I mean, for example are they getting enough of these basic economics across to this broad group of Foreign Service Officers or is the economic function still too narrowly defined to a specific group of people?*

BOSWORTH: I think there is still a tendency to put people in stovepipes. Either an economic officer, or political officer or a consular officer and the opportunities for doing work outside those specializations or cones as I guess they're still called. The opportunities are relatively limited. I think one of the characteristics of my own time in the State Department has been the, I had as you indicated, the benefit of an extraordinary wide range of experiences, not just regionally, but also in terms of function and a lot of negotiating experience, multilateral as well as bilateral. That as I look back on it has been largely a product of serendipity.

*Q: Accident?*

BOSWORTH: Yes. I mean nobody I was never aware of anyone sitting up on the sixth floor of the State Department and say we're going to put Bosworth here for a couple of years because that means that ten years from now he will have these capabilities. I remember when I was working for George Shultz when I was director of policy planning. He once said to me, I asked him what the differences were between running a company like Bechtel and running the State Department. He said, it's just a question of how I spend my time. He said, at Bechtel I used to spend probably about half my time on long term strategic planning for the company. About a third of my time making sure that we had

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senior executives available next year and ten years from now capable of implementing these plans. That means giving them the kinds of experiences they would need over time to become senior executives with the company. The rest of my time I spent dealing with customers in day to day activities. Here in the State Department I spend 95% of my time dealing with the crisis at the moment and very little of my time worrying about personnel policy, almost none and too little worrying about long term planning.

*Q: That's a point. Now you have a policy planning staff, which you ran and so presumably you were trying to identify long term problems and issues and get people to think about them and write papers about them. Did you feel that that really worked that way?*

BOSWORTH: It's really hard to do because the regional bureaus are concerned with the problem of the day that affects their countries and that basically defines their interests. The functional bureaus may have a slightly longer term point of view because they're more concerned in some instances about the follow on implications of things that we might do particularly on the economic front. Outside of the policy planning shop itself, no one was really and of course the Secretary, there's no one that's really concerned about the long term integrated views of integrated approach to U.S. foreign policy.

*Q: Now, didn't Kissinger once say that you had to have your, maybe it was someone else, that you had to have your policy ready when you came in because you weren't going to have any time in a sense to think about it and analyze it while you were there?*

BOSWORTH: I think that is particularly true of what I would define as intellectual capital. When you get into one of those very senior jobs you don't have time to acquire new intellectual capital. You're working off of what you have, so you'd better hope that you have had that kind of exposure and opportunity to learn things that you're going to be dealing with. The learning curve, you don't have time for a slow learning curve in that business.

*Q: Would you say, I mean you saw I think in a sense several generations of Foreign Service Officers. You started in the '60s and you were there in Korea in a big mission, '97*

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*to 2001. Do you want to say a little bit about any differences you might see in the Foreign Service types now and then and whether they're better trained or worse trained or do you have any general impressions about that?*

BOSWORTH: The Foreign Service is far different now than it was in the '60s. It's both better and worse. It is first of all much less white male which is good. It is also older on the average the younger officers as you say, we might be older than they were. Very few people come in now as far as I can say in their early 20s as I did and some one told me the other day that the average age of the new entering class in the State Department was 35. When I came in you couldn't be older than 31. I understand you've got to accept changes in American society, but I think that what this produces is a Foreign Service that is much less geared to people who want to have a long term career and more geared to people who are looking for a few life experiences along the way. That I think probably erodes the effectiveness of the Foreign Service. We also don't do at all well in training. I know that Secretary Powell has been fixated on this and it's time to improve on this training component, but I contrast it with the Defense Department for example. If you look at the senior ranks of the military, every one of them, almost without exception has spent one or two tours in an institute of higher education at some place, that's in addition to the in-service military training that they get. The army staff college, the army war college. We do that so inadequately. We send a few people away for economic training, not very many. We have the so-called Pearson Fellows Program, but we don't really try to give people who are for the most part fairly identifiable within the first decade of their service. You can tell to some extent who has the intelligence the drive, the dedication to really go to the top. We don't wittingly reach out and try to make them even better. I say, we, I'm no longer there, but.

*Q: How do you feel about the psychology of the current Foreign Service versus when you came in, I mean is there a difference in terms of willingness to accept authority, to do what daddy says, to be more or less amenable to discipline. Also the other question that struck me over my years was the willingness of the people to I don't know if I want to say engage*

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*with one another. Somehow I felt that for example, families were much more turned in on one another overseas these days than maybe they were 20 or 30 years ago. I don't know if that's better or worse. What do you think about the psychology?*

BOSWORTH: I think it's different. I think you can't keep the psychology or the culture of the Foreign Service in isolation from the culture of the country. One of the biggest transformations has been in the role of women. I think this means that fewer women, American women are prepared to sort of ride their husbands' coattails around the world for a protracted career. They just don't do it, they won't do it. Now, one of the results of that is, people who would otherwise probably stay in the Foreign Service and would have earlier had successful careers leave to do something else which doesn't involve relocations. The other implication is and it's a quite interesting one I observed in Korea. More and more Foreign Service males marry non-Americans and in particular those serving in Asia marry Asian women. At one point as we were leaving Korea my wife and the wife of the public affairs officer were the only spouses of the senior 12 officers in the embassy who were native American born. All of the others were Asian with one exception, one was a Latino. It was really striking.

