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Panama (1990–1994)

While waiting for a green light from Washington, I relaxed with Patricia and our boys at the beach, read everything I could find about Panama, and pondered some unique aspects of my assignment, starting with the need to work harmoniously both with the commander in chief (CINC) of Southern Command, commanding about 16,000 men located on Panamanian bases, and with the Panama Canal Commission (PCC) administrator.

The president's letter of instruction to ambassadors purports to clarify both my authority and exceptions. I knew the letter was not enough. I would need to develop good personal relations with the CINC and with the PCC administrator.

Finally, my recess appointment was announced. Consul General Johnson administered the oath. Reservations were made for me on a Panamanian airline. When the flight was cancelled, General Max Thurman, with whom I had been in touch by secure phone, offered to send a military aircraft for me. I thanked Max for the offer, but declined it. I knew accepting would send a wrong signal to Panamanians about my role.

On January 8 I arrived in Panama, where I was greeted by the Charge, John Bushnell, General Thurman, a Panamanian protocol officer, and countless members of the media. I read my anodyne arrival statement. The press and local TV ate it up. I was big news in Panama.

John told me he had invited President Endara, First Vice President Ricardo Arias Calderón, and Second Vice President Billy Ford to meet with us at a working dinner the following evening. In the interim, I would check in at my new residence and then meet the rest of the country team.

The residence was well guarded by Marines. A Humvee sporting a .50 caliber machine gun sat in front. When I learned that the Marines, despite the heat, had been told to stay out of the large swimming pool, I countermanded that order.

I found the Chancery surrounded by banks of razor wire. Meeting with the staff, I said we had to return to normal. The razor wire would have to go. There were some objections. Somewhat surprised, I listened carefully; then repeated, "The razor wire goes." Privately, I told the number two C.I.A. officer I did not want him on my staff. Later I had reason to regret that I had not also dismissed the station chief.

Soon I learned the Marines of the Embassy security detachment were bitter about their lack of warning of "Just Cause." With their M-16s locked away, they had been left with only shotguns to reply to considerable RPG and rifle fire from Noriega's irregular "Dignity Battalions." The Marines were otherwise "gung ho," but many of the civilians at post wanted out.

Embassy staff had been drawn down as relations with Noriega's Panama went from bad to worse. As a result, I had to build a staff, starting with a DCM and an AID director. Fortunately, I was about to be reunited with John Dawson, my economic counselor in Costa Rica, who had been recruited by Bushnell for Panama. I would, however, need a new political counselor.

Washington had a candidate for the AID job, whom I was asked to interview. He flew in from Honduras and we had a good talk. He said he would let me know. When he declined, I asked that Tom Stukel, then AID director in the Dominican Republic, be assigned. I also telephoned Tom; he agreed to serve. He asked when he should arrive. I said "Yesterday." He almost made it.

Tom was a terrific colleague, a superb program administrator, a fellow poker player, and a shrewd bureaucrat. Proof of the latter: Tom, evoking my history of fighting for help to the Salvadoran judicial system, ignored my instruction that there were to be no new AID projects in FY'92 and eventually convinced me to agree to seek some funding for Panama's judicial system.

George Reasonover, a friend from days in Pakistan, contacted me saying he wanted to join me in Panama. I asked if he spoke Spanish. He didn't, so I said, "No way." Then I thought again. As my staff assistant he would not need Spanish to help manage the embassy. Personnel exerted itself, and George arrived promptly. I put him to work developing a lean staffing pattern. Specifically, I

sought to reduce the C.I.A.'s presence, but to do so without cutting case officers, at least those on embassy staff.

For the critical DCM position, I asked the department for a list of possibilities. When I got to Washington, I found no one on the list satisfactory. However, I thought David Beall, then the assistant secretary's staff assistant, would be ideal. I asked David if he would be interested. He was, but Assistant Secretary Aronson vetoed the idea.

Back in Panama, I outlined the situation in an "Eyes Only" cable to Larry Eagleburger. Result: David was assigned to Panama, where he proved to be a superb DCM. Bernie Aronson was understandably furious that I had gone over his head, but he eventually calmed down, judging from his efficiency report on me.

Personnel lined up possible political counselors for me to interview. I chose a Spanish-speaking officer with a stellar record reporting on the Soviet Union. To my regret, it turned out that I had misjudged. He did not seem to me adequately to sort out malicious gossip from truth nor to recognize that in Panama conspiracy theory was a staple of conversation. He was also thin-skinned. Perhaps I was too hard on him, but when he asked for his assignment to be curtailed, I did not argue.

The director general telephoned me to discuss the case before he approved the curtailment. He also suggested a replacement, who turned out to be a great improvement.

While I had met President Guillermo Endara in Costa Rica, I had not met the two other guests at Bushnell's dinner, First Vice President Ricardo Arias Calderón and Second Vice President Guillermo Ford.

Endara, a lawyer with a LL.M degree from New York University, was for years the right hand man of Dr. Arnulfo Arias. After Dr. Arias's death, Endara became a leading opposition member. In 1989, Endara as a compromise candidate of an alliance of political parties opposed to Noriega was overwhelmingly elected president. Noriega, however, annulled the election results.

At dinner, I noted that Endara was soft-spoken, affable, and almost deferential to his vice presidents. Indeed, he told us the three had agreed all decisions were to be taken unanimously. I thought that while this might reflect political reality, it also seemed like a formula for disaster.

Christian Democrat Arias Calderón, responsible for the police as minister of government and justice, was the last to arrive, but

he immediately seemed to take over. Indeed, Endara asked him to explain the overall situation and what was needed from us. A Yale graduate with a doctorate from the University of Paris, he made quite a case for economic help of almost one and a half billion dollars. While I found Arias's intensity to be a bit much, the evening was a splendid introduction to my new job.

