Charles W. Cole Oral History Interview—4/26/1969
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Cole, Ambassador to Chile (1961-1964), discusses Teodoro Moscoso and Richard N. Goodwin's 1962 mission to Chile, the 1964 Chilean Presidential election, socialist and communist influences in Chile, the Agency for International Development (AID), and U.S. foreign policy towards Latin America, among other issues.

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Charles W. Cole

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Oral History Interview

with

Charles W. Cole

April 26, 1969
Amherst, Massachusetts

By Dennis J. O'Brien

For the John F. Kennedy Library

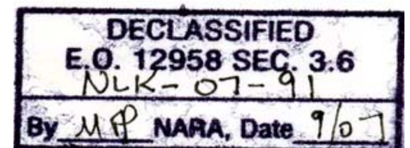
O'BRIEN: Well, I guess the logical place to begin is when was the first time that you met John Fitzgerald Kennedy [John F. Kennedy]?

COLE: After I was Ambassador to Chile.

O'BRIEN: Did you have any contact with any of the people around Kennedy, his senatorial staff at any time, or....

COLE: No, not until I was actually being considered for the Ambassadorship. I never knew how that came up. I really don't know. There are two possibilities: one minor, one major. I had been working with Dean Rusk at the Rockefeller Foundation for more than a year as Vice President when he was President, and it could have been that it occurred to him. But I suspect more probably it was Chet Bowles [Chester B. Bowles], who was recruiting for the State Department at that time and with whom he had worked for a number of years on the Fund for the Republic.

So I'd gotten to know him quite well, and I suspect that he thought of it. And he was actually the one who phoned me and asked me to come down to Washington. In Washington I was interviewed by Ralph Dungan [Ralph A. Dungan], who turned out, oddly enough, to be my successor in Chile.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O'BRIEN: Did you have any contact with academic groups that were active in the period before the campaign in any way?

COLE: Practically not at all, the reason being that up until July 1st, 1960, I was President of Amherst, and the great majority of the Amherst alumni were Republicans. And I had made a political self-denying ordinance and kept out of politics as much as I could during the whole period up to then, which is why I was not involved in the campaign. I was vigorously for Mr. Kennedy, but I didn't take an active part in the campaign.

O'BRIEN: When did you first sense that you were under consideration as an Ambassador to Chile?

COLE: I can't give you the date, but it was sometime, I should say, early in August of 1961 when Chet Bowles called me up and asked me to come down and talk to him.

O'BRIEN: Did you run into any opposition at all, Congress or...

COLE: No. I was all prepared to appear before the Foreign Relations Committee, and I had briefed myself so I would not make the mistake that the appointee to Ceylon [Francis E. Willis] made of not knowing the Prime Minister [Sirimavo Ratwatte Dias Bandaranaike], if you remember. And I had memorized all the Cabinet and leading people in Chile before the time came to see the Senate, and then the Foreign Relations Committee got jammed, and we had a brief meeting with Fulbright [J. William Fulbright] and two or three of the others, but no formal committee hearing. And so far as I know, there was no opposition.

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O'BRIEN: Did you hear any stories or anything about the so-called "talent lists" of people for appointments for foreign service positions?

COLE: No, I didn't hear it. I don't think so. I may have at the time, but I don't recall any.

O'BRIEN: Did you sense any opposition in the State Department to your appointment, saying that you were an outsider?

COLE: At the time of the appointment, no. I think that any so-called "political appointee" always run into a few instances where he realized that the career people think any political appointees are too many. But these were few and far

between, and I didn't sense any. I was peculiarly fortunate in that my D.C.M. [Deputy Chief of Mission] was a man named John Jova [Joseph John Jova], who's now Ambassador to Honduras. And he was a career man, very able, bilingual in Spanish, and he steered me through the various possible frictions and difficulties that might have arisen and made my Ambassadorship very easy in relations with the State Department and the State Department people.

O'BRIEN: Did you suggest anyone else for an appointment within the Administration?

COLE: The only suggestion I made, and it was one that came through—and I never knew how important my suggestion was—but I suggested Burton Fahs [Charles Burton Fahs] for a post in Japan to Dean Rusk, who knew him better than I did. But Dean was very reluctant about taking people from the Rockefeller Foundation, and I think that may have brought it to his mind that this was an unusual possibility. And, as you know, Fahs, working with Reischauer [Edwin O. Reischauer], did a tremendous job there.

O'BRIEN: Do you remember anything of that meeting that you had with President Kennedy before departing for Chile?

COLE: I didn't have one before departing.

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O'BRIEN: Oh, you didn't?

COLE: The reason was that President Kennedy's schedule was rather tight, and my schedule suddenly became tight because they wanted me to make a meeting of all the Ambassadors in Peru, and therefore time just evaporated. And I didn't see Kennedy until I came back the first time to report—the first time I met him.

O'BRIEN: I think they have you in the White House appointment book in that period prior to it.

COLE: No. Let me say, I was slightly embarrassed to appear in Chile as President Kennedy's representative without ever having met him. But I think I was able to cover that up, and after I had met him, that ceased to be a problem.

O'BRIEN: Do you remember anything about that meeting with the Ambassadors in Peru?

COLE: Yes, I do indeed. All sorts of questions were discussed, and there was a lot of talk about the Alliance for Progress idea. Dick Goodwin [Richard N. Goodwin] played a very considerable role in it. And I began to get a sense of

the problems, particularly what became the A.I.D. [Agency for International Development] problems, which occupied a good deal of our time. We also discussed a lot of other things, but it seemed to me that foreign aid was the biggest subject there.

O'BRIEN: Do you remember any particular political problems that might have been discussed at that meeting?

COLE: We talked about the general problem of what you do with a change of government, which turned out actually to be important in Peru very shortly. But there seemed to be no awfully clear guidelines as to what you do about it—you play it by ear. There was a general feeling, which was evidenced in the Peru case, that you shouldn't be more friendly to government that came to power by force than you had to be. And this, of course, we tried in Peru, and it didn't do much good.

O'BRIEN: In regard to that meeting: Now, was that a meeting for just the South American Ambassadors, or did it include….

COLE: My recollection is it was just the South American ambassadors. I don't think we had the Mexican Ambassador [Thomas Clifton Mann] there, for example, but I could be wrong on that. That's now eight years ago.

O'BRIEN: Besides Dick Goodwin, was there anyone else that came down from Washington?

COLE: My recollection is that Moscoso [Teodoro Moscoso] was there, but it may have been a later meeting because he became very important in the ensuing meetings.

O'BRIEN: Well, before getting out of Washington and going to that meeting, did you go to any major meetings—or any major meetings of groups that were dealing with problems?

COLE: I had a lot of individual meetings. I had several sessions with Woodward [Robert Francis Woodward], who had just come from Chile and was Assistant Secretary of State for Latin America. I had a meeting or two with Dean Rusk, and I met some of the administrative-side people, who briefed me on administrative matters. I had a meeting with Allen Dulles [Allen W. Dulles] and the CIA [Central Intelligence Agency]. I had a whole series of spot meetings around the Department in Washington while I was there. And I think I

saw Senator Humphrey [Hubert H. Humphrey] at that time, too, but I'm not sure again. I saw him every time I came back after that, and so I may be confusing those occasions.

O'BRIEN: Well, what were your impressions of these briefings that you received before departing for Peru?

COLE: On the whole, very helpful. Woodward, particularly, because he had just been in Chile and had been there just long enough to get a slight grasp of the situation. And he's an old hand, too, so that he was particularly helpful. And I had meetings with the people on the desk and so on, who brought me up to date on what was going on at the moment.

O'BRIEN: Did you find any difference, though, in the different agencies that you went to for your briefings, in regard to policy towards Latin America, particularly?

COLE: Most of what they were doing was informing me. I think our policy toward Latin America was taking form, and I didn't get much indoctrination on policy, but I got a lot of factual information—I mean things like the role of the copper companies in Chile and things like that.

O'BRIEN: Did you talk to anyone from the White House during these briefings?

COLE: Ralph Dungan. I guess I talked to Mac Bundy [McGeorge Bundy] too, who was an old friend. And there may have been some others, too. Mac was talking policy in general. But again, there were so many later meetings that I'm not sure which I did when. I'd need my appointment book, which I don't have.

O'BRIEN: Well, what were your impressions of the new Administration before departing for Peru?

COLE: Well, everybody that I met was very impressive as far as I was concerned. Of course, I knew Dean Rusk very well. I'd seen him almost every working day for a period of over a year. And I knew people like Mac Bundy and Arthur Schlesinger [Arthur M. Schlesinger, Jr.] from academic contacts way back. And I was very impressed at the type of people—I had never met Dungan, but I was very impressed by his incisiveness and his ability. My impressions were wholly favorable. And, of course, I was an admirer of Chet Bowles. These people all impressed me very much.

O'BRIEN: Of course, this was in the period after the Laotian crises had sort of died down for a bit, after the Bay of Pigs. Did you find any real morale problem in the Department or any unsureness of people involved in foreign policy as a result of this?

COLE: Well, the discussions of Cuba seemed to not get very far. And everybody knew that Cuba was going to be an issue in Chile because, as you know, Chile has the biggest Communist Party in the hemisphere. And there was a lot of uncertainty about what was going to develop in the future with Cuba, but I don't recall any sharp divisions of opinion on this. The real crisis was over, and people were going to see how things developed and hope for the best.

O'BRIEN: Was Secretary Rusk as effective an administrator as he is reputed to be as Secretary of State?

COLE: Do you mean was he in the Foundation?

O'BRIEN: Well, how shall we put that? Was it the same Dean Rusk in the Foundation as Secretary of State?

COLE: I would think not, but I think this is highly understandable. With reservations, a foundation, even as big as the Rockefeller, is fairly easy

to administer, and it was running on lines that had been set up half a century before, and it just needed being kept in line and developing. I was impressed with Dean Rusk as an administrator there and the ease with which he handled the people. But remember, again, it's a very small problem, and in a foundation it's quite hard to be wrong, because you may miss a good bet, but the bet you take is good, too. You know, you very rarely make a mistake.

I think the thing that surprised me was Dean Rusk was very imaginative as Foundation President and I didn't see this so clearly as Secretary of State. But I explained it to myself on two or three different grounds. One is that Dean Rusk really believed that the President made foreign policy. I had discussed this with him long before he ever thought of becoming Secretary of State, and he really believed that the Secretary of State was the man who helped develop and worked with but took his foreign policy from the President. The second one is that the State Department is sufficiently disorganized always, so that it's hard to start something new and get it pushed through. And a third one is that Dean Rusk was kept so busy putting out fires during all the eight years he was there that I don't think he had time to really develop new and imaginative policies widely variant from the old ones.

O'BRIEN: Did you find the Foreign Service in the state of disrepair that people like, well, Arthur Schlesinger have suggested in some of his commentaries on the Foreign Service in this particular period?

COLE: My direct contact with the Foreign Service was with the embassy in Chile, and there I was peculiarly lucky. This is not just my own opinion. When the inspectors came through from the State Department—they're always old hands, you know—they always told me how lucky I was that I had such a good staff, not

only Jova, but I had some excellent people in the economic and political side, particularly a man named Tom Favell [Thomas Royden Favell] on the economic side. This was partly because Woodward, being an old hand, when he went down to Chile had recruited some people like Jova for his embassy, and he had gotten some really top notch people. So my impression of the Foreign

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Service, as seen through the embassy there, was much better than I had expected. As regards administration in Washington, I was not impressed with the ease, efficiency, or smoothness of the administration, whatever area you're talking about.

O'BRIEN: How did Woodward work out as assistant decretary?

COLE: He seemed good to me. Again, you see, I had the advantage he knew Chile. He wasn't there very long—you know, the turnover in that office was fantastic—but as long as he was there, he knew what we were talking about. He was inclined to take a tougher line on aid problems than I was. He was pretty hard-boiled about them. We used to argue about that by cable and otherwise. But that was the only place where we differed. And, as I say, he understood the problems so that I didn't really have to brief him on them; he'd just discuss them with me.

O'BRIEN: This was that period, too, in which.... Well, by the time you got to Chile, Ambassador Stevenson [Adlai E. Stevenson] and also Edward Kennedy [Edward M. Kennedy] had been there. Did you get any feedback on these visits when you went there?

COLE: Not much. They liked Stevenson, and they were charmed by Kennedy, obviously. I think that (and remember this was eight years back) they didn't think that Kennedy was a great heavyweight—Edward Kennedy—but they thought he was a charming person. J.F. Kennedy was so popular in Chile that anybody connected with him came with an aura already. And this was even true after the Bay of Pigs.

O'BRIEN: What were your impressions of Eisenhower Administration [Dwight D. Eisenhower] foreign policy towards South America and towards Chile?