*Q: Would you say that the capacity of the current Foreign Service Officers is as good as, better, worse than, in your first ten or 20 years or is that too broad a question?*

BOSWORTH: I think it's a very broad question. My sense is and this is all sort of intuitive, my sense is that on the average they don't write as well as they used to. That again I suspect is a reflection of what our educational system is doing. I used to occasionally despair of the quality of prose that I saw.

*Q: Really?*

BOSWORTH: Now, that was not universal. There were some who were first rate.

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*Q: How about as managers would you say? I mean it's often said about the Foreign Service that they can't manage anything.*

BOSWORTH: Well, we don't give them any training on managing.

*Q: Is this a function of you can cut me off if you need to, is this a function I mean the military, one of the things that struck me about the military is that if they don't have a war on, then they have a lot of people. They have a huge number of people anyway, huge aggregate, millions, that that enables them to take people and send them to school and all that. In other words, the Foreign Service in a sense is geared to today's daily workload.*

BOSWORTH: We don't have a float a personnel float.

*Q: Yes, not much.*

BOSWORTH: You know, if you're going to send somebody away to school then that means some place has to take a personnel vacancy and the military doesn't have that problem.

*Q: Right.*

BOSWORTH: They staff themselves by building in training requirements.

*Q: Do you think Secretary Powell is aware of that?*

BOSWORTH: I know he is.

*Q: Yes.*

BOSWORTH: I've heard him on the subject. I think he'd like to fix it and I think the answer is of course more money and I think he's been very successful in obtaining more money from the congress.

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*Q: Do you see the Foreign Service as having to be much more of a long term of a specific issue specialization entity in the sense that we have environmental people now and we have economic people, nuclear proliferation people that they've got to have people with a lot more expertise in a sense than the old idea of the political generalists?*

BOSWORTH: Oh, I think without question. The challenge of course is to decide how you're going to take this career degree of specialization and still produce senior managers who have overall general skills and knowledge and background and that's not going to be easy.

*Q: How's the Department doing with that do you think?*

BOSWORTH: So, so. Not very well. Also, again one operates from the realm of one's own experience. I also felt that in my case I was a much more effective person in the State Department because I spent time out of the State Department. The station chief in Seoul used to tell me that he thought I was probably the State Department's worst nightmare because I had been around there enough to understand how it worked and yet I really was not that concerned about my own future in it. Now, I didn't go out of my way to be abrasive or disruptive, but the question of where I was going to be in my next job was not foremost in my job.

*Q: right. Would you say that virtually every Foreign Service Officer has got to have at least some degree of economic literacy?*

BOSWORTH: I would think so, yes. Increasingly, I would say they have to have some degree of technical wares and they have to be able to talk about genetically modified organisms for example. They've got to be able to talk about global warming and the environment. Even if they're not working on them directly because these are subjects that any informed citizen has to be aware of.

*Q: Because it would seem that the substance of foreign policy is much less the old notion of political relations among nations although that comes in, but the substance of these*

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*issues that are all in a sense new wave issues I guess you've got to say. Well, is there anything else in general that you want to say?*

BOSWORTH: I can't think of anything that I haven't already said.

Q: *We may not be done.*

Q: *All right, we're here again with Ambassador Stephen Bosworth. This is the 22nd of May and we're going to do some follow up questions to the parts of the oral interview that we've already conducted. One thing I wanted to ask you about sir is that we missed is the Mexican debt crisis which I think sort of sprung up in the summer of 1982 or so. Could you give a little background to that and then kind of tell us what happened?*

BOSWORTH: At the time I was the principal deputy in the Bureau of American Affairs and we had been concentrating very heavily on Central America because of the civil war that was underway there. The situation in Mexico began in the summer or the spring actually to be a source of concern and it became clear to me. I went over to the Treasury Department at one point and met with the Under secretary for International Affairs and it became clear that no one really knew how much money the Mexicans had borrowed. They had in fact borrowed a lot more than anybody had thought they had. So, suddenly one day in the summer of 1982 I think it was the Mexicans announced they were not able to pay it. They had run out of money.

Q: *Who did they borrow it from?*

BOSWORTH: They borrowed it largely from private banks all over the world. Many, a good deal from the U.S.

Q: *This was despite the fact that with the big oil price jump in the '70s presumably they should have been taking in a lot more money than. Was their oil industry?*



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BOSWORTH: Their oil industry was underway, but they had shown an ability to borrow and spend a lot more than anybody ever expected.

*Q: What did they spend it on?*

BOSWORTH: They spent it on all sorts of things including condominiums in the United States. I mean there was a great excess in Mexico at that point. The political system was not in great shape. They borrowed money for public works, some of which did get built, some of which didn't get built. They were using the money to support a very strong Peso and the wealthy Mexicans were taking advantage of that strong Peso making investments in the United States.

*Q: You think a lot of that money kind of drained away?*

BOSWORTH: A lot of it came back as capital or went away as capital flight, yes.

*Q: Because I have an image of a story that in effect a Mexican delegation came to Washington one day in the summer and basically said we're broke.*

BOSWORTH: Yes, that's almost exactly what happened. Our ambassador in Mexico at the time was an old friend of Ronald Reagan's former actor, John Gavin. I think he was taken totally by surprise as well. This then began a period of intensity, which changes with the Mexicans involving our private banks and the U.S. government treasury department, and to some extent the State Department although then as now these issues tend to be dominated not by the State Department, but by the Treasury Department.