Guillermo Ford, "Call me Billy," was known to me from the photo circulated worldwide of his face beaten into a bloody pulp by Noriega's toughs. Politician, glib insurance salesman, "Billy" was minister of planning and economic policy. I liked him and his proclaimed devotion to competitive free markets. Unfortunately, he proved to be something of a lightweight.

The next day, General Thurman and I had a long talk. I liked "Mad Max" as he was referred to by some, including my old buddy Colonel Waghelstein. Max, like me, had been due to retire before being chosen to take out Noriega as CINC South. We both knew what was needed, we both spoke our minds, and when we differed we did not personalize our difference.

I was happily surprised to find that Max had as poor an opinion of his 670th intelligence battalion as I. His opinion was based on poor intelligence performance in tracking Noriega, mine on having read the reporting of the 670th for years. Nor did Max care much for the C.I.A. I thought it depended: some C.I.A. people were great; most so-so. We agreed about NSA and appreciated the performance of intercept operators.

It's hard to believe, but true, that the C.I.A. and a number of military intelligence units, most importantly the 470th, had competed for Noriega's favors. Noriega and company must have laughed all the way to the bank.

Max and I sought to rationalize the USG intelligence effort in Panama. We basically agreed on what was needed, but I do not want to leave a false impression, we did not agree on everything. We differed on the collection effort needed in the provinces. Eventually, we compromised. Max got more provincial coverage than I thought necessary and I got more control over our expanded coverage than Max wanted. Not enough, however, to keep a collector from being apprehended when that eager beaver crossed into Colombia.

One of the extraordinary aspects of the military intelligence establishment was the multiplicity of independent collectors, most of whom had "stovepipe" reporting arrangements to their own part of the swollen Washington intelligence community.

Warned by my station chief, who had once served in the 470th, that there was no chance of success in pulling together these military intelligence outfits, I nevertheless decided to try. Soon I found a potent ally: General Hartzog, Max]'s G-3 (operations), during Just Cause, now commanding USARSOUTH, agreed we needed coordinated reporting. Hartzog's G-2 (intelligence) joined my meetings and we developed a plan. Implementation was delayed by arrival of the new CINC, but General Jouwan eventually approved it. Results were mixed. A number of units brazenly resisted, others invoked agreed exceptions. Still Hartzog and I thought we had made a modest improvement.

Separately, during a yearlong transition, I succeeded in eliminating Panama-based regional C.I.A. components.

Panama's protocol chief tried to delay my presentation of credentials because he did not have a band! My British colleague, who had precedence (he had arrived in Panama half an hour before me), and I both objected, saying we were willing to forgo our national anthems. Foreign Minister Julio Linares agreed we could go ahead.

Arriving at the Presidency to do so, I was horrified to see American troops presenting arms as I entered El Palacio de las Garzas. Fortunately, no newsmen or cameramen were there to report or to further gossip about a non-existent pro-Consul. Our men, I learned later, were there to protect Endara. They meant well in saluting me; they were, of course, not aware of how inappropriate it was to do so at Panama's "White House."

Credentials presented, I was now free to call on the Papal Nuncio, a man with whom I was anxious to talk. Monseignor Jose Sebastian Laboa was still providing asylum to Noriega's aide, Captain Eliécer Gaitán, a badly wanted man. I found the Nunciatura surrounded with much razor wire and American troops guarding it.

The Nuncio, quite full of himself, took credit for convincing Noriega to surrender. He assured me Gaitán would also soon surrender. I asked if he would like us to reduce or eliminate the guards and razor wire. He said, "No, they are useful."

Later, a Latin American ambassador I had gotten to know in Costa Rica told me the Nuncio had complained that I had insisted on keeping the guards and the wire! Truthfulness was not the Nuncio's strong suit! I was not disappointed when Laboa was transferred to Paraguay. His replacement, Msg. Osvaldo Padilla, and I became good friends. It helped that he was both a tennis player and truthful.

Soon after my arrival, the Cuban ambassador phoned and

asked to come see me. This was extraordinary. I said I wouldn't see him unless he told me what he wanted. He hedged, then muttered "arms." So we met. I included my station chief; he brought what I presume was the Cuban equivalent. He told me he had a supply of weapons in his Embassy that he wished to return to Cuba. He asked for assurances that we would not interfere. I assured him we would not, provided we were told when and how the arms would be shipped.

He then asked me, "How is Michu?" I was speechless. "Have you forgotten we met at dinner at the Attoues' in Kinshasa?" He was right. I had forgotten. We had met almost thirty years before.

On January 13 at a press conference, asked my role, I explained, "I am here to support the democratic Government of Panama."

Q: "Does the U.S. plan to keep bases in Panama after 2000?"

A: "No."

Q: "Will bank secrecy be maintained?"

A: "We hope to negotiate a Mutual Legal Assistance Agreement. Honest bankers have nothing to fear."

Q: "How did Mike Hariari leave Panama?"

A: "How the hell would I know?"

Q: "When will troop levels return to normal?"

A: "Ask General Thurman."

Q: "How much aid is coming?"

A: "Under study."

Q: "What are our expectations for Panama's new Public Force?"

A: "Same as Panama's, i.e., an effective police force under civilian control."

I also fielded a barrage of other questions.

Invited to Washington for a meeting with President Bush, upon learning that Max had not been included, I cabled a request for reconsideration. It paid off. We remained good friends until his death.

In his aircraft, Max showed me a C.I.A. assessment different from what I had been given! Max also told me someone was blocking access to me of an intelligence agent he had sent to see me. I was not amused.

In Washington, the meeting with the president struck me as theater. Questioned by the president, I said that while I would prefer more resources than in his plan, I knew about budget stringency. By making careful use of what economic assistance we would have, I thought we could get the Panamanian economy humming again.

In response to another question, I promised carefully to review

embassy staffing, opining that some positions, particularly those with regional responsibilities, might be reduced. I knew, but did not mention that the C.I.A. had liberally salted its people into such positions.