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COLE: Well, I thought they were summarized by Nixon's [Richard M. Nixon] experience down there. And I got a firsthand playback of Nixon in Venezuela from Ambassador Sparks [Edward J. Sparks]; who later came to live in Chile. I think that the Eisenhower policies were: (One), too much ignoring of Latin America; and (Two), a complete failure to understand Latin America. A beautiful example was when Dulles [John Foster Dulles] went to that conference at Caracas, wasn't it—yes, Caracas—and he made a big pitch to the Latin Americans on the Monroe Doctrine. Nobody had apparently

told him that the Monroe Doctrine was very unpopular in Latin America because it was unilateral and they were trying to be multilateral. And they had a hell of a time getting any agreement out of them at all and had to bribe with aid and all sorts of things to get a vote. But this was typical of the failure to understand the Latin American situation, Latin American politics, Latin American views, that seemed to be characteristic of the Eisenhower Administration.

O'BRIEN: What were some of the major problems you had to deal with when you took over as Ambassador?

COLE: The most continuing one was the various parts A.I.D., which grew while I was there. And Chile was in an almost continuous balance of payments crisis, and the real issue was whether you bail them out with A.I.D. payments. Actually, we weren't supposed to make balance of payments support for a Latin American country, but the fact remained that almost any kind of aid helped them on their balance of payments.

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And there was a big crisis when the Moscoso-Goodwin mission came down—the Chilean government was in real trouble. And they had been in touch with Goodwin at Punta del Este and felt that he was very close to Kennedy, and they had asked him to come to Chile, and he had agreed. Then the time came, and they were hoping to get a big A.I.D. packet that would tide them over the momentary circumstances that they were in. And then there was some kind of internal upheaval in Washington on this point, and it was announced that Goodwin wasn't coming and that Moscoso would come instead. I guess that Goodwin had been running away with the ball and Moscoso had said this couldn't happen any more. This produced one of my tensest moments.

This is really a footnote to history. Prince Philip of England was there for a big lunch, and I was sitting at the head table a couple of places away from him, maybe three, and a waiter came and tapped me on the shoulder and said that Tom Favell wanted me on the phone from the embassy, which was across the street from the Carrera Hotel. I knew that Favell knew where I was, and I knew that he would not call me away from Prince Philip's lunch if it wasn't a crisis. So I excused myself. I was sitting next to the wife of the Foreign Minister [Ana Emilia del Carmen]—pardon me, wife of the Finance Minister [Isabel Jordán]—and went and answered the phone and discovered that Goodwin was not coming and that the word had gotten to the Chileans and that the Foreign Minister [Carlos Martinez Sotomayor], the Finance Minister [Luis MacKenna Shiell], and so on, were going to resign because they had led President Alessandri [Jorge Alessandri Rodriquez] to believe that Goodwin was coming and was bringing a packet and so on.

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As soon as the lunch was over, I told the wife of the Finance Minister to get him to call me up. He did and he told me how serious he thought the situation was. So I started getting on the wire to Washington and didn't succeed in getting through for along, long

while, and finally got Goodwin himself. And Goodwin got word to President Kennedy—I had told him how serious it was—that this was going to produce a Cabinet upheaval and it was going to shake the regime. In Washington it seemed trivial whether Goodwin or Moscoso came, but they didn't really know who Moscoso was and they were convinced that Goodwin had Kennedy's ear, so they were making a big thing out of it. Also, Moscoso's a Puerto Rican, and, as you know, the Latin Americans are not too keen on Puerto Ricans. Finally it got to President Kennedy, and he patched up an agreement with Goodwin and Moscoso that they'd come together.

Meanwhile, the Chilean Cabinet had been in an emergency session out at a fundo (estate) outside Santiago, and they were all going to resign. I got word to them about midnight that Goodwin was coming, and the whole crisis passed away. But for a few hours it was very, very tense.

O'BRIEN: Did you see any evidence of the friction between Moscoso and Goodwin when they came, at all?

COLE: No, no. They worked together very well, and we had a series of meetings, and we worked out an A.I.D. package. The only problem was that Goodwin has a very strong sense of public relations, and he insisted on sitting down and typing out the press release on it. He made it a little more optimistic, a few more promises in it, than I thought was appropriate. And I got that press release rubbed in my nose about every three months from then on as long as I was there.

O'BRIEN: Didn't he quote some rather large sum?

COLE: Yes. It involved putting a lot of things together, which all were true, but.... You know, a lot of them were old programs that sounded like new programs, you know, like PL-480 and things like that.

O'BRIEN: Chile had had a whole series of natural disasters about this point, hadn't they?

COLE: Yes. Let me say on that that I spoke unfavorably of the Eisenhower Administration's policy, but they did a beautiful job on the earthquake in 1960. The Chileans still to this day remember how medical supplies were flown in and food and whole hospitals. This was really a great achievement and very impressive.

O'BRIEN: In some of the economic rebuilding that took place, was the Alessandri government satisfied with some of the loans that had been extended in the form of—well, not only the Ex-Im [Export-Import] loans, but....

COLE: Well, they got an earthquake loan, too, remember, that was of fairly substantial proportions. I forget what—I think it was sixty million dollars.

They would have liked more at any point, but they, I think, on the whole were favorably impressed with what they got. They were appreciative, on the whole, and the Chilean people were, too. I had to go around and do a lot of dedicating of school buildings and dwellings of one sort or another, hospitals, things like that, and particularly the rural housing that we got into down in the south of Chile; the enthusiasm was tremendous, and the appreciation of what the United States was doing was very real. While there were flaws in the program, I am convinced that what we did with and under the Alessandri government in the area of things like schools, housing, hospitals, airports, general economic under girding was, on the whole, very successful. And the PL-480 programs were very important.

We supported various kinds of reform groups that were working on rural education, slum improvement, all that kind of thing that in the long run, I think, were very helpful. The Christian Democrats had to make light of them because they were running a political campaign, but even they knew that a lot had been accomplished.

O'BRIEN: Just prior to your coming, the Chilean government had put together an economic development plan for ten billion dollars or something to that effect in the way of expenditures. How did that plan come into being? Was there much U.S. assistance?

COLE: There was some in there, but I think some of it was window dressing to appeal to us. They had some good planning agencies. In areas they did some good planning, but the problem always was financing it.

If you follow the situation, Chile's been in a constant state of inflation for most of the twentieth century. When I went there the escuda was worth almost a dollar; now it's ten cents, 10.6. This is the kind of thing they're in all the time, and it makes the budget problems and makes it very hard for Chile to meet its investment goals. For example, an ordinary bank loan for a year would be at 30 percent, of which maybe 8 percent would be interest and the rest would be a hedge against inflation. Also, it made for continual trouble on wage scales, so that there were always strikes and other difficulties there. The Frei government [Eduardo Frei Montalva] knows this just as well as anybody, but they can't seem to get on top of it.

O'BRIEN: In putting that plan together, did the Chileans have in mind the Alliance for Progress?

COLE: Well, the Alliance for Progress, actually, I think, came after the plan. But I'm sure they had hopes for substantial support from the United States when they put it together, and they modified the plan later in terms of what was going on. They were trying to do things in line with the Alliance for Progress before the Alliance for Progress—things like housing, education, and things like what they called the longitudinal highway, which was terribly important to complete, which runs from Puerto Montt to Arica.

O'BRIEN: Did you make any representations about, perhaps, parts of that development plan that pertained to reform? In other words, was the United States pushing them for certain reform measures?

COLE: Oh, yes. We pushed hard on land reform. The Alessandri government did, eventually, over considerable opposition, pass a land reform bill which was pretty good and was the basis for Frei's land reform bill.

The other area we pushed hard on was tax reform. We had people down there from our Bureau of Internal Revenue, particularly a very good, tough guy from New York. And they set up actual schools for tax collectors, with the case study principle and with printed materials to work with and hypothetical cases that they had worked out. And they put a very large proportion of the tax people through this, and they also got them better paid so that they weren't moonlighting. This has already showed up. The Frei government is the one that benefited from this, because these changes only came to culmination just about as Frei came in. But their tax collection picture has been very much better because of them, and it's one of the things we pushed for.

I used to tell them that they wouldn't ever collect their income taxes till they put some people in jail. And they said, "That's medieval. You don't put people in jail for debt." And I said, "You can't put them in jail for debt, but you do put them in jail for perjury, which is what most of ours go to jail for." And they said, "How many you got in jail?" And I had to get the figures, but we had some hundreds in jail for tax evasion. I got the figures and passed them out. Before I left, nobody was in jail, but they had three or four up on criminal charges, and some of them did go to jail.

One of the happiest moments—the Chinese Nationalist Ambassador was there. He was a very interesting, able man, and he was sort of unhappy because, you know, the Chinese Nationalists don't have much weight in the world. But the Chilean tax people called him in one day. They had taken the finance books of a Chinese restaurant, oddly enough called the Blue Danube, which was the headquarters of the Red Chinese in Chile. This was where the Red Chinese students came and all the Red Chinese propaganda came out of and so on. And nothing nicer ever happened to the Chinese ambassador than when they gave him the books to go over, because they couldn't read them, you see. And he went over the books and—this again went over past my time there—but I believe they got a couple of them for tax fraud. But it was a happy day for him.

O'BRIEN: Who brought the—for example, this guy from New York who was doing the tax things, who brought him in? Was it the A.I.D. program or the A.I.D. people....

COLE: It started out, I believe, at the very beginning of it, under an old Point Four program which the Chilean government had picked up, though I'm not

absolutely sure of that. But by the time I got there, it was working under A.I.D. And this was really a major improvement in the whole Chilean situation and a new vision of what tax collection could be like.

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O'BRIEN: Were there any other reform matters that you pushed the Chilean government on?

COLE: Well, I always was trying to not so much push as be helpful on the education front, because that was an area that I knew. This is one interesting sidelight. I came to the conclusion that what was desperately needed was a National Scholarship program, particularly not just for universities, but for high schools, because many small towns in Chile don't have a high school, and if you want to go to high school you have to go to the next town thirty miles away, and while the school is free, you have to have room and board. But a modest scholarship would enable a good kid from a town without a high school to go to one with a high school.

So I worked out a program on that, and I discussed it with the Minister of Education and discussed it with the Christian Democrats, particularly with Tomić [Radomiro Tomić Romero], who later became Ambassador here. And we got a good program worked out, and I then discussed it with President Kennedy. And he was extremely enthusiastic about it. He thought we could get five million dollars to start it off with and then a series of tapering off payments. The Chileans promised if we'd support it for five years that they'd take it over. And I knew this would happen because once you started it, it would be so popular in the country that you couldn't abandon it.

So this was going fine, and President Kennedy wanted to use the same sort of a program for two or three other countries. Then he was assassinated. The next time I got up to Washington, they'd cut the appropriation down in A.I.D. from five million to two hundred and some thousand, which wasn't even enough to start it with. So I just gave up. And it was too late to get it in the budget; it never went through. The Christian Democrats did, to a degree, implement something of the sort after I left there, but this would have been a major forward step, and it was one, as I say, the President was very enthusiastic about.

[-17-]

O'BRIEN: Did you have anything to do with some of the changes in higher education? As I recall, wasn't it the University of Santiago—or Chile—that put in the graduate program?

COLE: They began doing this. This, development, oddly enough, I'd been connected with when I was with the Rockefeller Foundation. They were supporting programs in history and other fields, which were developing slowly. I used to have very frequent conferences with the university people, and I was helpful, I think, on a couple of occasions. I had one meeting with all the deans of the University of Chile at Santiago. The problem is this: Each faculty had its own courses so that if you wanted

chemistry, you could take this in the medical school or you could take it in the engineering school or you could take it in the school of pharmacy, but there was no chemistry course serving all the faculties. This was obviously wasteful. And I did, I think, help change that situation. And I could use some of my Foundation experience in talking about it.

O'BRIEN: When you were in the Rockefeller Foundation did you deal much with Chile in any other regard?

COLE: In two or three Chilean programs I was involved. I was dealing, actually, more with Colombia at the moment, but also with Mexico and Guatemala, so that I got a little Latin American experience. I'd actually been down to Colombia and had gone to the university that the Rockefeller Foundation was most interested in, which was Universidad del Valle in Cali. But I'd also visited the University of the Andes and so on.

[-18-]

O'BRIEN: When Ambassador Moscoso came, and also Dick Goodwin, how did the Chileans respond to this?

COLE: With great enthusiasm. They were in trouble, and this was bailing them out. Goodwin's optimism and ebullience, I think, impressed them very favorably. We were a little bit worried because, as I say, Goodwin was a little too ebullient. But this went over very well, and for awhile things held together. And then the same old problems of inflation and balance of payments and lack of investments. All these ones were perennial problems—and they cropped up again in new forms.

O'BRIEN: What were your impressions of Moscoso as an administrator of the aid program?

COLE: Well, I got on very well with him. I thought he was good. My feeling at the time—I'm trying to recapture it—was that he was better as an idea man and getting programs shaped up than he was in actually administering them.

We had lots of trouble with A.I.D. in Chile—I did—and I think a lot of the problems were administrative. I just felt they didn't have to be. You know, the State Department is the stepchild always. For example, A.I.D. had enough money so they could call up Washington every day, and I couldn't afford to. So they would always have the hot dope as to what was going on, and I was at a real disadvantage on that.

O'BRIEN: How about Goodwin? What were your impressions of Goodwin?