*Q: So, what happened?*

BOSWORTH: Well, what happened was that they had to go on a very strict regime and we arranged for some loans to be made to them. It was a long time ago, but as I recall they went on an IMF program. We bought some oil futures and paid for future deliveries of oil

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paying them now or paying them then. So, they made it through only of course to come a cropper again in 1995, '94 and '95 when the same thing in effect happened. They had borrowed too much, lived too high and used the money unwisely.

*Q: Were they the first country that sort of, maybe post-World War II period that introduced this question of now what seems to be known as moral hazard where there's a debate that if you bail them out then it just encourages other people to do it?*

BOSWORTH: There was something of that, yes. This was symptomatic, I mean there were other debt problems throughout Latin America many of which were a hangover from the oil price rise of the early and mid 1970s.

*Q: These were countries who didn't have oil and so they had to pay huge.*

BOSWORTH: They had to pay a lot and of course Mexico didn't have all that much oil and they weren't producing heavily until the late '70s.

*Q: Were you personally involved much in this?*

BOSWORTH: Well, to the extent that the State Department was involved, I was the person who was involved on behalf of the State Department.

*Q: I mean how did Treasury feel about it initially? Did they want to sort of let the Mexicans stew or were they immediately prepared to?*

BOSWORTH: No, they immediately recognized that it was a threat to the sovereignty of some large American banks.

*Q: Had the banks been pushing too?*

BOSWORTH: Yes. This was really the beginning of a severe debt crisis throughout all of Latin America as these petrodollars that had been recycled. The oil producing countries

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were earning tremendous sums during the '70s and early '80s. They then were depositing those monies with international banks including many of the U.S. banks. The banks then turned around and loaned the money to governments and particularly developing country governments who had suddenly experienced this severe deterioration in their balance of payments because of the increase of the price for oil. This was called recycling of petrodollars. The problem was that the new debtor countries didn't in many cases have the ability to service that debt over a long period of time.

*Q: Treasury immediately in effect took control of this problem. The State Department I take it was in favor of helping the Mexicans out.*

BOSWORTH: Yes. Right.

*Q: As you say, this also produced other dilemmas in Latin America. We didn't talk much about what I guess this is sometimes called the southern cone when we were talking earlier. We spent a lot of time on Central America, but is there anything you want to talk about in terms of places like Brazil or Chile or Argentina? We talked about the Falklands war, but other issues that you recall from that time?*

BOSWORTH: These years of course were the end of the military dictatorships in much of the southern cone particularly in Brazil and Argentina. We were quietly trying to encourage some return to democracy, but the Reagan administration was very split on this question in that people like Jeane Kirkpatrick thought it was contrary to the U.S. interests for us to be pushing these military rulers in the southern cone countries toward democracy. She, and others agreed with her, thought that this would produce instability. In retrospect it seems rather strange that we would be concerned about communist influence in the southern cone of South America, but there was that concern. It had been there ever since the beginning of the Cold War. At that time both Argentina and Brazil were suspected of pursuing clandestine nuclear weapons programs. I remember going to Brazil at that point and meeting with someone who was supposed to be involved in that program and making

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the case to them that this was something that the U.S. was staunchly opposed to. This was also an era of very serious human rights violations throughout the southern cone. I remember being in Brazil in Sao Paulo and meeting with someone who was a church leader and who was a very outspoken critic of the government.

*Q: Of the Brazilian government?*

BOSWORTH: The Brazilian military government. In effect we had to meet almost clandestinely. This was beginning to change and of course with the Falklands war and what happened with the military government in Argentina and I think that sort of set in motion a process of democratization throughout the southern cone. It did not culminate of course in Chile until the late 1980s when Pinochet finally fell from power or when there was an elected a new civilian. Pinochet stayed on for some time as the head of the arms forces, but he was effectively defanged and eventually forced out entirely.

*Q: Was the United States throughout this period sort of pushing at the Chilean military to transition to democracy?*

BOSWORTH: Again the phrase "the United States" is all encompassing, and some were particularly in the congress.

*Q: Who would you say was? Do you remember anybody in particular?*

BOSWORTH: The democrats in the congress at the time. Chris Dodd from Connecticut. A number of other democratic senators who were involved on the Senate Foreign Relations Committee, but it was a fiercely partisan issue. Jesse Helms of course was very opposed to any effort to push the Chilean military or any other military. There was a dispute over the Beagle Channel between Argentina and Chile which was eventually defused, but that was after I'd left Latin America.

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*Q: Did a number of the countries in the southern cone also have, they had debt and financial problems during this period and the inclination usually is to turn first to the United States in these matters or to ask the United States to push the IMF or others?*

BOSWORTH: Both. All of the above. They did all of those things. I don't remember exactly the outcome in each case and even though this was happening in the southern cone at that point, in Washington there was not that much focus on what was going on down there because the focus was all on Central America which was a much more volatile situation particularly from a U.S. political point of view.

*Q: You said I think that William Casey who was the head of the CIA in those days took an intense interest in Central America.*

BOSWORTH: Very much so.

*Q: I meant to ask you do you think that his interest was from the basis mostly of his own ideological convictions or was he carrying out President Reagan's wishes and others or do you have any sense of where that comes down?*

BOSWORTH: He himself felt very strongly about all these issues and I think largely it was a reflection of his own ideological conviction. He was very close to Reagan. He'd been Reagan's campaign manager in 1980. I think probably better than anyone else in the administration he understood Reagan, understood how he thought and knew how to influence him. He was a fearsome presence within that administration particularly in the first term. After the first term of course then we got into the whole problem of Iran Contra and all of that and eventually came a cropper. In the early years on Central America particularly he was a very powerful figure.