While in Washington, I called on Carlos Rodriguez, Panama's ambassador. While there, President Bush telephoned me to urge me to read a cable. Having Carlos overhear the conversation, I thought, would not hurt my standing with him or Endara.

We were to return to Panama from the Andrews Air Force base. Waiting at the Pentagon helo-pad to go to Andrews, Max took me aside and introduced a Colonel Jim Steele. Max identified Colonel Steele as commanding "your military support group." I had no idea what this might be, so I hedged when Max urged me to include the support group (MSG) as an integral part of the embassy.

Upon inquiry, I later learned the MSG was a civil affairs unit, the mission of which was to "conduct nation building operations to ensure democracy...and professional public services are established in Panama." Quite an overlap with the embassy!

It was easy to conclude I did not need Max's offer of 300 or so soldiers. Moreover, recalling my incredible El Salvador psy-ops briefing as well as the foolish psy-ops effort to win Noriega's surrender with full blast noise, I told the colonel that I wanted him on the embassy country team. However, he and his unit could forget about psy-ops. Jim and the MSG proved to be a great help in standing up the police and organizing engineers to repair schools, clinics, and roads

When I learned that Colonel Steele and his deputy were meeting regularly with President Endara, I told Jim such meetings were an ambassadorial prerogative. Nevertheless I hoped he would also attend. Not only do I believe in transparency, but I also thought that having Jim at the meetings would be a good way of letting our military know my views.

Word came that Vice President Dan Quayle would visit Panama. He was to stay with me; more symbolism, but would join Max and the troops to watch the Super Bowl. When the advance team looked at the master bedroom, which I proposed to turn over to my guest, they said no way, since they saw a direct line of fire from an apartment building. So the vice president would have to stay in a small bedroom with peeling wallpaper. He took it in stride. However, when I told him that in Panama the sun rose from the Pacific Ocean, I had to prove it.

When we called on President Endara, I was delighted to note

there was not a U.S. serviceman in sight. However, when we left church, to my horror they were everywhere. My fault; I had forgotten to issue a warning.

After Mass we were scheduled to stop “just by accident” at a restaurant picked out by the advance team where the VP was meant to be able to talk with Panamanians. Yet the first half dozen people approached were Colombians, Peruvians, and a North American! Finally, a genuine Panamanian was found. Despite such missteps, Quayle said he was pleased by his visit.

When Endara was in town, we had breakfast with him every Thursday. The DCM, the AID director, Jim Steele, and I were regulars. The president was usually accompanied by his taciturn relative, Jorge Endara, who ran the Social Security system, and by Panama’s outspoken controller, Rubén Darío Carles, known to all by his nickname, Chinchorro.

Either of us could and did raise almost any subject. The DCM and I would list separately what each of us thought should be discussed, then compared notes en route to the Presidency. After Endara and Chinchorro finished with their agenda, we ran through ours. When Washington wanted me to raise an urgent matter with the president, I had no problem in getting an appointment between breakfast meetings. Also, if I said I had an unusually sensitive matter, such as Noriega trial preparations, Endara would invite me to his office after breakfast. Such easy access to a president was unique in my experience.

In his office, I learned he used a top of the line computer not only for letters and speech drafts but also for computer games, to which, he confessed, he was addicted.

Of course, access did not guarantee agreement, far from it, but it did reduce, indeed almost eliminate, misunderstanding. We used our meetings to brief Endara on issues, to encourage him to act, and to explore his thinking. He listened carefully, taking a particular interest in police and judicial matters.

Already a rich man, he was not corrupt, although his political enemies charged that he was. I was bothered by some of these charges, so he and I had a long discussion, charge by charge. I found his explanations to be convincing. He acknowledged that as a private lawyer he might well have helped a firm that later proved to be involved with drugs and money laundering. However, he insisted that neither he nor his law firm knowingly had ever behaved illegally.

Endara as “an act of commiseration and solidarity with his

suffering fellow citizens" fasted in the cathedral. When an AID agreement was ready for signature, Stukel and I went there. Have other economic agreements been signed in a cathedral or do we have a unique claim to fame?

The president listened carefully when I made the case for trade liberalization, but basically he was a protectionist. Nor was it easy to get him to modify his beliefs. To my annoyance he also protected Arnulfista party members whether or not they were doing a good job. He listened to my critical comments about his foreign minister, seemed amused by some of Julio's anti-American antics, carefully frustrated Julio's attempts to intervene on issues assigned to Ricardo Arias or to Billy Ford, but wasn't about to dump an Arnulfista minister who provided him political protection against charges of being an American puppet.

On the other hand, I was convinced he would not tolerate corruption. I may have influenced his dismissal of Juan Chevalier, a fellow Arnulfista and his second minister of government and justice, when I told the president that Chevalier had hinted that hiring his son's firm would resolve a problem of the embassy's.

Endara generally liked to mull matters over before acting. But at times when he felt threatened or angered by suggestions that he was a weak president, he would forcibly react. Worse, his impulsive young wife, Ana Mae, occasionally goaded him into ill-advised action.

A 1991 breakfast meeting with the president illustrates the breadth of our discussions. It included his comments on a Central American summit, a discussion of the latest round of Mutual Legal Assistance Agreement (MLAA) negotiations, Tom Stukel's brief on problems encountered in disbursing AID funds, Jim Steele's report on problems with joint U.S.-Panama police patrols and Army plans for Caminos Fuertes 91, the Drug Enforcement Agency (DEA) role in joint police exercises to seize drugs, our complaints about bureaucratic foot dragging on Coco Solo housing, and my explanation of Paris Club practices for rescheduling debt.

Occasionally, we delved into esoteric matters. For example, someone, reacting to an amorphous threat to assassinate Endara, had placed a .50 caliber machine gun overlooking the Bay of Panama. When he saw it, Colonel Steele pointed out that, if fired, the weapon would endanger lives in Punta Patilla far across the Bay. It took time and patience, two or three breakfast discussions, but eventually the weapon was removed.