[-19-]

COLE: I thought he was an impressive person. He's very gifted as a talker, and as a writer, for that matter. He's got wonderful vocabulary and an incisive way of

talking and an inspirational way of talking, and I think he's terribly intelligent. I think his experience had been in the campaign where you're selling something, to put it crudely. I think he was maybe still in that mood to a degree and had to get out of it. You know, solving problems is different from creating images. I think he had to learn that. But I think he's a very able guy.

O'BRIEN: Does he tend to be a little bit of a butterfly?

COLE: Well, he's into a lot of things at once. He keeps a lot of balls in the air. But the guy is good. I mean, I enjoyed working with him.

O'BRIEN: You were talking about some of the problems with the A.I.D. program. Beyond the fact that they were getting the word from Washington, what other problems did you have with A.I.D.?

COLE: Well, they were personnel problems, I mean, just people. Some of them weren't very good. Others of them wanted to run it their way. It just created problems of administration. In other words, it was hard for the embassy to ride herd on A.I.D., yet under President Kennedy's directive, we were supposed to. They felt I shouldn't be, that they knew better, and so on and so on.

O'BRIEN: And went directly to Washington oftentimes.

COLE: And went directly to Washington frequently. Nothing got out of hand, but it was a continual problem.

[-20-]

O'BRIEN: Did you ever get any of these Operation Tycoon people that were recruited for A.I.D.?

COLE: No. The big thing we got eventually was the California program in my last year there. With Governor Brown [Edmund G. Brown], you know, Chile became a sister state or something with California, and they began sending down a lot of different types of people to work with the Chileans, and some of them were very helpful and very good. Some phases of the program looked good to me when I left, but I have not known what came of it since.

O'BRIEN: Would you explain a little bit of that California program and how that was initiated?

COLE: Well, this was initiated somewhere between Governor Brown and President Kennedy, I think, and I think it was President Kennedy's.... You know, it has antecedents in the Sister Cities program and the People to People program and all that kind of thing. And somebody got the idea, and I don't know who, of having a state

adopt a country in Latin America, or an underdeveloped country, and work with it. And California and Chile seemed like naturals because (A) the climate is very similar; when you're in Santa Barbara you might be in Chile, and vice versa. Also, the ties are very old because all the Gold Rush ships that came around the Horn used to stop in Valparaiso before going on to California, and lots of Chileans went up to California, and there are still Chilean families living there who correspond with their cousins back in Chile. So there's a real historic tie.

[-21-]

As I say, many of their problems are the same. I'll give one illustration, which I think will serve to cover a lot of others, because they were working on schools and health and all sorts of things. But on irrigation, they sent down a team from California of irrigation experts. They came in to see me after they'd been there two or three weeks looking at things, and I said, "I don't suppose you have much to teach the Chileans on irrigation since they've been doing it for four hundred years." They said, "On the contrary, because they've been doing it for four hundred years, we have a lot to teach them." And I said, "Could you illustrate this?" And they said, "Sure, we'll give you a few illustrations."

"One: They plant poplar trees along the irrigation ditches to shade the water, and the poplar trees use up more water than they save from evaporation, by a wide margin. Two: Chileans only irrigate from dawn to dark, and you waste a lot of water that way. You've got to irrigate at night if you're going to use all the water that is available. Three: The Chilean laws are still roughly sixteenth century and don't provide adequate protection for the man that needs the water. It took us a long time in California. We finally had the principle adopted that the man who could use water best gets it, and they've got to do this in Chile, irrespective of all riparian rights and traditions and so on. There is a big job to be done here. We can give you some more illustrations." And I said, "No, those will serve." But I think that kind of thing was very helpful in Chile. Now, I don't know what became of the effort.

O'BRIEN: Passing over to some problems of Chilean politics, did you find a good deal of concern about the leftward direction of Chilean politics at the time you became Ambassador?

[-22-]

COLE: Yes. I suppose this was the dominant theme in Chile during the three years I was there. You see, the election was scheduled for September of '64 and when I got there the first week in October in '61, it was already the major theme of conversation of cocktail parties or meetings or lunches or wherever you were. The Chileans are the most political people I ever ran into, far more political than any other Latin Americans I ever saw and much more political than the Americans. They just love politics, think politics, and, of course, they've had a good record of democratic government, with a couple of minor exceptions, for much over a century.

The big fear on the part of conservatives, liberals, church people, landowners, businessmen, all the centers and right of society, was that the Communist-Socialist coalition

would win in ‘64 with Allende [Salvador Allende] as the candidate and that the result would be that Chile became another Cuba. And this was a real concern. Allende had almost been elected in ‘58; a very close election; Alessandri had won by a hair. There was real reason to believe that Allende would win. So this was something that everybody was talking about and thinking about and what all the political parties were working on. The picture gradually became clear.

As late as early ‘64, the embassy kept trying to keep track of what was going on, not only reading the papers but talking to people and traveling around the country and so on. And we were not at all sure of which way things were going to jump. And then the situation suddenly clarified. Early in ‘64 there was a by-election in Curico, the center of Chile, where it was expected that the Conservative-Liberal-Radical candidate, who was a coalition candidate (in other words, an Alessandri supporter), would win; whereas actually, the Socialist won. He had certain advantages: He was a doctor and had vaccinated most of the kids in the area and his father had been a deputy. But he won hands down, and the Radicale candidate, who was backed by the coalition, lost miserably.

[-23-]

At this point, the Radicale candidate for President, Julio Duran, who was to get the backing of the Conservatives, Liberals, and Radicals, which was the Alessandri coalition, withdrew. Then, after some negotiations and so on, he became a candidate again, just for the Radical Party. And that left the Conservatives and Liberals with no place to go but to support Frei, the Christian Democrat. They called themselves Freiistas por fuerza because they had no choice. But this suddenly meant that Duran was clearly not going to win. He actually only got about 5 percent of the votes. Thus it became in fact a two-way contest, (which is very unusual in Chile) between the Christian Democrat and the Socialist-Communist candidate.

At this point, we then got to work to see if we could get hunches as to who was going to win. By May, we told the State Department that Frei would win, and by mid August we told them that he would win by an absolute majority, which was unheard of in Chile. Three weeks before the election we called it at 55 percent, which was what it was, which shows we were pretty good prophets.

But there was a very interesting sidelight on that. One of the real troubles in Latin America is bad reporting from there to the United States. For example, the *Time* stringer in Chile was an Allende supporter. And I called this to the attention of Mr. Heiskell [Andrew Heiskell] as forcibly as I could. But they said he was a fine fellow, and they kept him on. Alessandri was enraged at some of the articles in *Time*. The first ten times I saw him, I think I got bawled out about *Time* magazine more than anything else. He was very unhappy about it, and the articles were completely unfair in a number of cases and never, never gave Alessandri any credit for the progress he was making, which was real.

[-24-]

But—I’ll get back to the point—the night before the election we had a cocktail party at the embassy, the residence, for all the U.S. reporters down there, and there were some twenty, twenty-two, of them, including some old, experienced hands. Only one of them who

was the most junior of all differed. She was a little girl from Chicago, I think it was the *News*. She was new in Latin America and new as a reporter but she had gone around and talked to lots of people and was sure that Frei was going to win. The reporters had all talked to the newspaper people, and the newspaper people were all Allendistas, and they were absolutely convinced that Allende was going to win. A good many of the Americans hoped he was because that would be a bigger news story, you see: "Communists take over in Chile."

I remember the *Time* man said, "You think Frei is going to win?" And I said, "Yes, by an absolute majority." And he said, "You wanna bet on that?" And I said, "Sure. How much?" "Five dollars?" he said. We shook on it. To my immense surprise he came in the next day and paid me. But it illustrates how bad our reporting is when there was only one, young reporter out of a group of twenty-two or twenty-three who called the election right on the day before the election.

O'BRIEN: Well, didn't the same charge come up about unfair reporting about the *New York Times* at an earlier time? I think, perhaps, before you became Ambassador?

COLE: No. The *New York Times* was not as bad, though it was not good. They had a sort of a nice, old-fashioned guy. He wasn't very bad; he wasn't very good.

The bad one was the A.P. [Associated Press] man. He and his wife were both left-wingers, and they got so bad that the A.P. had to move them over to Argentina where I'm sure they did damage. And I will not tell you where they ended up. You'd be surprised. But they were a real nuisance. This A.P. man made himself famous when Edward Kennedy was there having a meeting with Cabinet officers and so on, a lot of people and a lot of interpreters. And he just walked into the room and sat down as if he were an interpreter, and it was, oh, some minutes before he was discovered and thrown out. But he was that kind of a guy.

[-25-]

O'BRIEN: What were your impressions of Allende?

COLE: I never met him. Deliberately. I saw him, I heard him speak on a number of occasions. He's a fairly good speaker. Nothing extra. Tomić is the great orator, and he's a possible Christian Democrat candidate to succeed Frei. But Allende's a good speaker. He's honest, he's experienced, he's convinced. I think that being a doctor—that's a very respected profession, like the by-election case—I think this helps him. He's got a wife [Hortensia Bussi] that is sort of middle class, nice kind of person; in fact, I guess she's upper class, and that makes him seem safer to some people. I think he's something of a fanatic, and I think he'd be a very dangerous president. But I deliberately didn't see him because it would have been said I was buttering up to the left, you see, if I did.

The same way, one person I wanted very much to meet was Pablo Neruda, who was probably the best poet in the Spanish language in the twentieth century but an absolutely violent communist and a real U.S. hater. I decided it was better not to meet him, to be said to be making up to him and opening paths to the left because we saw they were going to win,

and we wanted to get in with them. I thought I had better not. And I felt badly about that because I would have enjoyed meeting Neruda.

O'BRIEN: Did you have much contact with the Chilean intellectuals at all?

[-26-]

COLE: Quite a lot. I gave lectures and conducted seminars at the University of Chile school of economics. I gave a one hour lecture on economic history, opening a series, and I used to have discussions with students and professors. I saw quite a lot of professors, quite a lot of writers, some musicians, a few artists, but mostly academic people because it was easier for me to have contact with them. And I did see a great deal of them, all sorts.

O'BRIEN: Do you find them as left as.... There's kind of a reputation, I guess, of Latin American intellectuals being rather anti-United States and leftist in their political thinking.

COLE: If you were going to generalize, yes. There's a very odd fact that there's a substructure of Marxist thinking even in people who are otherwise quite conservative, that is, they've accepted the class struggle as a fact. They accept the Marxian view of capitalism and the Leninist view of imperialism pretty much without argument. This colors the thinking of a great many people. I detected traces of it in a good Conservatives and quite a lot of Christian Democrats is true. On the other hand, you've got all shades. I met them from, you know, way out in left field to way out in right field. I would say that the bulk of them were left of center, the big bulk of them. But a lot of the professors were Radicals and the Radicals are, you know, like the old Radical Socialists in the Third Republic in France—they're not really very radical, and they're not really very socialist; when need be, they will claim to be both. They made their hay originally out of anti-clericalism which is rather a different kind of issue.

[-27-]

O'BRIEN: I guess the term liberal and the term radical have a great deal of difference in meaning between the United States and Latin America.

COLE: Yes. The Liberals in Chile are pretty conservative. In fact, they've now fused with the Conservatives to make a Nationalist Party.

O'BRIEN: What impact did you fee of the Bay of Pigs on Chilean politics?

COLE: This was a bad impact. It seemed to belie our promises of nonintervention. I think it exacerbated the anti-American feeling that was already there. You haven't been in Chile, have you?

O'BRIEN: No.

COLE: Well, this is understandable. The only big industry in Chile is copper, and the two companies that own it are American—Anaconda [Anaconda Copper] and Kennecott [Kennecott Copper]. The telephone company was American. There were two electric light companies, one state-owned and one American-owned. W.R. Grace [W.R. Grace & Company] was in there big in shipping and in industry. A great many of the smaller industries, whether you're talking radio assembly or automobile assembly or what, were all American-owned. It was easy to feel that the Americans were dominating the economic life of the country, so that this was all understandable.

I have to tell you one story on that that was pretty good. W.R. Grace had a textile factory called Capavlican which was making cotton goods. And they decided that they would either have to modernize it at considerable expense or sell it. And they sold it to an Arab named Yarub. There are some ninety thousand Arabs in Chile. There's no anti-Semitism about Jews, but there's great anti-Semitism about Arabs, despite the fact that these are all Christian Arabs from Jordan, most of them from within fifty miles of Bethlehem.

So Grace sold Capavlican to Yarub and the next day in my office arrived the deputy from the district down by Conceptions and the president of the union and treasurer of the union. They told me I had to stop Grace selling Capavlican to Yarub. I said, "Well, now gentlemen, you've been talking about Yankee imperialism, and here we're trying to get out of this textile business and put it in the hands of a Chilean citizen. Being against Yankee imperialism, you should approve of this." And the little president of the union jumped to his feet and waved his hands and said, "We prefer Yankee imperialism to Arab imperialism!"