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*Q: Did you just to jump a little bit and then we'll come back, did you in the course of your career have any private meetings with President Reagan or very small group things where you would have a chance to observe him?*

BOSWORTH: Oh, yes. Both when I was working on Latin American affairs and later when I was in the Philippines. I never met, well, once I met privately with Reagan, but it was just a briefing. We were flying on Air Force One down to Jamaica and Barbados where he was going to have brief summit meetings with Michael Manley and Tom Adams who was the prime minister of Barbados both of whom were very urbane, very sophisticated guys. I remember going into the president's cabin on Air Force One and preparing to deliver myself of a few words about what he could expect in both places. He had a glass of water on the desk and I just glanced down at it and he saw me glancing at it and he smiled and said, don't worry, it's not vodka, it's just water. He was a kind of a lighthearted presence, but he reigned rather than ruled in many ways. I noticed on that trip as on other occasions that Baker and Deaver really choreographed him very, very carefully.

*Q: I mean there seems to be you know, two interpretations. One is that he really was a clever sort of almost an Eisenhower-like behind the scenes maneuvering and the other is that he was just totally disengaged and not, didn't have much grasp of substance. What from your?*

BOSWORTH: I think it's probably closer to the latter rather than to the former. I think Reagan's great strength was that he had three or four things he believed in very deeply and he never changed his mind about those. In that sense he was a model of consistency. He was anti-communist. He was pro-capitalist, all of those things without really understanding all of the nuances of them. He had I think from his days on the road as a speaker for GE and others he had delivered that set piece so many times that it had become his set piece and that was the approach that he brought to government. He delegated responsibility, but he created frequently internal tensions, which I think from his point of view were useful. The Shultz and Weinberger tensions, the one that has been

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talked of a lot, I think that was one way that he had of sort of keeping both State and Defense somewhat under White House influence.

*Q: He would have been aware of that kind of thing you think?*

BOSWORTH: I think so. It's possible. I of course left in '87, left the government in '87. I didn't see him after that and it's quite possible that by that time Alzheimer's had begun to set in. When I saw him it was in his earlier years and he was simplistic in his analysis and in his approach to the world. I remember when I was back from Manila and the State Department and the White House would bring me in to meet with Reagan with the press presence because they wanted to send a message to Marcos that yes, Bosworth did have access to the President and he could not afford to ignore me which he would have liked to have done. He never I never heard him deliver himself with anything very profound. It was always my old friend Ferdinand. I never had any real substantive exchanges with him.

*Q: You had said when you went to Manila that a lot of pressure was coming out of congress against the association he had with Marcos. Where did that come from in particular would you say?*

BOSWORTH: It came primarily from the democrats in the congress.

*Q: Do you think because they believed it ideologically or it was a way to score points in effect against the republicans or both?*

BOSWORTH: In my more cynical moments I would say both. I don't think it was pure ideological conviction, but human rights had risen to the top of a lot of peoples' agenda at that point thanks in large measure to Jimmy Carter and his administration. Reagan came into office sort of convinced that human rights was not an important issue from his point of view. I think many in the Reagan administration changed their view on that over time and began to see that it was important to the American people therefore they could not ignore it.

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*Q: Was Congressman Solarz, he took a big interest I think did he not?*

BOSWORTH: Yes. Steve was chairman of the Asian Subcommittee with the House Foreign Affairs Committee. He took a very strong interest in the Philippines. I used to see him quite a bit when I was out there both in Washington and on two occasions he came to Manila and his staff aide came through regularly. So, Steve was probably the most engaged of anyone in the congress on the subject of the Philippines.

*Q: Now, did he have domestic, I mean, did he have constituents who pushed him on this or he believed this?*

BOSWORTH: No. Solarz is a remarkable guy in many ways. He's had his problems in recent years, but he's very bright. He's very engaged and he's very committed to these issues. So, he saw an opportunity for himself in Asia to acquire a degree of influence over policy and he did. No, his constituency were fundamentalist Orthodox Jews in Brooklyn and as long as he said the right things about Israel they didn't care what else he did.

*Q: So, do you think his was a case of a person who more genuinely believed in the issues rather than.*

BOSWORTH: Yes. He believed in the issues and he wanted to be a player and he discovered he could be a player in Asia.

*Q: Do you remember anyone else or other particularly, I mean with the example, was the Catholic Church, did you get a sense much at all?*

BOSWORTH: Sure. The U.S., well the conference of bishops was very active in the Philippines. First they were very active in the U.S. as well.

*Q: That's what I meant. Did the church in the U.S. push on this issue?*



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BOSWORTH: The church pushed it a lot, yes. We had had congressional, congress had passed legislation which made human rights one of the, the determinance of the country's eligibility to receive economic assistance from the United States, both military assistance and economic assistance. It was an issue that we had to deal with and we were dealing with on a daily basis in Manila and it affected policy in the State Department.

*Q: And it was an issue that was certainly had really raised its head in Latin America in your experience there.*

BOSWORTH: Yes, very much so. I believe very deeply that governments should not abuse their citizens, but I've never been particularly confident that external pressure is the, external pressure can be a useful addition to whatever is going on with, what is going to force change, but external pressure by itself is not going to cause a government to change its behavior, at least not fundamentally. I think that there was a tendency in the '80s for the U.S. to take credit for democratization and the improvement of human rights in all of Latin America. I think that the best defense of human rights is a democratic government, a government that is transparent and accountable because by and large people don't like it when governments abuse their citizens, abuse them. So, if you have a democracy I think almost by definition you have the effective human rights regulation.