Another continuing discussion, in which Chinchorro played a constructive role, involved our shared interest in building a facility in Panama to irradiate screw worm flies, thereby making them sterile and hence unable of carrying the eggs of the screw worm parasite to infect cattle. Our Department of Agriculture wanted to clear Central America north of the Darien Gap of the screw worm. Having once served as minister of agriculture, Chinchorro knew both the economic importance of success and that politically Panama's cattlemen would welcome a program to knock out the parasite.

I liked and respected Endara, but his foreign minister, Julio Linares, drove me up the wall. Having dealt with a world-class foreign minister in Pakistan and an able one in Costa Rica, I found Linares to be a big step down.

During our first substantive discussion over lunch at my residence, he rejected one by one every problem I had hoped he might help resolve, but, he said, he needed my help.

The president and he would shortly visit Colón to inaugurate a school. He asked me to immediately revert to them the potential school building. Despite his negativity, I agreed to try to arrange it.

I persuaded a reluctant general officer to shortcut army reversion schedules and procedures. I phoned Linares to tell him the school had been reverted. He thanked me. However, no school inauguration was held. In fact, for months the reverted building stood empty. The general on whom I had imposed enjoyed ragging me about "my school." I concluded Linares was not trustworthy.

Worse, in March 1990, he forgot he was foreign minister, no longer just a private citizen free to write anti-American polemics. He denounced the DeConcini amendment and the Neutrality Treaty. I complained to him and to the president that the Panamanian foreign minister should not be attacking the treaties, adding that were the treaties renegotiated as Linares suggested, the United States might also seek changes.

Linares had also forgotten Panamanians overwhelmingly supported the treaties. The ensuing public uproar led Julio to a contrite retreat,

Julio often opposed measures we sought to fight the war on drugs. The most important was a Mutual Legal Assistance Agreement (MLAA). For over a year, he and most banks fought to save unimpaired Panama's bank secrecy laws. Mike Kozak, our lead negotiator, thought we had an agreement with Endara in October of 1990. Somehow, however, Julio and the bankers talked the

president into changing his mind. This led to a regrettable shouting match between Linares and myself at, of all places, the nuncio's New Year's reception. After more months of negotiations agreement was again reached. Julio, however, unreconciled to the compromise concerning bank secrecy, refused to sign, leaving that to his deputy, Jose Raul Molino.

When I urged Julio to seek ratification of the Vienna Convention, dealing inter alia with money laundering, he declined. Panama's banking sector, he told me, objected! At least he was consistent!

Nor was he always wrong.

On May 24, 1990, out of the blue, Luis Quisado, Linares's nephew, the GOP representative on the Joint Committee (JC), wrote, "Our Government wants back ASAP, all areas temporarily occupied by the U.S. per 'Just Cause'."

Max Thurman wrote me calling this "troublesome." He added, "The request was not in keeping with Panama's interest in maintaining law and order." I agreed, but what to do?

Major General Marc Cisneros made a suggestion: build a backfire. Soon, he had governors and other provincial authorities telephoning Panama City with objections. In response, VP Arias convoked a meeting. After much discussion, he concluded some U.S. forces were still needed in the provinces. Moreover, the joint patrols of U.S. military police and Panamanian police would continue in Panama City.

Linares and Quisado had tried to exploit Panamanian nationalism and up to a point they had succeeded. However they knew virtually nothing about life or security in the countryside. Here they overstepped and were overruled.

We recognized that we had been remiss in not ending some restrictions sooner.

Panamanians loved to stroll on the causeway out to Flamenco. For too long we had blocked access to it and to Fort Amador. Now, we adapted belatedly to the situation. With Panama, we organized a joint ceremonial reversion of the causeway. On May 28, President Endara and I led the way down the causeway.

Soon thereafter, we reached agreement on a continued smaller presence of U.S. forces in the provinces of Panama.

In July 1991, a screaming Linares called to object to a "Sense of Congress Resolution" calling for renegotiation of the Canal Treaties. Ignoring my explanation that the treaties were unchanged and that our Congress was merely letting off steam, he kept shouting.

Later he sent me a note of protest, which still later was published in his annual review of his stewardship of the Ministry of Foreign Affairs. Much ado about nothing, I thought, but he must have thought it would convince others of his steadfast defense of Panama's interests.

Julio liked to complain of U.S. actions. Misreading Treaty provisions, he alleged the Panama Canal Commission was illegally discriminating against its Panamanian employees. The Panamanian administrator of the Canal Commission set him straight.

Julio, again misreading the Treaties, cancelled on base banking arrangements for U.S. forces. Our military understandably were outraged, starting with the CINC, General Joulwan. Julio apparently wanted his bank friends to get the business. With my embassy lawyer to help me explain the Treaty, I took the issue to Endara. He quickly understood, suggested adjustments to the former system, and on-base banking resumed.

Julio at times showed quite a sense of humor. He sent Patricia a cartoon making fun of our differences. He also arranged for his luncheon club of Arnulfistas to include David and me as regulars. We found the club enjoyable, instructive, and inebriating. I was genuinely sorry when Linares passed away from a heart attack while representing Panama at the United Nations.

The CINC, General Max Thurman, was a bachelor, said by his staff to be "married" to the Army. Fortunately we worked well together. Not that we did not disagree from time to time. When Max asserted a free hand to move his forces "to defend the canal," I read the relevant Treaty provisions differently. After a long discussion, we agreed to put the issue to Washington.

The Pentagon instructed us that in Panama, outside of Treaty-designated base areas, prior agreement was needed for U.S. troop movements.

Max and I regularly played tennis. When I began to win more easily, I worried that Max was not well. In July he told me from Washington that he had leukemia. He commended to me Rear Admiral Dave Chandler as his "interim" replacement. He added he was sure I could "beat up" on Dave, "as you have on me" whenever needed.