I don't have to tell you this either: there's an ambivalence about America. They like us and admire us and ape our ways in some respects and look to us for examples in many ways, and at the same time, they have this feeling that we're dominating them economically and we're too big to deal with except at arms length. Let me say again that President Kennedy did more to alter that than any program. As long as he was there the feeling was quite different.

They just were mad about him and about Jacqueline Kennedy [Jacqueline Bouvier Kennedy] and the children [Caroline Bouvier Kennedy and John F. Kennedy, Jr.]. People used to come to me with presents for the children and things like that. And when he was assassinated, within half, an hour, President Alessandri and five Cabinet ministers were in my office to offer their condolences. And I stood there from, oh, like 2 o'clock in the afternoon till 8 o'clock at night, with a steady file of people coming through—senators, deputies, professors, doctors, labor leaders, people off the street, just hundreds, and hundreds and hundreds of people, and many of them with tears in their eyes and sobs in their throats. And I was feeling not too good myself. But this was an outpouring. Then three or four days later, they had a solemn Te Deum for him in the cathedral with me and Alessandri sitting in front. It would have been about the same if Alessandri had died, very much the same kind of outpouring of feeling. Very impressive.

[-29-]

This, of course, was worldwide, but I think it was more widespread, deep, genuine, and sincere in Chile than in most other countries. They knew more about him. You see, they're more literate; they're better informed, they've got picture magazines. I think they felt very close to him. I have to add one thing.... Well, we'll get on President Kennedy later, won't we, or will we?

O'BRIEN: Oh, I'm sure, but if you want to put it in now, that will be fine.

COLE: This is rather a long one, but it is pertinent. President Alessandri came up on a state visit to Washington, I guess it was December of '62. This is going to get complicated because there are three or four threads I want to weave into this. (One) Alessandri had never been to the U.S., which was important and interesting. I got there a day ahead to see that things were organized. I went to the State Department, and I got a program. There was a welcoming ceremony on the South Lawn of the White House, and I asked to see the speech that President Kennedy was going to give. Somebody in the State Department, I never knew who, had written it. And it was really terrible. Whoever was writing it had gotten fascinated with a character named Joel Poinsett [John Roberts Poinsett], after whom poinsettias are named. Poinsett was sent down there by Madison [James Madison] to see what was cooking in the rebellion against Spain, and Poinsett had gotten so enthusiastic about the Chileans he went out and fought with them against the Spanish and helped take one fort. Of course, the Chileans love him. But here was four or five typewritten pages, two thirds of it on Joel Poinsett, and this was not appropriate and not relevant.

[-30-]

I said I could do a better speech than that, and they called up the White House, and it was too late, the speech had gone to President Kennedy, been approved and all of that, and there was nothing to be done about it. So I went to the ceremony the next day expecting to hear too much about Joel Poinsett. And President Kennedy gave a speech about five or six minutes in which he gave Joel Poinsett an appropriate two sentences and, without a note, hit every major problem that was important for Chile in its relations with the United States and did an absolutely beautiful job on it, and, as I say, without a note. I was awed because I don't know how much time he had to prepare it, and I don't know who could have helped him, and I don't know whether he did it out of his head or not, but he was absolutely perfect. And I know that the speech had gone to him the previous day, so there wasn't much time.

Well, to get back to the point. President Kennedy and President Alessandri had a couple of hours alone with an interpreter, and then there was a general meeting with people around and so on. One of the early stages, President Kennedy asked me what Alessandri's problems were as a president. And I said he had some great advantages: He was tremendously respected; nobody doubted his integrity, his patriotism, or his honesty, which is important. He's a bachelor, and he doesn't drink, doesn't smoke, doesn't even take coffee, very austere; lives not in the presidential palace, but in a small apartment; walks to work with his dog every day—things like that. When he gave reception, you had tea and dry toast. That

was about it. He was an austere person. I said he had a lot of advantages, but he was not good on public relations; that he only gave press conferences about twice a year, and you had to write the questions out ahead of time, and then he prepared the answers and just swamped the conference with figures. People couldn't follow it, and it didn't make much impression. It didn't get really across to the public.

A few minutes later President Kennedy had to go to a press conference, and he asked Alessandri to go with him. I watched it on T.V. and it was one of President Kennedy's best ones; he handled it beautifully. He introduced Alessandri to them. But he got a lot of questions from them, and he made a couple of very good quips, and handled it just absolutely perfectly. And Alessandri came back in and was really awed by it and said through an interpreter to Kennedy that he was much impressed by it and how did he handle a conference that way. And President Kennedy said, "Well, it's hard. You have to have practice on it. It's a hard thing to do, but I'll give you a few pointers. Don't ask for written questions. Let it be informal. Make your replies short. Don't give any figures unless you have to. Try to get a touch of humor in it—just right down the line like that. And President Alessandri went back to Chile, and he tried to do it, but he just didn't have it in him.

But here was the point I was leading up to. A couple of weeks.... Well, I have to back up again. They had a total of five, six, seven hours together, and there was a lunch at the White House. I guess Mrs. Kennedy was pregnant at that time—anyhow, she couldn't come to lunch. But Alessandri was very eager to meet her, and they had a little informal reception upstairs where she absolutely charmed him. He talks no English, or very little, but his French is pretty good, and they talked in French. And he was just eating out of her hand. I never saw anything like it—you know, this dour, old bachelor. He was really impressed.

Well, anyhow, a couple of weeks after the assassination I had to see Alessandri on business, and he said to me with tears in his eyes, "You know, I feel lost." And I said, "Why is that, President Alessandri?" And he said, "Well, after my visit to Washington, I suddenly realized that President Kennedy was a friend. And I just felt that if I got in a real problem that I couldn't handle, and it was really tough, I could call President Kennedy up on the phone and he would help." He said, "I know President Johnson [Lyndon B. Johnson] wants to be helpful to Latin America, but it just isn't the same," with tears on his face. And, as I say,

they'd been together alone not as much as two hours and in meetings not more than five or six more. And this dour, old bachelor—this was really something. You had to know him to realize how impressive this was.

O'BRIEN: Apparently this is not a rare exception.

COLE: Oh, no. Well, there was another factor to it, though. Yielding to none in my admiration for President Kennedy, I cannot believe that he was well informed

about every country as he was about Chile, because he had figured out, and I think correctly, that the hope for Latin America was a radical or left party, but a democratic one. He felt that the probability was that the Christian Democrats were the best hope in Chile, and that if they should win there, this would be a good augury for the rest of the continent. So I think he spent more time on Chile than he did on most other countries.

I used to come in to see him to report, and I'd usually have forty-five minutes or an hour. I was just dazzled every time because he knew all the important people, all the important issues, the crucial recent happenings, how things were developing. I was just filling in an already complete framework of knowledge and intimacy with the country. I had to be on my toes. I felt coming out of there as if I'd been through a Ph.D. examination. He was one of the very few people—I can only think of one other who's done it to me, and that's Bob Hutchins [Robert M. Hutchins]. When you've got a lot of ground to cover, President Kennedy would ask me a question, and I'd start to answer, and he'd see what the answer was and just skip right on to the next question. I didn't have to finish my sentences. He was familiar enough with the material and could see where I was going and didn't have to bother. We'd cover about two hours worth of material in an hour. But, as I say, I cannot believe he was as acquainted with all countries. He just couldn't hold all that in his mind, because he really knew Chile.

O'BRIEN: In regard to people in the White House, was there anyone else that you ran into that was in the White House that was pretty knowledgeable about Chile and Latin America that you talked to in your visits?

COLE: Well, I talked to Dungan occasionally and he was learning about Latin America; I mean, he wasn't an expert on it. And I talked to Mac Bundy again on some of the problems, but he was not particularly interested in Latin America, as such. He was interested in problems like whether we should sell them supersonic planes or not—things like that. I was trying to limit the amount of expensive military material we sent them and working very hard on this and not getting much cooperation out of the Pentagon. But I don't recall anybody who struck me as.... Again, Goodwin had learned quite a lot about it. Moscoso knew a lot about it. Moscoso was not in the White House.

O'BRIEN: You don't know then of anyone in the White House that might have been briefing him on Chile and Latin America?

COLE: I assume there was somebody, but I don't know who it was. I never saw him. It may have been somebody from the State Department, for all I know.

I'll tell you, another person that was very impressive on this was Humphrey. Humphrey was down in Chile for about a week and made a very good impression, did a beautiful job there. He talked to the cooperative people—you know, all the ones interested in cooperatives and did a beautiful job on that. And every time I used to come back to Washington, I'd get a note saying that Senator Humphrey wonders if you could spare him an hour on the Hill. And, I'd go up and talk with him for an hour or two. He had some sort of a

young fellow that he sent around Latin America every six or eight months who would come back and tell him what was cooking. He was better informed; he knew more about Latin America than any of the other senators that came down there.

O'BRIEN: You don't happen to remember who that was, do you?

COLE: He had an Irish name like yours. Maybe Reilly.

O'BRIEN: I don't know the Humphrey staff.

COLE: Humphrey was terribly good on Latin America. He hit he right note. This maybe ought to go on the record because I think it was important. When he was down there, Senator Tomić, who was the leader of the left wing of the Christian Democratic Party, asked me to arrange a meeting. And I did, and Tomić went to see Humphrey. And when he left, Humphrey called me up and asked me if I'd come see him, and I did.

He told me that Tomić has discussed this and that for awhile, but then asked the sixty-four dollar question, because Tomić was toying with the idea, at least, of a coalition between the Christian Democrats, the Socialists, and the Communists, which, had it been made, would have undoubtedly won the election. And the sixty-four dollar question was: "What would the attitude of your government be, Senator Humphrey, to a government in Chile which had Communist ministers? And Humphrey said to him, "Well, I can't speak for the United States Government. I'm just a Senator. But I can say that I'm thought to be one of the furthest left in the Senate, and if you had Communist ministers in your government, I would do everything in my power to prevent aid, support, and cooperation with that government."

And this was absolutely the perfect answer because it may have influenced Tomić not to try to split the party. Oddly enough, Tomić came to me—and he should have known that Humphrey had told me what he said—a couple of weeks later and asked me the same question, and I made the same answer in slightly different words, so as not to be quoting Humphrey. But I think this was important and a sign of Humphrey's understanding of what was going on down there that I don't think many of the other senators would have realized what was cooking. They might have made the same answer, but they would have done this as anti-communist and not understanding what was going on there. Even

Mansfield [Mike Mansfield], who once taught Latin American history, didn't know nearly as much about Chile as Humphrey.

O'BRIEN: Do you remember much about those meetings with President Kennedy—what you talked about? Was there ever any time that you pushed for particular points?

COLE: I was pushing for just the same things that President Kennedy was, so there was not much problem. We were in complete agreement on land reform, educational reform, increase of investment, things that were developing fairly well there, like building and loan associations. Chile worked out an ingenious way of merging building and loan associations in an inflation country, which is not easy. But I was completely in line with President Kennedy's views in these matters and I think he completely accepted mine. In other words, I think they were identical so there was no great problem. The one I did push on was that education thing which fell through after he was assassinated. But he was enthusiastic about that. As I say, there was just no problem. I didn't have to try to convert him. I think he was not as clear, maybe, as I was on this arms question. But that hadn't became acute when he was assassinated. It became acute later.

One of the impacts I made, which amused Kennedy, and it's one of the things that was noted in the State Department, too: I was appalled by the number of official visitors we had in the embassy. I made somebody go back and look it up for the previous fiscal year. It turned out, we'd had over a thousand visitors, of whom the overwhelming proportion had been military—you know, generals, colonels, this and that and the other thing.

Of course, Chile is a nice country to go to—the hunting and fishing is good. I always used to embarrass the attachés and the mission heads. When they told me an admiral was coming or a general, I'd say, "Oh, it's hunting season isn't it?" or "Going south for the fishing?" or whatever. One of the generals made three farewell visits to Chile when he was being changed in his command. President Kennedy was impressed by the figures on visitors, and there was a slight reduction; I think it got under eight hundred the next year.

I had been a little dubious about JFK as a senator. I did not feel that he'd handled the McCarthy [Joseph R. McCarthy] business well. And I had talked to Mrs. Franklin Roosevelt [Eleanor R. Roosevelt] about it and rather shared her views on that at the time. But after I got to work for him, and to see him in action and to see how he went at things, I was just unadulterated in my admiration and support. I mean, with no hesitations, no reservations whatever, I was just proud and happy to be playing a small role under his Administration.

O'BRIEN: Well, getting back here to Chilean politics for a bit—this may be the wrong question, but did the U.S.I.A. [United States Information Agency], the C.I.A., the military groups in Chile take a real concern in the rise of the Christian Democratic Party?

COLE: Well, they were deeply interested in it. You have to be terribly careful in this. Let me illustrate from my own case. It was perfectly obvious when the campaign became bilateral where the U.S. sympathies were. Nobody had any doubts about that. But you had to be just as careful as you could be not to show it.

For example, I had seen Frei a number of times and knew him rather well before the campaign got going. Once the campaign got going, I just never went to see him until after the campaign was over. I went the next day to congratulate him. By the way, I asked him what he'd learned from the campaign, and he said to trust the polls. His poll had hit it right on the nose. But he said, "It was just too good; we didn't believe it." Similarly, during the middle of the campaign, I had not had a leave, and I deliberately came home on leave to show my disengagement from the campaign.