*Q: Did you get any sense that in using human rights as an issue that sometimes it was viewed that it was easier to push this in Latin America than in other parts of the world and therefore that we could check off our human rights thing in a way by pushing more on Latin American than some other places?*

BOSWORTH: I think there was a feeling that perhaps there was more recent activity in Latin America and it was sort of in the U.S. backyard so we felt a particular interest there. I was going to say, I don't think the U.S. should claim great credit for what happened in Latin America. It was the Latin Americans themselves who took the risk necessary to bring about democratization. In some cases with our support, our support was not unuseful,

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but our support was not in my view determinant. Now, if we had been supporting human rights abuses and if we'd been on the other side of the fence then it might have, we may have had more influence. By and large I think that human rights is tied very tightly to the question of what kind of system of government you have. We're in that same period we were very concerned about human rights in China, in the Soviet Union. It became a kind of instrument in American foreign policy to everyone's surprise. Certainly no one thought that the Reagan administration would use human rights as a kind of spear pointed a spear at defining itself vis-#-vis the Soviet Union which is what happened.

*Q: Did you see I just wanted to ask you a question about the Caribbean. Did you see the problem coming in Grenada at all when you were there? I think the insurgent of Grenada was in 1983 and I guess you were gone.*

BOSWORTH: I was in policy planning.

*Q: But did you see that coming?*

BOSWORTH: Well, we were concerned about Cuban influence in Grenada and we were concerned about some of the things that the Grenadians were doing elsewhere, but I think as one looks back upon the incident in Grenada is a grossly exaggerated set of concerns and probably did not justify what we did.

*Q: Wasn't it the question they wanted to build a big airport for tourism and we wouldn't pay for it and the international funding agencies wouldn't pay for it and the Cubans stepped in and said they would.*

BOSWORTH: They would pay and we were concerned that this was an airfield that was going to be used for military purposes which in retrospect seems rather silly.

*Q: In other words, this was an issue that played more as a kind of domestic thing in the United States than a really objective.*

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BOSWORTH: I remember the timing of all this. We invaded the week after somebody blew up the Marine barracks in Lebanon. In retrospect Lebanon was a much more important phenomenon than Grenada because that was in some ways first or second nature event what has become an ongoing conflict with Islamic fundamentalism.

*Q: In retrospect you think the Grenada thing was?*

BOSWORTH: Well, the more cynical people believe that Grenada was a diversion, it was an effort to get peoples' attention off the death of the Marines and demonstrate a victory.

*Q: You had mentioned when you were in policy planning that that was an item that Marine bombing that you had to pay a lot of attention to in its aftermath. In looking back at it now, who do you think did that? I mean do you have a best guess as to who?*

BOSWORTH: I have no ideas as to the organization that did it, but I think it was Islamic extremists.

*Q: Rather than simply the Syrian military for example wanting to push us out?*

BOSWORTH: No question the Syrian military wanted us out and we know that Syria has provided support over the years particularly Hezbollah and Islamic Jihad. There may well have been a Syrian hand in all this, but I think that the people who drove the truck and blew themselves up and planned it represented some organization of Islamic fundamentalism.

*Q: Do you think I mean did they see us at all as interfering in a way in the internal affairs in Lebanon by appearing to favor the Christian president?*

BOSWORTH: They saw us as yes, and they also saw us as supporting Israel and of course Israel was massively intervening and engaged in Lebanon. This was where Sharon first rose to power.

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*Q: You were talking about the bombing of the Marine barracks in Lebanon and the fact that Israel was massively intervening in Lebanon right at the same time and so what might have precipitated?*

BOSWORTH: I think the presence of the Marines, they were there for a whole series of reasons, but it was really a symbol of U.S. commitment to the Middle East and that presence, that symbol drew the attention of the Islamic fundamentalists. It turned out to be an easy target, far easier than it should. This came just after somebody had just blown up our embassy as well in Beirut.

*Q: In fact, wasn't the embassy actually blown up twice or one was blown up and then another, they moved and that was also blown up. I mean was the presence of those Marines unthought out in a sense of really what they were doing there?*

BOSWORTH: I think so. Yes. It wasn't clear why we needed Marines there. Were we going to attack somebody? Probably not. It was sort of the U.S. flag planted and of course when they were hit it was just a devastating blow.

*Q: Was it immediately decided thereafter that any further presence would have to be pulled out, that it wasn't worth making an effort. How did that process go?*

BOSWORTH: I don't recall all of the details of that. I think there was a desire to get the Marines out because they had been so badly bloodied, but there was an understanding that we couldn't be seen to be turning and running even though this was a terrible thing. We still had national interests engaged and we had to stay.

*Q: From the point of view of the policy planning staff, did you have a serious involvement do you think in this issue. Did you spend a lot of time on it?*

BOSWORTH: I think one or two of the people who were working with me there did, Middle Eastern specialists. Like Peter Rodman for example.

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*Q: You had mentioned that there was a five person kind of council and you said that Rodman and Boeker were on that. Rodman had been an associate of Kissinger's right, a close collaborator?*

BOSWORTH: Yes. Right.

*Q: He was a Middle Eastern very knowledgeable.*

BOSWORTH: He was knowledgeable. Peter is knowledgeable about a lot of things. Somewhat more conservative than I would describe myself, but some are more conservative in some ways than Henry himself, but he's now in the Defense Department.

*Q: He's back in this administration?*

BOSWORTH: Yes.