In November, General George Joulwan took over as new CINC. To get acquainted, Patricia and I had Karen and George to lunch. When he assured me, "I have no agenda," I thought it unlikely he would not want to put his mark on his new command.

On each visit to Washington, I saw Max. We took turns picking

up the check at good restaurants. He studied leukemia as he had studied war fighting, having healthy bone marrow cells frozen for later injection. In December 1991, with his leukemia in remission, this dedicated soldier returned for a change of command ceremony at Fort Clayton.

Max fought his disease until December of 1995. Before Patricia and I moved to Costa Rica in 1994, I paid a farewell call on him at Walter Reed hospital.

In early February of 1990, I had flown back to San José to say farewell to my staff, to Oscar Arias, to Jorge Dengo, and to selected colleagues at a dinner Rodrigo Madrigal gave in honor of Patricia and me.

Then with Sebas and Patricia's parrot on board, I drove our Four Runner over the Cerro de la Muerte to Panama. Major General Marc Cisneros met us as we crossed into Panama. He took us up out of the heat to a mountain hotel where we were doubly welcome. Guests had been few and far between after Noriega's overthrow.

The next day, Marc accompanied me on calls on the governors at David and Penonomé. This took much too much time, so Marc arranged for someone to drive my car (and parrot) to my residence while we choppered to Albrook.

The Panama Canal Treaties required the United States to turn over the Canal to Panama at noon on December 31, 1999. One key prior step was for the president of Panama to propose to the United States a candidate to serve as the administrator of the Canal Commission.

Fernando Manfredo, a member of the PRD, Torrijos' political party, had been appointed by President Carter as deputy administrator of the Panama Canal Commission (PCC), when, in 1979, the Treaties came into effect. Fernando now wanted the top job, was well qualified, but was not to get it. The Endara administration was weeding out PRD members, even those who had opposed Noriega. Like a rejected suitor, Fernando was bitter. He subsequently became an annoying critical commentator on Canal issues.

Endara proposed Gilberto Guardia, an engineer with wide experience, to be the PCC administrator. We checked him out. His reputation was untarnished. I invited Guardia to lunch, liked him, and recommended that President Bush nominate him as PCC administrator. I never had reason to regret it.

The Commission was autonomous and ran a smooth ship.

Nevertheless, I had to pay attention to it. I had oversight responsibilities as chairman of the Panama Review committee (PRC). This committee, on which the CINC, the Commission administrator, and I sat, was charged to coordinate American government actions in Panama.

The PRC was almost immediately convoked after my arrival. Its agenda was loaded with "Return to Normal" issues, such as removing economic sanctions.

I welcomed Fernando Manfredo, noting it was the first time a Panamanian national had attended a PRC meeting. He briefed on Canal operations and noted the need for recommendations from the GOP of Panamanians to serve on the Canal Board. We pressed him to speed up the turnover of the PCC's excess housing to the government. The CINC briefed on the security situation and I talked about policy priorities. Our remarks provoked some discussion. It was a start.

I also was an ex-officio member of the Canal Board of Directors, a position which initially worried me, since I wondered what I could contribute to a high-powered body chaired by the secretary of the army, and with prominent businessmen as the U.S. members. With time I came to enjoy board sessions. As an extra benefit, I became well acquainted with its Panamanian members. The directors normally met in Panama but also once a year at an important American port. Given my ex-officio status, the PCC included me and paid my travel expenses to meetings in the United States.

After pushing to restart the tripartite (Panama, Japan, U.S.) "Commission for the Study of Alternatives to the Panama Canal," I had, occasionally, to intervene to try to advance the study.

The Smithsonian Tropical Research Station was another part of the American presence in Panama. Except for a visit to its facilities on an island in Gatun Lake, an annual exchange of Christmas cards, and social engagements when the secretary of the Smithsonian Institution visited, I was not involved with its activities.

The Corozal cemetery, where from 1990 to 1994 I read the President's Memorial Proclamation, was maintained by the American Battle Monuments Commission, the same outfit that cares for our military cemeteries in Europe and the Pacific. However, unless new Treaty arrangements were negotiated, the Corozal cemetery was to revert to Panama when the Canal did.

It seemed to me that getting Panama's agreement to cede to the United States in perpetuity the sixteen acres involved would be easy. Indeed when I first raised the subject with the foreign

minister, even Julio readily agreed to the cession. However, despite many reminders he did not act.

Indeed, not only I, but also a number of my successors failed. The Treaty I sought to negotiate in 1990 in order to assure that the American veterans in the Corozal cemetery would rest perpetually in American soil was not, I'm told, agreed until just before the management of the Panama Canal passed to Panama at midnight on December 31, 1999!

Unquestionably I spent more time on police issues than any other. Noriega's Defense Force ideally should have been totally disbanded. That was not practicable, as much as the new government would have liked to have done so. Rather, faced with the urgent need to control widespread looting, it was decided to recruit police, after screening, from the about 12,000 members of the corrupt and brutal former Defense Force. Many bad apples, particularly among the officers, were known and screened out. But many more were initially missed.

Endara from the outset made it clear Panama was to have no army. Moreover, civilian control of the police was essential.

Vice President Arias, now in charge of the police, wanted to clean house, but knew he had to proceed carefully. Also he had no experience with police issues and relied heavily on U.S. Army officers for advice. Indeed, when he and I reviewed his initial proposals for the new police force, I was startled to discover their resemblance to an army table of organization. He accepted my critique and willingly made major changes.

For my part, I received two proposals for reform of how the new National Police Force (PNP) and Judicial Technical Police (JTP) should be constituted. One proposal was from our military, the other from the Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP). As helpful as our MPs had been in training Panamanian police in the difficult early days, it was an easy choice.

The State Department and I not only favored ICITAP, but some members of Congress and Mike Kozak cited the sad history of our support for Noriega to obtain legislation prohibiting future involvement by the military with Panama's police.