This was misunderstood in Washington, by the way, and they made me go back during the middle of the leave for a week, because some senators had been critical that here was the Ambassador not on duty during the midst of a critical campaign, whereas my best judgment was that I would serve the cause best by being out of Chile. I was only away six, seven weeks, and the campaign went on for months and months and months. But I just thought this as a gesture of not being involved was important and good. I mean, had Kennedy been president, I would have explained this to him, and he would not have had me even make that trip back and he might have kept me in the U.S. longer, because he would have gotten the point. As I say, he was terribly alert on Chilean politics.

Oh, I must get one anecdote in that probably should go down in history. I was talking to him about the Chilean elections that were coming up, and I said, "Of course, the women will vote more heavily for Frei, just as they did for Alessandri last time." And he said, "How do you know they voted for Alessandri?" And I said, "Well, you know women suffrage is fairly recent in Chile, and when the women started voting they had them vote in separate places because they figured that women might be annoyed in the voting lines or molested. So they vote in separate booths, and you count them separately, and you know how the women vote and how the men vote." Kennedy: "Wouldn't that be wonderful. Boy, you could figure out how a campaign had worked, and.... Oooh, wouldn't that be wonderful." Then, "Well, you couldn't do it in the United States." You could just see in his mind—If you could get precinct by precinct of how the women voted, you'd really be able to

analyze the effectiveness of a campaign.

O'BRIEN: What kind of a person was Frei?

COLE: Is he? Well, I remember saying another thing that amused Kennedy. I said Frei had one tremendous political advantage. He has an enormous nose, like Cyrano de Bergerac [Savinien de Cyrano de Bergerac]. This is so prominent that when you see him walking down the street, and you've seen all the cartoons of him, even though you may never have met him before, you know it's Frei right off. The nose is unforgettable.

He is a very serious person, not much sense of humor, very able, very conscientious, very devoted to the country, I mean, you know, patriotism beyond question. He's also a pretty skillful politician. We thought in the embassy, though we did not tell him, that he made a mistake in not making some concessions to the Liberals and the Conservatives who had to vote for him. You know, they might not go to the polls if he didn't promise them a

cabinet post or something like that. He didn't make them any promises, and they all went out and voted for him, so he was right. And he showed his acumen in a number of other instances like that.

The arguments I had with him.... He was interested in the fact that I was an economic historian, and we discussed things, sometimes endlessly. But his position was this, to summarize it. He said he learned it in the university and never saw any reason to change it. (He was devoted, by the way, to the philosophy of Jacques Maritain, who is one of his admirations.) There are three possible ways, the capitalist way, the communist way, and the middle road, inspired by Christian democratic principles and the papal encyclicals like *Rerum Novarum*, and *Mater et Magistra*, and so on.

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My position, as an economic historian, was that there weren't three ways, but thirty-three; and that there was no such thing as capitalism, there was no such thing as socialism—those were merely tendencies; and that each country had to find the mix of tendencies that best fitted its particular situation and needs at the time. You could argue that we were more socialist than Mexico, for example, because much more than 50 percent of the net profits of industry go to the government, and this is what counts. Well, that would be my position.

Frei would say no, no that was wrong. There were only three ways. You couldn't make any headway on this argument. It was an argument that I regard as fundamental, and Frei was absolutely, rigidly doctrinaire about this. But this doctrinaire quality didn't carry over into his political activities. He could be quite flexible. And he was very courageous, too. I mean, he stuck to his guns. And he made good speeches. Of course, he can't run again—this is on constitutional grounds. But he's a very able guy. He's having a hard time. Of course they've got a hell of a drought in Chile now.

O'BRIEN: Some recent books—well I'm thinking of this thing by Halperin [Ernst Halperin] on *Nationalism and Communism in Chile*—suggested that they...

COLE: You've been doing some homework on this haven't you?

O'BRIEN: Well, Latin America is one of the…

[-40-]

COLE: Is this your area?

O'BRIEN: Well, an area, one of the things I did some work on. But in that he suggests that the Cuban Missile Crisis had a rather decisive effect on the leftward direction of Chilean politics. Did you see any evidence of this?

COLE: Yes. I'm quite sure this is so. Let me say first of all, I sometimes criticize the State Department for not always being efficient and well-administered. But on

the missile crisis they were perfect. They told us things were coming, they told us when they would come, they got them there in time and in the right shape, and they told us what to do with them. When we got the word "Go", we were to get to see Alessandri as quickly as we could.

When we understood the full dimensions of the crisis, we were not sure that Alessandri would instruct the O.A.S. [Organization of American States] representative to vote with us because there were a lot of problems. And he had not yet seen Kennedy. That came later. But we were very lucky. You didn't treat Alessandri informally, but we called up and said it was a crisis, and we got to see him within forty-five minutes, which was unusual and a sign of goodwill on his part. We laid the materials on the table—and we'd had them all in translation, too. We let him read them, and we gave him the English. I'm pretty sure he reads English.

O'BRIEN: Did anyone come down as a special envoy in that regard?

COLE: No.

O'BRIEN: You did this yourself?

COLE: I did this myself. We did this all by cable.

O'BRIEN: All by cable.

COLE: All by cable, but it worked like a charm. Within hours Alessandri had instructed their delegates, and, as you know, he did vote that way. And we were very pleased, and we felt the State Department did a beautiful job of it.

But now, as to the results of the missile crisis, I think this was tremendously important in Chilean public feeling. You see, again, it was an intrusion of a European power into the hemisphere. When, I guess it was Khrushchev [Nikita Sergeyevich Khrushchev] said to some American, "You don't need to worry about the missiles, the Cubans haven't got anything to do with them; they're under our control." And then the people began saying, "Who's a colony now."

Also, it increased their admiration for Kennedy. I think they admired his restraint, as well as his firmness in it. It made them more concerned about Russian ambitions in the hemisphere. It made it clear that Cuba was subservient to Russia. I think Halperin is completely correct that there was a turning around. It wasn't overnight a complete overturn, but public sentiment turned a corner at that point. I can put it another way. I think that had it not been for the missile crisis that Allende would probably have won. So I regarded that as the most important event of the time I was down there as Ambassador.

One of the things Frei used in his campaign was… Do you remember the letter from Juanita Castro [Juanita Castro Ruz], the sister of Castro [Fidel Castro]?

O'BRIEN: Oh, vaguely.

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COLE: Well, it was a letter written from Mexico denouncing Castro and his way of handling things and executions and so on and his bloodthirstiness. This was very useful to Frei in the campaign. In other words, Cuba ceased to be—within three months after the missile crisis, Cuba had ceased to be a good word in Chile.

And another thing that hurt Allende badly was that... This was a strange one. There'd been an Italian reporter [Paolo Pozzesi] there for a Communist paper [*Paese Sera*] in the November preceding the election. And he had an interview with Allende in which Allende said, among other things, that if he won in Chile, his policies would be very much like those of Castro in Cuba. "Would you make another Cuba out of it?" said the reporter. "Well, that's what I would try to do."

This, the reporter did not publish—that was November, maybe even late October—until the August before the election. The Communist papers immediately denounced it as a false, lying report. They slipped once; they didn't know it was in a Communist paper and they denounced it as a figment of the capitalist press. But they were smart. They went and looked up all the passport registration records to see if this man had been in Chile, but they only went back to January first, so they didn't get it. So they denied that Allende had ever talked to the man and denied that he'd ever said that. And then the opposition came out with a picture of Allende talking to the guy. It really was terribly effective and most helpful to Frei in the campaign. It was a case where the Allendistas slipped badly.

O'BRIEN: Passing on to some of the Alliance things: Frei became rather critical of them at a point there before the election.

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COLE: This was partly political in a sense. You see, as I said before, he had to deny that real progress was being made under Alessandri, and much of the progress that Alessandri had made was in connection with the A.I.D. projects. Therefore, he had to minimize them. And I suppose he would have said, too, in terms of the need, the aid was small potatoes, and what you needed was much more thorough-going reform, and so on. I think there was no question that he actually built on what Alessandri did. But I think politically he couldn't praise him.

Alessandri was not fond of Frei either. We were worried for awhile that he might even prefer Allende, because the Christian Democrats, you remember, came out of the Conservative Party. They were regarded by many people as traitors. Alessandri did not love Frei I am sure. He was restrained in his...

O'BRIEN: Well, at this point, how did you view the Alliance? Was it working in your estimation? What were you telling Washington, for example, at this point?

COLE: It depends on what you mean. If you were saying was it meeting its objectives, the answer would be no. Was it doing as much as you could hope

for? No. Was the reform going as fast as you'd want? No. Was it worthwhile? Yes. It was making progress much more slowly than Goodwin would have thought at the time of his mission. But it was making definite progress, and you could see it visibly. Things were happening, and improvements were being made. I don't know whether the Alessandri regime will ever get its due meed of praise, but it deserved some. It wasn't the best government a country could hope for, but it was honest, and it tried hard, and it made a lot of progress, a very great deal of it in connection with the A.I.D. programs.

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O'BRIEN: Where was most of the internal resistance coming from at this point?

COLE: Politically, you see, it came from everybody that wasn't connected with the inside of the government. The Communist-Socialists had to denounce it as of no value whatever and subversive to Chilean national interests. Frei had to criticize it. This was just normal. Of course, the Communists tied this up with anti-American criticism all the time. You know, there are a Communist daily and two Communist weeklies and two Socialist weeklies, and the Socialist daily was printed on the Communist press. In all these there was a constant outpouring of anti-American criticism, sometimes with a slight factual basis, frequently with none whatever. The Peace Corps were spies, but what they were spying on in the slums you wouldn't guess. We gave them equipment for an engineering battalion for what we called civic action, you remember. This was to build roads and bridges and so on and so on. And it was spoken of as a battalion since it was the equipment for a battalion. Actually, only three men came with it to show how to work the machines. But the Communists papers played this up as stationing a battalion of the American Army down in south Chile. And they just criticized, criticized, criticized. Of course, the Ambassador was under constant criticism, and so was the embassy.

I was asked by an American once, "Do you read these left papers?" And I said, "Sure, it's part of my job." He said, "How can you take it being criticized day after day after day in this brutal fashion?" I said, "Oh hell, I was a college president for fourteen years." [Laughter]

O'BRIEN: I suppose that would have more meaning this year.

[-45-]

COLE: Yes, it would. My wife [Katharine Salmon Cole] says my sense of timing is good.

O'BRIEN: Well, passing over to a few economic questions: of course, you have the two big copper interests there. Were you ever really called in to intercede between them and the government of Chile, in either a formal or informal way, by the State Department?

COLE: Yes, I think so, but I think it was on fairly minor matters, you know, matters of detail and routine, not on the big ones. I was not initially too popular with

the copper companies. I mean, they were very pleasant to me and cordial and all that, but I don't think they liked me because I told both the Presidents, when I had the opportunity, that I thought they ought to make plans for shifting control toward the Chileans in the coming years. I based this on that good book about oil in Venezuela, you....

O'BRIEN: Right. Lieuwen [Edwin Lieuwen]? Ed Lieuwen's book [*His Petroleum and Venezuela*]?

COLE: No, there's another one. You know. The guy's still around and writing things. I've forgotten his name. But anyhow, I had read that with great interest, and I was convinced. So I told them I thought the handwriting was on the wall, and that they ought to see their way clear. And, of course, Kennecott now has done so, and Anaconda has moved along way there. But in '61, I think they thought I was sort of a left-wing professor. But this is not to imply that we didn't get on fine. We did, and they were very pleasant to me. I liked the people.

You know, this whole imperialism stuff is such bunk anyhow. Do you know what the Anaconda workers were getting when I left Chile? Pay and fringe benefits, twenty-one dollars a day. And you could hire a gardener for a dollar a day. If I had to be operated on in Latin America, I think I'd go to the Anaconda hospital at Chuquicamata. It's a mixed bag—the whole copper picture and the imperialist picture. By and large, I think the copper people have done a pretty good job there. But I don't think they saw the handwriting on the wall soon enough and clearly enough.

O'BRIEN: Well, did the Chilean government ever come to you in an attempt to.... I know they were pushing the copper companies to do some investment in the way of procedures of processing of copper, wasn't it?

COLE: Yeah. They'd discus this with me, but usually they'd deal directly. They had a copper department to deal with the copper companies. Now I did get into the picture for the telephone company. They were pressing the telephone company unmercifully. And, as you know, in an inflation picture the telephone company suffers. It can't get enough capital. It's the same thing all over Latin America: you can't get a telephone because they haven't got enough capital because they haven't got high enough rates. And I did intercede for the telephone company two or three times. Particularly, when the Chileans were setting up their own system of telephonic communications and illegally tapping it into the telephone system and that kind of thing. They were being silly about it. They said it was beneath national dignity to have a communications system in the hands of foreigners and stuff like this. I did intercede for them. President Kennedy did, too, at that meeting he had with Alessandri.