*Q: Let me ask you a little bit about the United States Japan Foundation. You were there from '88 to '95 as you said?*

BOSWORTH: Right.

*Q: How did that job come about without having to be too particular about it?*

BOSWORTH: I had left the Philippines and I was in Hanover, New Hampshire at Dartmouth as a visiting fellow for six months and I was approached by a person who asked if I had any interest in this. Initially I didn't think it was a good fit, but I thought about it and talked to people about it and in the end accepted an offer from them.

*Q: Even though you had barely no, not much prior experience with Japan?*

BOSWORTH: No, but at that time much more so than now actually the U.S.-Japan relationship was seen as a sort of pivotal relationship. It seemed to me something that

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I could get my teeth into and enjoy. I did enjoy it. It was not I suppose, it was not a time of my life when I was as intensely engaged as I had been at other points, but that compensated for that in other ways.

*Q: Talk a little bit about Japan and its circumstances now. Is it really just sort of going down hill? As an Asian population apparently with terrible financial problems, what's your sense?*

BOSWORTH: Well, Japan is a curious place because all of what you've just said is correct. On the other hand, Japan is a very wealthy country and as long as it remains a wealthy country, there is apparently little incentive on the part of the Japanese to change those things that cause them to be stagnating economically. Unless they do change that they will begin a serious restructuring, then I would think the future looks about the same as the recent past. So they have begun in my judgment to lose strategic relevance in East Asia as China has risen. Japan has tended to sag at least relatively. Although you've got to keep it in perspective. Japan still accounts for about 60% of the GDP of all of East Asia. It's still the second largest economy in the world, but they have grown not at all since 1992.

*Q: Do you think that the frequent trade disputes that we've had with the Japanese are now more or less off the table? I mean you don't seem to read as much about them.*

BOSWORTH: I think they are more or less off the table. I think we were far too preoccupied with those as it was and I think we spent then some time in the late '90s berating the Japanese for their failure to reform and restructure so it could grow more rapidly. It seems to me we've kind of given up on that now. We're not indifferent to Japan. It remains a very important country, an ally, but we clearly do not view it with the same intensity that we did in the period after World War II up until probably the end of the Cold War.

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*Q: You've looked a lot at Asian issues. Do you see China ultimately as being some kind of threat to the United States?*

BOSWORTH: I don't see China as being a threat to the United States. I think China is generations away from being able to project power, military power in a way that would conceivably be threatening to the United States. I think China is consolidating its political positions for the preeminence within East Asia. That is not in my mind threatening to the United States, but it is clearly a fact that the U.S. has to take account of. China is very big and basically almost all Asian countries either share a border with China or have large numbers of Chinese in their own populations and are increasingly dependent upon China economically for trade reasons. This is a tremendous change within the last ten to 20 years and ever since the U.S. has been a nation really we've been used to dealing with a China that was in decline. Now we have a China that is on the rise, so for us this is a startling new phenomenon. For the Chinese it corrects what was a brief historical anomaly.

*Q: But I mean do you see, is there a serious aggressive thrust in the political approach to things, leave aside Taiwan which I guess is going to have to be managed forever in a sense. Are they, do they have an aggressive strain?*

BOSWORTH: I don't see them developing an aggressive strain for sometime to come. Their concentration is and has to be on their own domestic modernization and they don't want anything on any developments outside of China to distract them from this focus on modernization. I mean, but nonetheless, as their economic weight grows, their political weight will grow accordingly. I think that in some ways over the last two years as a result to some extent of September 11, the U.S. attitude toward China has shifted radically. We're no longer viewing China as a strategic competitor, in some ways, I would argue we are viewing China as an evolving strategic partner. We share some common interest on the issue of terrorism and we are pushing them to take on a heavy share of responsibility for dealing with North Korea. It was inconceivable two years ago that we would have done this, we would have not wanted to give China that central position in some of the

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key issues in Northeast Asia. We're doing it now because we are preoccupied with other pressures.

*Q: Do you have the sense that that relationship is working well and cooperatively?*

BOSWORTH: It still has major problems. You mentioned one, which is Taiwan although I think that Taiwan is going to be settled primarily through de facto integration with the mainland economy.

*Q: Of convergence.*

BOSWORTH: Right. That's one problem. Human rights is another problem and then of course I for one don't, I think that the ability of the Chinese government, the Chinese communist party will continue to control China the way it has been is at least questionable. So, there is always the possibility that something in China will go badly array in which case consequences could be horrific for everyone.

*Q: But you don't see that.*

BOSWORTH: No.

*Q: What about the trade, I mean don't we have a major trade imbalance with them and is that the problem?*

BOSWORTH: Yes. We have now a trade deficit of substantial magnitude. Well, it's a problem in one sense in that it is part of our foreign account deficit problem, but it's also been beneficial to us in another sense, maybe too beneficial as it turns out, but the Chinese export to this country have been instrumental in keeping prices as low as they have been. If you look at the price of clothing in the United States, retail prices of clothing, there has been almost no increase, in fact significant decreases over the last 15 years. That's largely because of what has been going on in Asia and increasingly it's because of what's been going on in China. You can't really find an article of clothing in the United



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States in any of the stores that's not made someplace in Asia and lots of other stuff is now made out there. So, the Chinese have these hundreds of millions of low cost workers. They have an inexhaustible supply of them. To the extent that people in the West are worried about deflation and falling prices, China's entry into the world economy is a factor.