VP Arias and I agreed a police academy was a high-priority need. He, however, slowed things down by arguing for the American high school. He was right; it would have been ideal. However,

he badly misjudged resistance to his proposal. Arias, while brilliant, often made the mistake of overreaching. For us, a high school for American kids was far more important than a police academy. Eventually we agreed on an adequate site.

In the meantime, ICITAP ran short courses stressing respect for human rights and the need to avoid even the appearance of corruption. Every policeman now carried a plasticized card reminding him of his duty toward his fellow citizens. I doubted that many would change their ingrained habits, but we had to try. Inculcating a new way of thinking by Panama's police was critical.

The best chance for long-term success lay in gradually training new recruits at the academy. It would be a slow process. Only three classes, each of about 400 recruits, would graduate a year. ICITAP trainers, most of whom were veterans of American police forces, stressed the rule of law, ethics, police professionalism, and respect for human rights.

Given widespread unemployment, there was no shortage of police recruits. Despite poor pay, requirements for selection could be and were rigorous.

Showing the importance he attached to police reform, President Endara attended each class's graduation, as I did.

We sought to institutionalize ICITAP's relations with the GOP. Arias resisted until the abortive police coup. Thereafter things fell into place, including plans both for a revised police SWAT team and for training a special presidential protection group.

In February of 1991, we started holding monthly reviews of police progress in meeting agreed-upon objectives or, too often, a lack of or inadequate progress. The minister of government, the PNP director general, the attorney general, and senior police officers attended as did DCM Beall, Patrick Lang, the resident head of ICITAP staff, myself, and, when in country, David Kriskovich, who was in overall charge of police training. Soon, given different training requirements, we met separately with the attorney general and the director of the JTP.

With VP Arias we had carefully prepared detailed agendas, complete with options. More important, he ran a crisp ship and made decisions. When, to my regret, he was replaced as minister of government by Juan Chevalier, meetings became informal, irregular, and at times rather chaotic.

With both ministers our discussions were crowded with budget, procurement, training, maintenance, and other, often boring, but important issues. For example, police cars!

Initially, Colonel Steele used emergency funds to buy new patrol cars, but gradually they were wrecked or wore out. Noriega's police apparently had had no vehicle maintenance facilities. AID eventually supplied them. Then we arranged for the PCC to train police mechanics. Meanwhile, it was necessary to try to inculcate budgeting and fund controls, entirely new concepts that had not been important in Noriega's time. If it seemed that a nudge would help resolve issues, we would follow up at our next breakfast with the president.

VP Arias reluctantly decided Colonel Herrera, who had been in exile because of his anti-Noriega record, should be in charge of the PNP. It was a mistake. Herrera was a demanding prima donna. When he was finally replaced by a less experienced but loyal civilian, Herrera plotted. We knew of this, but did not think Herrera was dumb enough to think we would permit a police coup. We were wrong!

I had attended Juanjo's graduation from the DEA academy in Virginia, gone on to Miami for a conference, and was asleep when the phone rang after midnight. Kozak was calling from Washington with the news of Colonel Herrera's revolt. He asked me for my approval of a statement. Still half asleep, I suggested a silly change. Mike didn't like it. I woke up enough to approve his draft and went back to sleep.

The next day, back in Panama, I learned that, at police headquarters, Herrera had taken Colonel Steele and a few other Americans hostage. After a tense period, he released them. Later he started to march to the National Assembly. Jim then talked Herrera and the marching mutineers into surrender. Fortunately, no blood was spilled during many hours of tension.

I also learned that many Panamanian officials had panicked. David Beall, like Jim Steele, had been magnificent, deploying embassy officers to the right places, such as the Presidency, while calming Endara and company.

Soon evidence of tension between VP Arias and Endara surfaced. Unfortunately, Ana Mae fanned the flames. To universal amazement she visited the National Assembly, where she denounced Arias and the Christian Democrats for allegedly plotting against the president. Panama's love for conspiracy theories was running wild. Then it was asserted that Arias was spying on the president with American help. We allegedly built him an intercept facility in a building under his control. True, the building was under his control; not true about our role. Charges and counter charges filled the press. I

tried to calm things, pointing out to all who would listen the need to hold the government together. Chinchorro sadly let his dislike of the Christian Democrats take him off the deep end. Endara was, many believed, provoked by Ana Mae's taunting into acting. She may well have pillow-talked him into believing he needed to show he was a strong, decisive president.

I do not know exactly what happened but I do know that hesitating Endara called on Carlos Rodriguez to return from Miami to try to fix things. Rodriguez latter told me that Arias had misjudged the situation, overplayed his hand, and left Endara no choice but to dismiss the Christian Democrats from the government. Perhaps so; perhaps not.

Arias remained VP, since he had been elected to that position, but declined to attend cabinet meetings, which was his right, or otherwise to serve in the Endara administration.

At breakfast the next day at General Joulwan's for Colin Powell, chairman of the Joint Chiefs, I noted that Endara had—I thought foolishly—blown away his majority in the Assembly. As a result, I feared he would have grave problems governing.

General George Joulwan and I both tried to work together, but somehow the chemistry was not always right. In part, I suppose because it had been so good with Max Thurman; in part, because there was a substantial age difference; in part, because George played golf, not tennis; and in part, because despite a promising start working intelligence issues, George soon decided to back the 480th in recruiting new agents. That hurt; Max and I had agreed we could do without the 480th!

I recognized that it was hard for him to be living in Panama at Quarry Heights and yet to be limited in his contacts since there was no longer a military to work with and Congress had restricted military ties with the new police. However, he overcame some constraints by aggressively deploying his air assets, including balloons, against drug smugglers. This both advanced the war on drugs and allowed his people to help train the fledgling Panamanian Coast Guard and Air Force. In addition, regular deployments of our engineer and medical units permitted him to develop relations with involved Panamanians.