O'BRIEN: Was there much in the way of negotiations going on between the government-controlled petroleum corporation and some of the oil companies that in oil....

COLE: Not to speak of. You see, all production is in the hands of the government, and all refining was at the time. Only Esso had one portion, like a third, of the retailing. But that was insignificant really. Chile probably made a mistake on the whole thing; that is, they should have let the oil companies do the exploration, which turned out not to be hard and expensive, and then taxed the hell out of them. They'd have come out better. No, there wasn't much negotiation going on. There was some talk about building a refinery, as I recall it, but that didn't come to anything while I was there.

O'BRIEN: Well, how do you explain…. I'm going into some overall things on Chile and foreign policy here—sort of close to winding this up. Actually, the United States had rather good cooperation out of Chile in hemispheric things through the O.A.S. during this time, didn't they?

COLE: Pretty good. Every once in awhile the Chileans would balk to show they were independent. But on crucial matters they went along with us.

O'BRIEN: What was, in particular, in the refusal to go along with the expulsion of Cuba from the O.A.S.? What were the domestic and political ramifications of this?

COLE: Well, this was domestic politics. They felt it would enrage the leftists and be unpalatable, even after Cuban popularity began to wane. It was still David and Goliath. There was, I suppose, no Latin American that didn't get a thrill when Castro stood up and defied the United States. This was something. For the same reason, of course, Mexico has never gone along. There was a feeling that there was no need to side with the United States that far. Of course, just after I left, I believe they did break relations with Cuba. And all the time I was there, Cuba never had an Ambassador. There was a chargé d'affaires. And I think that the Chileans deliberately kept it on that level, though we were quite clear that the Cuban embassy was a center of propaganda and other subversive activities.

O'BRIEN: Did you have any real problems, or did the Alessandri government have any real problems as a result of their position on Cuba and the Cuban Missile Crisis?

COLE: No. Public opinion was shocked. Even the left was sort of shocked into silence by that. I think I should say this, too. In August and early September of '64 there were a lot of rumors that if Allende was beaten, there would be a rising of some sort, particularly if it was a close election and most particularly if it got thrown into the legislature the way it does for us, you know, for lack of a majority. Nobody thought that Frei was going to get an absolute majority, so there might be a sort of interim

between the voting and the final result. Some people thought there'd be rising or revolution. There were all sorts of rumors and talk of people buying guns, that kind of thing. But when it came, the victory was so smashing—55 percent absolute majority and 5 percent for Duran and only about 39 percent for Allende that the left was just shocked into silence again. There was no wild protest after the election. There was some failure on communications, too. The Communists didn't get the word from Russia as to what to say about it for forty-eight hours or so. You could see this happen, you know. Sometimes they got the word, and sometimes they didn't.

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O'BRIEN: In the left, particularly the Communist left, did you see any fundamental changes as a result of the Cuban Missile Crisis and after?

COLE: I don't think there was a change. You know, Halperin is right: the Communist Party in Chile is more a political party than a revolutionary party. They really do hope to gain power by the ballot. I think what it did was another thing. As you know, the Chilean Communist Party, the official party, is wholly aligned with Moscow. And this happened more after I left than before, though it was beginning to happen. I think this led to the creation of some Maoist splinters; I suspect it's one big Maoist splinter. And I suspect mostly composed young people. The Communists are a little bit stuffy there, you know, a little bit bureaucratic. And I suspect that the young people are Maoist there now, at a guess. I haven't been back for years.

O'BRIEN: Did the U.S. ever become involved in some of Chile's problems with her neighbors? I was thinking of, it is the Lauca River?

COLE: Lauca. We stayed out of that one. It meant I never could go to Bolivia.

O'BRIEN: How about Argentina border problems?

COLE: We stayed out of that pretty much, too. We did give, I did give, the State Department did give smoothing advice in both questions, particularly when they started to get rough, you know, shooting and that sort of thing. We did try very hard—I tried very hard to prevent the government giving the Argentines weapons, such as planes, which the Chileans would think they had to match. As long as I was there I was successful on that. But as soon as I was gone, something happened, and I don't know what. They gave the Argentines some jet planes anyhow—or sold them some.

[-50-]

O'BRIEN: There is that question of Antarctica, and the claims.... As I understand it, the United States wants to internationalize it, and the Chileans and the Argentines want to slice it to the South Pole.

COLE: Yes, and their claims are conflicting. They told me one good story about that. The Argentines and Chileans have camps there that are relatively close together. And the Argentines claim that the Chileans are on their territory, and the Chileans vice versa. But there's nobody else to talk to down there, so every once in awhile they go and have a party together. And as the Chileans leave the Argentine encampment, they leave a note on the table saying, "We don't want to be impolite about this, but of course, you realize you're trespassing on Chilean territory." The Argentines do the same thing, but they go on and have a good party just the same.

You know, for nationalist purposes Antarctica is important, but I don't think that it cuts very, very deep. Now the borders do. I made one suggestion to the State Department twice. I got impressed with how every country had border problems with its neighbors; you know, Peru and Ecuador, Argentina and Chile, Bolivia and Peru, Bolivia and Chile, Mexico and Guatemala, and so on. I finally worked up a list of some forty-five of these. Every one makes for some bitterness and unpleasantness and sometimes strife and sometimes shooting. The Ecuadorians just hate the Peruvians' guts. I found in two banks there they were quoting the Peruvians' sol under par by a large margin. I asked them how come. "We don't like the Peruvians."

Well, I made a suggestion to the State Department that leaving these things be was just embittering relations. I thought there was a chance if under U.S., or better, O.A.S. leadership, a border conference was called in which all the border problems of Latin America were dumped into O.A.S. lap and an impartial tribunal was set up to hear them over the years. If everybody did it all at once, you could not then be accused of giving away the patrimony of the country, you know. The Argentine valley that they were fighting over, Chileans couldn't get to except by helicopter. But I figured that if they could all be dumped into one pot something might be done about it. But nobody ever picked that one up, and, as I said, I tried twice. I actually tried it on Dean Rusk directly and didn't get anywhere.

O'BRIEN: On Chile's position on Red China, the admission of Red China to the U.N., U.N. matters, particularly, and also relations with bloc countries, did you ever find yourself being instructed to represent a U.S. position on these matters?

COLE: On the Red China one, yes. Bloc countries, I don't think so. When I was there Chile recognized no bloc countries.

O'BRIEN: Now they have come to, since then.

COLE: No, there were no bloc countries there. The Red China one we did press them to vote with us. They had fun with that. I mean, they didn't think it amounted to much.

O'BRIEN: There was no reluctance on their part?

COLE: Oh yes. They pretended to be reluctant and then graciously, finally, at the last moment, gave in usually. That kind of thing. Those were games you play.

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O'BRIEN: It's interesting you put it in those terms.

COLE: Well, I was, myself, not enthusiastic about keeping Red China out. But I did my duty always. I followed instructions. I wasn't terribly concerned personally, but I tried hard. And I think I got their vote every time.

O'BRIEN: You've been mentioning this arms question off and on and all. Do you have anything here that you feel that you'd like to say in this regard—some of the pretensions in regard to these arms, groups that may have been pushing arms, and some of the things that perhaps you did to prevent it?

COLE: Insofar as the armies, navies were doing civic action, which they were doing a lot of in Chile—they deliberately draft a certain number of illiterates to teach them to read and write, and to teach them a trade, too—I don't think they're bad organizations. But any money spent on expensive armaments, I think should better go into education and roads. So I was always anti-selling arms to Chile and even against giving them arms that they couldn't afford to keep up, in terms of navy and airplanes.

I only varied from that once. I have to record this, I think. September 18th is the national holiday, and they have a great, big military show in an enormous park outside of Santiago and all sorts of ski troops and artillery and this and that. The best show though, was the caissons rolling along with horses drawing them. This was a big do, and everybody turns out for it. They parade through the streets, and they have this show, and the President is there and all sorts of things. They asked to buy some artillery from us, some artillery and mechanized carriers. I recommended against it because even though we were going to sell them very second-hand stuff, it was going to cost money.

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Then the commander-in-chief [Oscar Izurieta Molina] heard I was going to recommend against it. He came to me with tears in his eyes and said, "How can I keep any artillery officers when we've got 1895 Krupp guns, horse drawn?" He said, "My officers can go to the movies, and they can see what modern artillery is like." And he said, "I'm not asking for very modern weapons, just something that's not thirty, forty years old." And he was so touching that I reported that I thought a certain amount of artillery and mechanized carriers wouldn't do any harm. And the next year they had them, and they were very, very happy. That's the only time I weakened on it.

You see, armies down there don't make much sense. They're not going, hopefully, to fight each other, and I don't know whether they'd be allowed to, whether the O.A.S. would let them. And armies do lead to military takeovers. You just have to look around the

continent. So my general feeling would be for smaller armies, navies and air forces and less expensive equipment.

O'BRIEN: Was there ever any attempt to put a counterinsurgency program into Chile?

COLE: Not a program, but they did have people go up to Panama. They had some people come down to instruct Chileans. And this was intensified somewhat just before the election because they were worried.

O'BRIEN: Any tagging of working with the youth groups or things of this sort?

COLE: No. This was done largely with the carabineros, who are the national police, and with the Army, Navy, and Air Force, but mostly the Army. We didn't have to really push on this, we gave them what they asked for. But a program would be overstressing it. There was work of that sort.

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O'BRIEN: Were you informed about some of this, well, this sort of counterinsurgency program that began to emerge?

COLE: I had one argument with the counterinsurgency instructors. They were talking about what kind of equipment the Chileans needed. Apparently one very good thing in breaking up crowds is shotguns. Their question was whether they would provide the Chileans with shotguns or not. I said yes, but only birdshot. And then we got in a big argument whether it should be birdshot or buckshot. And I don't know whether they ever got the shotguns or not. This was just a discussion.

O'BRIEN: One thing I really have neglected and should go into is the Peace Corps. We really haven't said much about the Peace Corps.

COLE: Well, the Peace Corps was fine in Chile. You know, it was organized for Chile by one of my great admirations, Father Hesburgh [Theodore M. Hesburgh]. He supervised the training for the first three Chilean groups, maybe four Chilean groups, at Notre Dame.

O'BRIEN: Oh, they came out of Indiana, didn't they?

COLE: Yes. And he came down there three or four times to see that everything was going all right. They were well trained. We had almost no problems with them. Health problems at first, some hepatitis, but no real problem at all. And I think only one boy was sent home. He was a very devout Protestant and got stationed in a very Catholic rural education center and just couldn't take all the crucifixes and nuns and so on around. I thought the Peace Corps young people were very, very good. I used to visit them and see them.

[-55-]

My favorite story is that I was down in the south of Chile. Some Peace Corps members were down there, and I arranged to have breakfast with two of them. I said, "What are you doing now?" And they said, "Best thing you ever saw. We're organizing a bunch of bandits into a cooperative." And I said, "Well, you're going to have to explain this one." It turned out that the bandits were local campesinos who were stealing timber from two or three big estates and selling it. The Peace Corps boys got interested in this, and they worked up a program whereby the campesinos would do forest improvement work and build fire trails and thin woods and so on, in return for which, they'd be allowed legally to take some lumber. The Peace Corps kids sold this idea to the landowners. Then they sold it to the so-called bandits and told them that if they were going to get this timber legally, the only way to sell it was through a cooperative. So they had this all organized. You have to hand it to them. I thought the Peace Corps was a great success. They worked in all sorts of areas and places. I saw quite a lot of them. I thought they were well recruited and well trained and did a good job.

O'BRIEN: Passing over to some administrative questions, when the Kennedy Administration came in, of course, they came in and McGeorge Bundy and Walt Rostow [Walt Whitman Rostow] assumed a much larger role.

COLE: Walt Rostow is a former student of mine.

O'BRIEN: Oh, is that right?

COLE: Yes, I had him in a graduate seminar at Yale one year when. I was teaching down there. One of the very best students I ever had.

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O'BRIEN: Well, I want to come back to that then for a moment. In regard to the changes in the way of foreign policy management, doing away with the old O.C.B. [Operations Coordinating Board] and the National Security Council, how did you feel about this? Did you ever have any...

COLE: No, you see, I came in when it was already shifted. So I just adapted myself to the system as it then went.

O'BRIEN: Did you ever assume direct contact with the White House in a kind of crisis situation? Did Chile ever reach...

COLE: This one I told you about when Goodwin wasn't coming.

O'BRIEN: Oh, and that was it?

COLE: That was the only time I ever went out of channels. Now, of course, that's not quite true because I talked to Kennedy personally about things like my education program without going through channels, which was probably my mistake, because that's probably why A.I.D. sabotaged it.

O'BRIEN: Did the White House ever come directly to you, perhaps before the elections or…

COLE: Only for information. I think I got a couple of messages from the White House about the election, but this was not important, nothing significant. I thought of it several times, going over people's heads, but I decided this in the long run didn't pay, and I don't think it does.

O'BRIEN: Did you put the country team into effect, you know, this country team idea?