*Q: You think that that's a reasonable trade off against the domestic repercussions of certain kinds of unemployment and shifting around within the United States?*

BOSWORTH: It may not be. If you're unemployed there is no tradeoff, but the problem is I don't see what you can do about it anyway because you can't, the globalization to the extent that there is a phenomena that you can describe as globalization, I think there is, but it's not quite as new as we like to think it is, but it is impossible to separate the bad aspects of globalization from the good aspects and only take the good. It all comes in a package. That means I think that countries have to deal with some of the negative fallout of globalization domestically as we should. We need a better safety net to take care of people who fall through the cracks in globalizing their economy.

*Q: Do you think that the Chinese and maybe the Japanese, too, are more or less reasonable about their own trade barriers against American goods or what scale would you put that on these days?*

BOSWORTH: Well, I don't give it too much importance.

*Q: You don't think it's a big problem.*

BOSWORTH: No. I mean you can find egregious examples of production in those countries as you can in this country. In the farm bill that was passed a year ago is horrific. It takes money out of the pockets of farmers in the Third World. Our steel quota protection a year ago is awful because we're subsidizing in fact our inefficient steel producers by raising the price of steel to our consumers. Everybody attacks this question of how much and under what circumstances and whether you adhere to an intentional set of norms that

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enables other people to take reciprocal action if you project. China is now in the WTO and I think that's the best assurance we have of reasonable access to Chinese markets.

*Q: Let me just ask you one other thing about debt problems and mall hazard issues. We talked a little bit about Mexico and we saw this crisis in Asia that you were intensely involved in with South Korea for example. Is this simply the way that we're going to have to go in the future that we're not going to come to a point with one of these countries and say, look, we're sorry you're going to have total social revolution, you're going to have to pay your own price or are we, is that a now permanent staple of international fears that we're going to have to keep bailing people out of?*

BOSWORTH: I don't know. I really don't. I suspect there will be less of it in the future than it has been in the past. Argentina may be a good example of what the future holds.

*Q: They were allowed to take quit a hit?*

BOSWORTH: Basically they were cut off. They cut themselves off in effect by refusing to do what the IMF wanted them to do. For many countries around the world, the IMF is the United States. We do have tremendous influence within that organization, although we do not control it in every fashion and in every instance, but we have tremendous influence.

*Q: Because there seems to be a very strong rise in kind of political feeling that the IMF conditions are too onerous. You see these huge demonstrations.*

BOSWORTH: Yes, within the economic profession there's a great deal of dispute over that. There are many people who criticize what the IMF did in East Asia in the crisis of '97 and '98 believing that they imposed too high a price. On the other hand it worked in some places. It certainly worked in Korea where the IMF could be a shield behind which Korea could undertake the reforms that it should have been undertaking anyway, but this gave a more political rationale for doing it. Again, I think like so much else in the world and in the U.S., for all in the world, since September 11, there has been a diminished

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appetite for a capacity to deal with some of these issues. Now to some extent that's a predisposition of many in the Bush administration. We do not want to and we don't believe that we should take responsibility even indirectly for what these countries do or do not do with their economies.

*Q: You said in fact at one point that when you were working with the Treasury to overcome the Korean financial crisis that a lot of steps were taken that were not always, might not immediately be available to archivists as you put it. Could you talk about a few of those things? I know you worked with a stabilization fund or at least made known that it was available. What other sorts of things did you do specifically that you can recall?*

BOSWORTH: Well, we summoned through the New York Federal Reserve, we summoned private banks for meetings with financial leaders and financial officials and basically instructed the central the private banks in their own interests to reschedule private bank debt to the sum of \$50 billion. That was a short term activity, which was really key because there was no way that the Koreans were going to be able to repay that debt in the time frame that was fixed. We rescheduled the debt and pushed way out for 85 years. That just took an enormous load off Korea's back and gave them some breathing room during which time, they used that time very effectively to enact very serious economic reforms.

*Q: This is basically a form of jawboning in effect because the U.S. government isn't saying we guarantee this, we're saying this is what we really think you ought to do.*

BOSWORTH: Yes. The problem is that there is a kind of phenomena at work in these situations where each individual has a great incentive to get out individually, but if everybody tries to get out then everybody is going to suffer. You have to sort of give the banks in this case a rationale for acting collectively by imposing some overall self-imposed discipline and that's what happened.

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*Q: Did the Treasury in effect stimulate the Federal Reserve to do this? Was it Mr. Greenspan I suppose?*

BOSWORTH: Greenspan was very deeply involved in all of this. I remember at Christmas time of '97 the Koreans were teetering on the brink of default on waiting through the outcome of a dinner meeting between Summers, Rubin and Greenspan about what to do. In the end they decided to step up and do more for Korea.

*Q: All right. So, we got the banks together to do this and that took a lot of air out of the balloon because they suddenly didn't have to come up with all this money the next week.*

BOSWORTH: Right. Then we put together a major package, IMF, World Bank, and that's where the treasury stabilization fund came in. Some of that money was immediately available, was front-loaded, and then other money was available, particularly the U.S. stabilization fund was available as a kind of safeguard or last step. We did negotiate an agreement under which the Koreans would have been able to draw that, but it was our fond hope that they would never have to draw it.

*Q: And did they?*

BOSWORTH: They didn't.

*Q: Is this often the case like in the old days, you'd see the movie where the man fearing a run on the bank would run to the front and show that he had all this cash and you say, we have it if you need it and then the people see well if you have it, then we don't have to pull it out.*

BOSWORTH: Right. Exactly. It's the same concept and what was happening in Korea was a giant bankrupt.