Then David Beall and I, brainstorming about what could be done to get the GOP moving to prepare to take over U.S. bases, beyond lobbying the president and others, hit on the idea of guided tours. General Joulwan enthusiastically agreed when I put the proposal to him. Indeed he personally led many of the tours.

Endara had appointed J. J. Vallarino to head a committee charged with studying what use could be made of the bases. Soon he and Joulwan were working together. Real progress!

Then a couple of incidents soured my view of the general.

Tragically a GI going the wrong way on a one-way street was shot to death by a policeman. I heard of the incident when Juan Chevalier, minister of government, telephoned to say General Joulwan had summoned Major Arrue, the acting director general of the PNP, to his headquarters. Chevalier wanted to know what I thought he should do. I replied the general was out of order, but what the minister did was up to him. I called DCM Beall and instructed him to tell SOUTHCOM my view and asked that we consult about how to proceed.

Chevalier decided he did not want to cross a four-star American general and told Arrue to go see the CINC. When he did Joulwan reamed him. Joulwan must have thought he was supporting his troops, but I was appalled by what looked like bullying and disregard for a congressional edict. Therefore, I wrote the general an "Eyes Only" letter saying he had been "out of order" in summoning Major Arrue to meet with him. I added I was "disappointed" he had proceeded "over my objections." He did not reply!

He did, however, give a dinner to mark my fifty years of service to the U.S. AID. Planning for the pending drawdown of U.S. forces, he recruited Bruce Stader, an experienced surplus property disposal officer. Joulwan, when he learned of the program, said he would like to speak the next time Stader distributed things to schools, clinics, or elsewhere. Fair enough, since the surplus was generated by his command. With the general's approval, the AID director and I invited Vice President Ford and a number of cabinet members to the ceremony. Joulwan was over thirty minutes late, keeping the Panamanians waiting as well as Tom and myself. I was furious about what I viewed to be insulting behavior toward Ford and our other guests.

He and I had one important substantive difference. We religiously stuck to the public party line that we would honor our Treaty commitments, but we both hoped we could keep a military foothold in Panama. I thought the way we might do this was to speed up the drawdown process, thereby provoking a debate among Panamanians before their upcoming national elections.

General Joulwan disagreed. Nevertheless, when Secretary of Defense Dick Cheney visited, Joulwan arranged for me to make my case to the secretary. I did so during a long, detailed discussion, but

was not surprised that the secretary ruled in favor of the CINC. Of course, my proposal might not have worked, but as I had predicted our efforts to negotiate a continued presence at Howard Air Force Base failed.

In early 1992, the inspector general announced that Panama was one of the best-managed posts inspected in 1991. I thought we deserved this kudo; I also thought it would not have happened without David Beall.

Drugs in large amounts flowed through Panama, particularly through the Colón Free Trade Zone. The U.S. market was incredibly lucrative. When we were able to plug one distribution channel, it was soon replaced by another. While we also made progress against money laundering, it was never enough. The “war on drugs” was unending.

My staff included Drug Enforcement Agency (DEA) agents and a Coast Guard liaison officer. I resisted pressure for more agents, knowing there would never be enough. However, it helped that the new station chief enthusiastically joined in the battle. While he and his people had to take care to avoid compromising evidence, their covert collection of intelligence, particularly intercepts, led the DEA to major drug busts.

I talked regularly to my staff about the need to respect Panama’s sovereignty. Nevertheless, from time to time, gung ho DEA agents got us in trouble. The lead on raids was supposed to be with the local authorities. Only they were to make arrests. Yet, once the press ran damning pictures of cars with U.S. diplomatic license plates at a raided house. Even worse, detainees swore gringos had arrested them.

The new foreign minister, Jose Raul Mulino, called me in. Unlike Julio Linares, Mulino approved of the drug war. Even so, he rightly read me the riot act. I agreed we had been out of line and pledged to “respect the laws of Panama.” To help keep my word, I had the DEA chief turn in the diplomatic license plates on his official vehicles. Until he could get ordinary plates he rented cars. The drug war did not suffer!

I was not as lucky. Coming out of the Foreign Ministry, I suffered an exceptionally nasty grilling by the press.

Word reached us that President Bush planned to visit Panama. Brent Scowcroft, the NSC advisor, called on a secure phone to discuss the idea. He asked about the chance of demonstrations. I said they were likely, but I thought the police would be able to prevent serious trouble.

DCM Beall worked with the White House advance team on the visit. They proposed a speech in Plaza Porras. When David and I discussed it, neither of us liked that idea. I then told the advance that if an outdoor speech was absolutely necessary, it should be in Cathedral Square, near the Presidency. Security there would be more manageable. Thornton Pryce of the NSC also opposed Plaza Porras. The White House advance, however, saying they wanted more room for a larger crowd than would fit in Cathedral Square, insisted on Plaza Porras.

Big mistake! Arrival, cavalcade to the Presidency, Endara's luncheon, and move to Plaza Porras went well. However, after President and Mrs. Bush had been seated we heard noise of trouble, soon followed by whiffs of tear gas. That was it!

The Secret Service hustled President and Mrs. Bush into his armored limousine. Another agent got Patricia and me into my car. Per plan, we drove to our Embassy where Patricia would be safe. Then, I was driven through a bit of chaos to Albrook Field to rejoin the president.

I found him in good spirits making changes in a speech now to be delivered to a radio audience. Before "wheels up" he also made remarks to enthusiastic troops assembled to greet him. His "thank you" letter to me and the entire Embassy staff declared that the "warmth of his reception more than outweighed the efforts of a few dissidents."

Maybe so, but I felt badly about what had happened. I even asked the president's chief of staff, "Do you want my resignation now or later?" Secretary Skinner shrugged it off.