COLE: Sure. It doesn't amount to much, as you know. And I refused to put into effect this cost-effectiveness program. This was just playing games—you know trying to allocate what portion of the time of your economic staff is given to public relations. This is for the birds, for my money.

O'BRIEN: Did you feel your memos and suggestions got a pretty fair hearing in the Department when you sent them in? Did you have any peculiar situations?

COLE: The routine ones on the issues of the moment did. The long-range ones, like this boundary program, didn't. I sent a memo in on the fact that the copper companies were going to have to Chileanize to some degree. That one got some attention. I think that even got to Rusk, I'm not sure. Okay, the boundary idea was a good one I think, but, you know, there are lots of other things to do. And that would be a tough one to set up. It might not work.

O'BRIEN: Did you have a pretty good desk officer?

COLE: Yes.

O'BRIEN: Who was that, by the way?

COLE: I knew you were going to ask me, and I've forgotten his name. He was a tall, lean, dark-haired guy, and very, very good. Oh, that was another suggestion that I made, that I don't think got any attention. Your desk officers were usually grade 4 or something like that, maybe 5, even. In a Department that runs on

hierarchy, they don't have enough weight. I several times made the suggestion, and I've made it to Dean Rusk personally, but I made it also in memos, that you should really have a counter ambassador in Washington, a man who was at least grade 1 or for a very minor country, grade 2, who has enough experience and weight in the Department to get things to the proper point and get them listened to and get them discussed. So long as you're using grade 4 people—and mine was good. Mine was excellent, but he just doesn't have enough weight in the Department to get things pushed along fast.

And the delays frequently are as stultifying as a negative. I had one dandy that does not reflect on the State Department, but this was a PL-480 wheat loan. Chile was really running short of wheat. They had a real problem. And the thing got delayed and delayed and delayed. You could see the time ahead when they were actually going to run out of wheat. And I was up in Washington anyhow, so I called a meeting where everybody concerned with it was there: people from Agriculture and Commerce and A.I.D. and State. We had about twelve, fifteen people around the table, some of whom I had never seen before. The Department of Agriculture man was sitting across from me, and I made a little presentation, and said that time was running out. I've forgotten what the month was. This may have been October, November. Time was going to run out because the new wheat crop wouldn't come in until February and March. And the Agriculture man said, "February and March?" And I suddenly realized that he thought that crop had just come in, you know. From that point on, we

had no further trouble. He just thought I was pressing unnecessarily and no harm in delay. I really almost burst out laughing, but I kept a straight face because it's an easy one to make, you know, if you've lived with our wheat crop dates all your life.

O'BRIEN: Oh, sure. In fact, until you began to press the point there, I was thinking in, terms of our seasons myself. How did you get on with the people South—well, actually the Inter-American Affairs Division, South America people, who were actually in the positions of Assistant Secretary and…

COLE: Well, most of my contacts were with the Assistant Secretaries. I had no real problems. I thought they were all pretty good and trying hard. When you're Ambassador, you got to throw your weight around and bang tables and plead for action. But I don't think more than normal.

O'BRIEN: Did you see any fundamental splits, though, in the way these people approach Latin America, in the way of, well, a philosophical split, or getting down to the nitty-gritty on policy?

COLE: I think not much because, you see, the Chilean policy was so clear in the sense that we wanted to help Chile to survive and in a way that would not induce an Allende victory. Everybody was for that and no argument.

[-60-]

I had one interesting experience on that. I got word by very indirect channels, that—I guess this is confidential—but that the Department of Justice was going to prosecute the copper companies under the antitrust act. And this was, I guess, the spring before the election. And I heard this. I was due to leave Washington that evening on the plane. I got everything lined up and went over and saw that antitrust people. And they said, yes, they were going to do it. And I said, "Do you realize what this will mean if our government Department of Justice brings criminal charges against Anaconda and Kennecott in Chile, where they're symbols anyhow? This will really just tear things loose. And if you do it before the election, this may have a tremendous influence on the election."

And they began to give me an argument. And I tried to make it clear—they didn't know much about Chilean politics, and I tried to make it clear to them. And then my time was running out—I had ten more minutes. And I decided to be emphatic, so I pounded the desk and stood up and made a speech and said if they went ahead and did it, they'd wake up some morning with Chile in Communist hands and their children and grandchildren would pay for it. I really got emotional and tore the air. They backed off, and so far as I know, have never done it yet. I suspect that they had some reasons, not particularly Kennecott and Anaconda. But I remember talking to a copper man once and I said, "I am told that twelve people could get together in a room in Paris or Brussels and set the world price of copper." And he said, "Twelve? Maybe only nine or ten."

O'BRIEN: I have just a few minutes left, and this tape is about ready to run off, so let me flip it over.

[BEGIN SIDE 2, TAPE 1]

[-61-]

COLE: As I was saying, Rostow was about one of the two or three brightest students I ever had, anywhere, anytime. I had him in a seminar in economic history at Yale. I think he developed the beginnings of some of his ideas on growth out of that seminar, but I couldn't be sure. I thought I detected a few traces. By the way, his book, *The States of Economic Growth*, was useful in Latin America when it was translated because it gave an alternative interpretation to the Marxist one, which I think is very useful. Just the way a good economic textbook like Samuelson [Paul A. Samuelson], translated into Spanish was immensely useful because it was so much more sophisticated than the Marxist economics that the students couldn't help seeing it. On economic growth, I think Rostow understands the problem very thoroughly. He did one memo when he was at the Planning Bureau....

O'BRIEN: Right. The Policy Planning Bureau.

COLE: The Policy Planning Bureau. He did one memo on the need to create a national market in the developing countries. I think it was fairly self-evident

as a proposition, but he developed it in a persuasive and incisive way that I thought was very useful. And I think he understood the problems very, very well. But I think Rostow got too involved in other aspects of foreign policy. I think Rostow would have made a very good planner for A.I.D., he is so bright.

O'BRIEN: Do you think that perhaps in the A.I.D. programs that were initiated then, that there was too much of an emphasis on a planning of economic growth which was based on basically the Western tradition and not enough realization of some of the cultural dynamics of a Chile, for example?

COLE: Well, don't forget that Chile is part of the Western Tradition, too. I don't think it's all that different. Well, let me put it this way, and this betrays my prejudices. I think the most important thing for a country like Chile is education. And this means not only liberal education but technical and vocational education. You know the work that's been done on the so-called "human capital" recently. I'm convinced that it's important. I'm convinced our productivity is related to our public school system. So I feel the importance of education is self-evident.

I feel the other thing, which Rostow would have obviously played hard, is investment. And since some of this has to be public, this takes you into the tax question, which we were in. You've got another matter of communications, roads, which we were in. I felt that where we could get our aid money out of relief, whether you're feeding starving kids with PL-480 wheat, or whether you're helping a government out of a balance of payments deficit, when you could get it instead in to that kind of substructure development, whether you're talking education or roads, you were doing good. I'm sure you were; I mean, I'm just absolutely positive of that.

We worked very hard on trying to improve Chilean marketing systems. I had one funny experience. We had one of our flops before my time. It was an attempt to build a new slaughterhouse and wholesale meat place for Chile in Santiago. And this got mismanaged, I think, both on American and Chilean sides. And I think the slaughterhouse is still standing empty. But a group of A.I.D. people and some Chileans were explaining to me how the meat system worked in Santiago. And it was pretty strange. I suddenly had a feeling that I'd been there before; I'd heard all this before, and I knew I hadn't. But the sensation persisted, and I suddenly realized this was the way the wholesale markets worked in Paris in the seventeenth century. And I'd worked on that in connection—my work on French mercantilism.

We were poking at the right places. I mean, this marketing—I've lost the figures, but something like 15 percent of the Chilean crops gets lost in just marketing and processing, transportation and so on. We were looking at the right things, and where we could put the money on them, we were I think, thrusting in the right direction in general. Hospitals are not so crucial there, but as relief kind of measure, they are important.

I should tell you one story on health because this was very important for public relations in Chile. This was along about December of ‘62, I guess. They started to have a polio epidemic in Santiago. They were aware of the vaccines and had ordered enough from Belgium to supply a nationwide vaccination campaign. But they weren't due until March, and the polio epidemic cases were going right up very rapidly. Projecting it, the epidemic was going to be the worst they'd ever had. And they cabled Belgium, and Belgium couldn't get the vaccines any quicker. They came to see me and asked if I could do anything. I said I didn't know, but I'd find out if they would get me a letter from the Minister of Health [Benjamín Cid Quiroz] asking me to help. I said, it's got to be official.

That was on a Friday, and I got the letter on Monday, which wasn't very fast, considering it was an epidemic. But I had called up Washington in the meanwhile, and they'd told me to get in touch with the Center for Communicable Diseases in Atlanta, Georgia. And I had found the name and number of the man to call. So the minute I got the word from the Minister of Health, I called Atlanta up and told the story, and luckily, got a good phone connection. In those days we did not always have good phone connections. That was on a Monday, and on Friday they flew in two epidemiologists and a planeload of vaccine. I'd alerted the Chileans that this was coming and they had a whole campaign set up. They had all the kids vaccinated within a week. The polio cases went on up for two more weeks and then the epidemic ended. We had saved scores of lives and some hundreds of cripples, maybe thousands. The Chileans were really impressed. We got a lot of good public relations out of that. The U.S.I.S. [United States

Information Service] did a good job of picturing the vaccines coming off the plane and so on. The whole operation was impressive to the Chileans, like the earthquake relief.

O'BRIEN: I imagine it was one of the more satisfying experiences you had, too.

COLE: It was to me, too. And I was able to help them a year later to get some measles shots. This time they just couldn't afford them. But we worked on that through the same center, and they got one of the big companies to donate something like fifty thousand shots, or some such thing, and they got the rest for them at cost. Measles is a real—I guess it's all over now, but it was a real problem in Chile. Sometimes in the south of Chile, particularly, all the kids under five would die in a village.

O'BRIEN: In looking back at the A.I.D. programs in particular, is there anything that you now feel that perhaps should have been done differently, only in Chile, but the overall philosophy and assumptions on which A.I.D. was based on in those years when it originated?

COLE: Well, there was a lot of foolishness about procurement in the United States, which, you know, looks good to Congress, but doesn't really mean anything. I don't have to explain to you. There was a lot of foolishness about that. I somehow feel that—and I could be wrong here—but I feel that A.I.D. should be more

directly under State Department guidance than it actually was. There's too much proliferation of people operating in foreign affairs, whether you're talking labor attachés or commerce attachés or military very definitely.

President Kennedy said ambassadors had overall authority, but do you think that a colonel is going to listen to the ambassador or to his general in Panama? You know damn well where he looks for guidance. I think A.I.D. is a case in point. I think that it was never clear enough whether A.I.D. was taking its orders from A.I.D. headquarters in Washington or from the State Department. I think this should have been clarified.

O'BRIEN: Well, wasn't there an attempt to do this right after the assassination of President Kennedy?

COLE: Not that had any effect in Chile, as I remember.

O'BRIEN: I recall seeing a…

COLE: Oh, we got lots of letters. That letter by President Kennedy was absolutely clear. That was April 1961, or some such date—May. It was absolutely clear. And you could rub people's noses in it, but it didn't change the reality.... I mean, as long as the A.I.D. man gets promoted or a better assignment because of his relationships with his Washington superior, this is more important to him than the Ambassador. And you know it.

O'BRIEN: I know I recall seeing something back in about 1964, and I've tried to trace it down in regard to one of the articles by James Reston [James B. Reston] or someone, to the effect that there was a movement to do that. And I've never really been able to substantiate it.

COLE: Well, I don't recall any. I mean, there were various gestures from time to time, but nothing significant. A.I.D. was quasi-independent. Their travel budget, for example: We used to get held up so that a secretary who was due for home leave would be unable to travel for lack of funds for ten months before she could go. And A.I.D. people would be going back and forth to Washington all the time.

O'BRIEN: In this transition between the Kennedy Administration and, of course, the Johnson Administration, did you detect any fundamental changes in policy or any noticeable changes in policy or differences between the administrations?

COLE: No. As long as I was there, which was only till October '64, I think that the Johnson Administration was quite carefully trying to carry on the Kennedy

policies in relation to Latin America. There was perhaps a change in style and tone. Of course, the real thing was that the Latin Americans just loved Kennedy. You know, Texans are a little suspect in Latin America. They just didn't understand Johnson, and they didn't quite trust him, therefore. But I don't recall that anything was said or done that wouldn't have been done under the Kennedy regime. But the relationships were different right off.

You do know that it meant an awful lot to them that Kennedy was a Catholic, too, because they picture Americans as Sajones and Lutheranos (Anglo-Saxon Protestants). To have a non-Saxon, non-Protestant president really meant much more than I thought it would to them. And this was all up and down the line. Tomić admired Kennedy very much. I knew a boy who stayed in his house for six weeks, and he said he thought Tomić was trying to be the Kennedy of Chile. And Cardinal Raúl Silva Henríquez, who was one of the great human beings I met down there, was very admiring of Kennedy. We had all sorts of little problems on the PL-480. The Cardinal, I admired and loved. We used to have to fight all the time, because we had a lot of silly regulations on that.