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*Q: Yes, so the U.S. and its various agencies and so forth and its international connections steps up and says, no we can provide liquidity here.*

BOSWORTH: Right.

*Q: Anything else of particular steps that you recall and things you remember?*

BOSWORTH: The Koreans did it themselves. There was a period of about four months when interest rates shot way up and that has become very controversial within economic circles as to whether that's a necessary step or not. Basically the concept is you have to shrink your economy to fit the amount of external resources available. In other words, you've suffered a massive loss of foreign exchange. Your currency has plummeted and you can't continue to operate as you would in the past. You've got to provide an incentive for people to hold money or bring money back. High interest rates do that. So, there was an urgent need to stabilize the currency. In October of '97 the Korean won was at 50 to the dollar. By December 24 the won was at 1,900 to the dollar.

*Q: So, did the Koreans themselves undertake I think we've talked about that a little bit, their own restructural reforms?*

BOSWORTH: Oh, yes, a lot.

*Q: So, they were serious you feel?*

BOSWORTH: They were very serious.

*Q: They could as I think we mentioned they could use someone like you or the IMF in cases where they could say you know, we're being pressed over here to do this and you could somewhat be the person with the big stick in the background?*

BOSWORTH: Right.

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*Q: So, that combination of providing the liquidity and the Koreans themselves of trying to be serious about doing this has now resuscitated their economy?*

BOSWORTH: Right.

*Q: A lot of this you were doing in effect on the fly you said you had to make phone calls and the Treasury people and others would act and so forth?*

BOSWORTH: Yes.

*Q: Is this, why doesn't this model seem to work as well in Latin America? Is it because Latin Americans themselves don't seem to be able to do this type of reform or they have much greater inherent problems?*

BOSWORTH: Well, the problems are not that different. The difficult is always in holding public consensus behind a program of austerity.

*Q: Right. Did the Koreans do, I mean did they suffer from a big unemployment jump?*

BOSWORTH: Oh, yes, a tremendous unemployment jump, a contraction of their economy by almost 10%.

*Q: But they were able to get through it.*

BOSWORTH: They got through it and they came out like gangbusters at the other end.

*Q: Is it because in a way do you think they have better social controls?*

BOSWORTH: I think they are a more coherent, cohesive society, for better or worse. Even in Latin American societies there is less income disparity. There was a great sense in Korea of all for one and one for all. If we can do this we can make it happen, so they didn't fall into the trap of class warfare that you find in Latin America.

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*Q: Right and they had enough discipline and so forth.*

BOSWORTH: Yes and they had just elected a new president at the time the crisis was exploding around them. That fellow was able to come into office and basically say, well, we're going to clean house. He didn't have to waste any time bending the policies that had helped to create this situation.

*Q: Now, did people like the Japanese weigh in usefully during this crisis?*

BOSWORTH: Oh, yes. The Japanese were very much engaged.

*Q: In effect, on their own or as part of an orchestrated effort with the United States?*

BOSWORTH: Largely as part of an orchestrated effort.

*Q: Because their banks had big exposure in Korea, so it was definitely to their advantage.*

BOSWORTH: That was one of the reasons we were concerned. If the Japanese banks were substantially weakened by what was happening in Korea, they themselves would be even weaker and that would be our major goal in the international financial system.

*Q: Right. That's an example where the very act of collective U.S. effort you feel is really born through?*

BOSWORTH: Yes.

*Q: There's one other thing I wanted to go back to and then I'll let you off the hook here permanently. I talk a lot about this business with Enders and his removal and because of this Nicaraguan issue and so forth. Was the memorandum that spurred his removal, did that ever come out in public do you recall, did it make the newspapers?*

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BOSWORTH: Not that I recall. I'm sure you can get it through the Freedom of Information Act.

*Q: No, no, but I wondered if in other words, his removal was not the result of that publicly appearing in the paper?*

BOSWORTH: No, it was the result of the fact that the memo was sent and people like Bill Clark and Jeane Kirkpatrick were enraged.

*Q: Yes. Although she was the ambassador to the UN, she had I take it a brief to poach around to a lot of things. She was a kind of ideological lodestone of the administration.*

BOSWORTH: Yes, she did. Exactly.

*Q: Did Clark know much about foreign policy do you think?*

BOSWORTH: No, but he knew a lot about protecting his president. He himself was conservative and Jeane Kirkpatrick had gotten his ear. Tom as I think I mentioned when we talked about this, Tom had a tendency to expand his personal capital within the bureaucracy at a fairly rapid rate because of his manner and his focus on results and moving quickly.

*Q: Right. Was he an ideologue would you have said?*

BOSWORTH: No, not at all.

*Q: No.*

BOSWORTH: He was a consummate pragmatist, but believed that government, if you're in government, you should try to do something, you shouldn't just sit there.



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*Q: He was not, because I always thought that he was brought in as you said only to solve the central American problem and shake up the ARA bureau and all these sorts of things. So, he was brought in because he was seen as a guy who got things done, not necessarily because he was seen as a very conservative or right wing and ultimately in a sense his desire to get things done and to do things pragmatically conflicted and out he went.*

BOSWORTH: Right.

*Q: You felt that he was seriously committed to the democratic process in Central America. That was the conclusion.*

BOSWORTH: That was the conclusion we came to. The only way out of this was to try to use democracy as a shield.

*Q: That's generally probably more, I mean you can argue that that's putting the best face of the United States forward to stand for something in the world.*

BOSWORTH: Right.

*Q: Well, that's good. That's a good place to end.*

BOSWORTH: Okay.

End of interview