Later I wrote a reflective note to myself reviewing both police performance--not bad, given demonstrator rights to peaceful assembly--and the decision for a Plaza Porras speech. When I had told Brent Scowcroft I thought demonstrations would be manageable, I knew nothing of an outdoor speech. My error was that I had not argued longer and harder against the Plaza Porras speech.

The next day the press said SOUTHCOM had warned the president of trouble. If so, I was unaware of it.

At lunch that day with Shirley Christian, an old friend from our days in El Salvador, she pressed me to comment. Resisting the temptation to damn the White House advance team, I declined to do so.

The day before the president's arrival, Sergeant Zak A. Hernandez was shot and killed and another American soldier wounded while driving toward Panama City in a Humvee. Clear evidence pointed to Pedro Miguel González Pinzón as the assassin.

Inevitably, after three years in Panama, David was slated for transfer. He declined an ambassadorship at a small post, then agreed to serve as DCM Mexico City. David liked challenges!

O.P. Garza was the new DCM. He was a good man, did well, but I found him to be highly reserved, mighty hard to draw out.

In 1993, Secretary of State Christopher, stung by criticism that the department had not done enough to investigate the 1984 El Mozote massacre in El Salvador, formed a panel to look into the performance of the Foreign Service and the State Department.

I was summoned from Panama to testify. While some colleagues were criticized in the panel's report, I came off in good shape. The record showed I had objected to departmental testimony quoting me as denying there had been a massacre.

From my arrival in Panama, I repeatedly stressed the importance of preparing for the day when Panama would assume responsibility for operation of the Canal. There were already studies, but I wanted more. Eventually we had a plethora of studies.

In 1990, Economic Counselor John Dawson examined how the Canal would do were it run as a private business. His study concluded it would do exceedingly well.

President Endara asked J. J. Vallarino's committee, already engaged in planning how best to use areas to be reverted, also to draft legislation for eventual governance of the Canal. After Cabinet consideration of J. J.'s draft, it was sent it to the National Assembly.

AID contracted with Louis Berger for a "Strategic Study." Private business groups and individuals, including Fernando Manfredo, contributed ideas. Our Congress mandated two studies: for one the PCC contracted Arthur Anderson, the second was done by the General Accounting Office.

While future governments would need to make critical decisions about the Canal, the United States and the Endara administration had well defined the options.

New elections were scheduled to be held in 1994. I did not expect to be in Panama then, but even so, I thought I should get to know Rueben Blades, the only candidate I did not already know. He had decided to exploit his great popularity as a salsa singer, songwriter, and actor to run for president of Panama.

Politicians tend to fit a mold, but Blades was different. He declined my invitation to lunch. He surprised again when he agreed to lunch at PAO Peter DeSazo's, even though he was told I would also attend. It seemed it was the symbol of the American ambassador's residence he objected to.

At lunch, he stressed that Panama needed a northsouth railway. If elected, he said, he would have it built. Blades was an interesting candidate. However, with no real need for his railroad nor public interest in it, we discounted his electoral chances. He was a performing artist not a politician.

Ernesto Pérez Balladares, on the other hand, was a political pro, fully able to take advantage of the opposition's loss of unity in opposition to the PRD. In January 1994, after watching him work attendees at a reception given by Gabriel Lewis for President and Mrs. Carter, I concluded Balladares would probably win. While I hated the thought of a corrupt veteran of Noriega's PRD as the next president of Panama, I resisted even the idea of intervening. It was now time for Panamanians to decide whom they wanted to guide their future.

In July 1993 William Walker was nominated to replace me. He was, however, blackballed by liberals on the Foreign Relations Committee.

As my time in Panama was drawing to an end, Patty Brania, my secretary and right-hand companion in El Salvador, Pakistan, Costa Rica, and Panama, with my approval transferred to Havana. Joe Sullivan, who keeps track of outstanding talent, wanted her in Cuba, where he was heading the American Interests Section. I hated to see her leave, wondered how I could do without her, but recognized that she should take advantage of Joe's offer.

When President Bill Clinton nominated Robert Pastor, I feared correctly that Senator Helms would block Bob. I had planned to serve until a new ambassador was about to arrive. But now, faced with indefinite delays, I decided I had had enough. It helped that O. P. Garza was well qualified to serve as chargé.

At my final breakfast with the president on February 10, 1994, I thanked him for making so memorable and agreeable my four-plus years in Panama. We then discussed a pending call on him by the new CINC of the U.S. Southern Command, General Barry McCaffrey, and what I viewed as Panama's questionable efforts to improve its relations with Cuba and Haiti.

Then, by prior agreement, I summed up where I thought Panama and U.S. relations with Panama stood.

As solid pluses, there were a democratic government under the rule of law, a strong economic recovery, agreements on how to settle Panama's debts, excellent bilateral relations, and fruitful intelligence cooperation. The large judicial backlog and overcrowded

prisons detracted from an otherwise good record on human rights. There had been progress on the drug war, but much more needed to be done to make Panama a less attractive transit center. Lots of progress had been made with the PNP, but the administration of the security forces was still weak.

Unfinished business: the Dragseth, Braithwrite, and Zak Hernandez murders, U.S. ratification of the MLAT, a Corozal Cemetery Agreement, GATT membership for Panama, significant privatizations, cuts in the government's swollen payroll, and trade liberalization.

I was impressed by progress made in handling reverted areas and by the outlook for the constitutional amendments needed to assure that at midnight of December 30, 1999, Panama would be ready to assume responsibility for its Canal. All in all, I was optimistic about Panama's future.

It remained for me to give a farewell reception for over 300 guests, to be decorated by Foreign Minister Jose Mulino with the Orden Vasco Nunez de Balboa en el Grado de Gran Cruz, and to take a farewell salute from Embassy Marines.

In Washington at a reception, with my family watching and friends in attendance, I made a few remarks about the Foreign Service's need for diversity, shook lots of hands, and so ended my Foreign Service career of over forty-eight years.