I'll give you one that I said shouldn't be enforced: Certain food was going to schools which were run by nuns. And the nuns cooked it and could give the food to the children, but they (the nuns) couldn't eat it. And I just refused to notice that one. But this is the kind of thing that enraged the Cardinal. And what enraged us was we would give them a jeep to take PL-480 food around, and the local priest would use it for visiting a dying parishioner, which was understandable but illegal. So we had—lots of little scraps on that.

O'BRIEN: I didn't realize there really were some fundamental scraps on that?

COLE: Well, these weren't fundamental because we could always solve them and sometimes by compromise and I sometimes had to insist. I'd say, "This is subject to congressional investigation and audit, and if you don't do it right you're going to get your whole program in trouble." And Cardinal Silva had been the one that organized *Caritas* in Chile and became head of the world *Caritas*, eventually. But this kind of thing made for a lot of trouble and friction because they couldn't believe that we didn't want those nuns to eat.

O'BRIEN: Well, coming back to that: Did you have any groups of Americans—I'm thinking in this regard, perhaps some Protestant missionary groups within Chile—that might report these things back? Did you have any other groups of Americans who sort of served as a—oh what would you call it?—to provide feedback to people in the United States or in Washington on programs or...

COLE: There were quite a lot of Catholic missionaries down there—Precious Blood, and two or three other brands. They were, in general, doing very good work,

sometimes under very difficult circumstances, you know, in the slums, I got quite admiring of them. They were good and selfless people.

The only big non-Catholic group—and as far as I know there was never any feedback from them were the Mormons. When I got there, there were sixty or seventy Mormon missionaries, and when I left there were a hundred and twenty and they were putting on a big drive. But to my surprise, I had no trouble about them at all. In a Catholic country, you know, and these were young kids. The first group was not very well trained, but by the time they got the third group, they were pretty well trained. They had a Chilean teach them Spanish up at Brigham Young University, so they got the Chilean accent, which is tough. I had no kickback on that at all. I never heard of any of their reports getting to Washington via Utah sources. It may have happened, but I never ran into it. They were devoted kids; they went around in the slums and passed out pamphlets.

Now in Peru they'd have had some trouble, or in Colombia, but not in Chile. Chile's very liberal, and the Church is very liberal, as you know. It went in for land reform before the government did.

O'BRIEN: Did A.I.D. or did the U.S. government ever get involved in some of the planned parenthood programs within Chile?

COLE: There were planned parenthood programs going there. I remember talking to the Minister of Health shortly before I left, I knew he was a devout Catholic, and I knew that there were three clinics running in their public health service offices. So I asked him how this could be, just for fun, to see what he'd say. And he said, "Well, you know, this is just an experiment. This isn't policy, this is just something that's happening." But I don't recall that we were involved in those clinics. We may have been, but I think this was Planned Parenthood International. I don't think the government had any money in that.

O'BRIEN: Well, as you sort of look back at this whole period of time, from the time that you were President of Amherst.... Oh, one thing I haven't asked you, and if you'd care to discuss it, I'd certainly like to go into it: How does an ambassadorship differ from a college presidency?

COLE: I discovered, interestingly enough, that an ambassadorship really is an administrative job very much like a college presidency. You know, you've got a lot of people to look after and keep them moving and so on. Your actual diplomatic negotiations take about 5 percent of your time, I think. The rest of it is mostly administrative and representational in the sense of appearing and making speeches. By the time I'd been there two years I could make speeches in Spanish, and that meant I made a lot of them. I used to read them for quite awhile, and then I finally got so I could do them extemporaneously.

O'BRIEN: Well, what entered into your decision to leave and to resign as an

ambassador?

COLE: Oh, that was easy. One, I thought three years was long enough. Two, I didn't want to be too long out of this country. Three, while I had no complaints about President Johnson, I just couldn't feel the same excitement that I had felt under President Kennedy. This is impossible to explain, but I just didn't have the same enthusiasm; the assassination took something out of me. It made me feel years older and sadder and less excited about the future. It's a very strange thing because I don't suppose, all told, I was in Kennedy's presence more than ten or twelve hours, if that long. This is hard to explain, because I am not a person of facile enthusiasms.

[-70-]

But I think, in general, three years was long enough. I resigned from Amherst because I thought I'd been there long enough. Same deal. I mean, I had been at Columbia in the days when Nicholas Murray Butler stayed far too long—he was blind and deaf when he quit. I have a feeling in a college presidency that after a certain point you've done whatever you can offer and a new influence is good for the institution. I don't think the same thing applies quite as much at an embassy.

My predecessor, Claude Bowers [Claude G. Bowers], was there fourteen years and, by the way, had never learned to talk Spanish, though he'd also been ambassador to Spain for five years. The Chileans never forgave him for that. Then he wrote a book, which was very laudatory about Chile, called *Chile From the Embassy Window*. And it was so laudatory that the Chileans reversed themselves and started to love him in memory.

O'BRIEN: In some ways he paved the way for you as an historian.

COLE: Yes. He was a pretty good historian, you know. I met him once at a Columbia history department meeting. He was a nice person, too. And I think one reason he didn't learn Spanish was because in English he a real orator. He made the keynote speech at one of the Democratic Conventions. He was a real orator. I think he knew he couldn't do it in Spanish so he'd better not try.

O'BRIEN: Well, as you look back in perspective here, from the time that you were president of Amherst to the Rockefeller Foundation, from the Rockefeller Foundation to the position as Ambassador to Chile, and then after your resignation from Chile, and right on to today, do you see any fundamental changes that took place in yourself in regard to attitudes towards foreign policy and towards Latin America and towards Chile and all?

[-71-]

COLE: Oh, yes. I got to be very fond of Chile and the Chileans. I mean, I was given a choice on embassies, and I was right in choosing Chile because that's a small

enough country so you can really get to know it. My wife and I visited every important town from Arica to Punta Arenas. And I got to know a lot of people and got to understand the country the way you couldn't possibly in a country like Brazil, for example, or even Argentina. This was small enough so you could deal with it. There weren't seven million people when I went there. And the country, despite its length, is a small country. The airplane makes it fairly easy to get around. So I really got thoroughly acquainted with the country by the time I'd been there a couple of years and understood it as much as a foreigner can. There are things that no foreigner could ever quite get inside of. So I think it was a good choice.

The people were charming there. They are delightful people. You can get mad at them sometimes, but they are wonderful people.

And I certainly got a greater interest in Latin America, and understanding of Latin America. We had opportunities to visit several other countries. You can see some of the Peruvian and Mexican artifacts over there. There's not much interesting archeology in Chile, because the Araucanian Indians were not given to the arts. They just liked fighting. The only Indians the Spanish never beat. And in fact, the Chileans never beat them. Eventually, about 1880, the Araucanians quit fighting and that was it.

I understand a lot more about foreign policy now. Believe it or not, as an historian when I saw a dispatch signed "Robert Lansing," I thought that he'd seen it. Of course, in Robert Lansing's days the chances were better that he had seen it than in Dean Rusk's days. I think of the dispatches that went out, signed "Cole" that I never saw—though I think I saw 95 percent of the important ones.... But there were a lot of routine ones that went out that I never saw signed "Cole."

You understand that it's really a great functioning bureaucracy which grinds on with the individual frequently playing very little part in it, and the decisions frequently being made way down the line, which I had not realized before. I had thought of the top brass as making the decisions, but so many of them come up from underneath and get built into policy without anybody quite knowing why. It's like an enormous business. And it is terribly bureaucratic. I don't know what you do about it.

O'BRIEN: Well, just one minor point: You mentioned that you had a choice of countries. What were the other countries, just out of curiosity?

COLE: Should I say that, do you think? I guess this is confidential. They asked me if I would take Argentina, the Philippines, or Chile. The Philippines I ruled right out because I suffer from the heat terribly. Then between Argentina and Chile, I picked Chile on its size, and I knew something of the complexities in Argentina, and I thought in a couple of years I'd never get on top of that. As I say, I think my choice was right. It was Chet Bowles who asked me to choose among the three of them.

O'BRIEN: Well, I've really exhausted everything that I really came to ask you. Is there anything else you'd like to add?

COLE: This is related to things we've already said. But I think it will sum up some of them. I felt quite strongly that our military presence in Chile was too great for the size of the country, in terms of, three missions down there and with a sizable staff and with interrelations spreading out. I was upset by some of the abuses by the military, too, on the customs and so on. But I just felt we were too visibly present militarily. So many generals came down, and the Chileans felt they had to turn out a guard of honor for them and give them the works. And as long as we were supplying military aid and material, they had to.

[-73-]

I'll give you one little, minor illustration, but of thing that's terribly upsetting. A Chilean general, when I was there, got a salary of about $225 a month. When an American general came with three of four aides and a staff and so on, he had to give a party for him. The drink that you must serve is scotch. Legal scotch costs twelve to fifteen dollars a bottle there. On his salary this was brutal. When I found out about this, I ordered the military people, whenever a party was given for a visiting fireman of a military sort, the day before he arrived they had to take a case of scotch from our embassy commissary—we didn't have a PX—but a case of scotch, which cost them maybe twenty-five, thirty dollars, and present it to the general or admiral in question. But this was the kind of thing that can be overlooked. That isn't really in point; that's just an abuse. We just had too many military people down there too much of the time. It is wrong for the image of the United States, I think.

You see, in addition to military, we also had a N.A.S.A. [National Aeronautics and Space Administration] agency there, and we had a U.S.G.S. [United States Geological Survey] group working.

This last was, however, useful as a basis of land reform. With our advice and help, they had a complete aerial survey of the whole country. They combined this with a search, also, for minerals and so on. This was a very important thing and the kind of thing we helped them with. It was done partly by an American firm and partly by a Canadian one. And U.S.G.S. was helping in the mapping and so on

Add to all this, while I was there, two big observatories moved in—one American and one European. And this was another presence. I think that's all right and I even don't mind about N.A.S.A., but just too many uniforms around too much of the time, too much military, it's somehow not good. And our image shouldn't be predominantly militaristic. And you know, we do maneuvers with them at sea, called Operation Unites.

[-74-]

By the way, the Chilean Army, Navy, and Air Force are pretty good, considering their limitations. Their Army was trained originally by the Germans and still does the goosestep. And the Navy was trained by the English and the Air Force by the Americans. So they've got the best of all possible worlds maybe.

O'BRIEN: Does that lead to any kind of inter-service rivalry as a result?

COLE: Some rivalry. The rivalry is mainly on the budget, though, just the way it used to be here before they all began getting too much. There are differences between the services, quite obviously. The Navy is the most aristocratic. The Air Force is the most modern. But they generally do a good job.

And, as I said, they do a lot of civic action. They have a big Navy foundry that turns out axes and shovels and things like that, as well as military equipment. They do a good job on that. And the carabineros are wonderful. Up in the frontier posts, you know, they teach school and give first aid and all sorts of things like that. They're a good organization. Of course, Chile is a very law-abiding country, much more so than we are. When they have a murder it's almost always a love affair of some sort.

O'BRIEN: Well, are you optimistic about the future of Chile? I've noticed here, of late, some of the things I've been reading in the *New York Times* are rather pessimistic about…

[-75-]

COLE: I sort of have a conviction that Chile will muddle through. But if they get some bad breaks—this drought.... I was communicating with the present ambassador [Edward Malcolm Korry] on another matter, and he said to me that they'd had five rains in the last eighteen months. And there's no snow on the mountains. You see, this is coming on winter now. If it doesn't snow this winter, they're in really terrible trouble. They seem to just get on their feet and then they have a natural catastrophe, whether it's an earthquake or what. This drought is really bad because they're having to import food more and more. This, of course, hurts the trade balance and everything else. So it's really tough. And I feel very sorry for them.

On the other hand, they are pretty politically savvy, they have a lot of smart people and a lot of good economists. Take the list of economists that are working for the U.N. one way or another, and you'll find a couple dozen Chileans there. They have a leftist tendency and a good anti-Americanism, but I think mostly they know how to keep that in place.

O'BRIEN: One further point on that. Are many of these economists M.I.T. [Massachusetts Institute of Technology] trained economists in Chile, as has been the case in some other countries?

COLE: Not many, no.

O'BRIEN: Not many. There are no Rostow students, in other words, that you know of in Chile?

COLE: No. Mostly they come from all over—Yale, Harvard, Chicago, Mexico or *Collegio de Mexico*. But they're good. Some of them are European-trained. And, of course, they've got good economics faculties of their own.

The universities in Chile are pretty good. In Latin American terms, they're very good. When I was there I would have made the generalization that taken as a country, they were the best universities in Latin America by quite a large margin. One reason is that the students never got control. So I'm a little disturbed about present trends. This is true. You could take Latin America and organize the list of universities in order of excellence and then organize it in terms of student control, and they'd be a perfect negative correlation. I understand the students are getting some control in Chile now, and I expect the universities to deteriorate.

But their medical school is pretty good. And they have a pretty good engineering school at Santa Maria and state technical school. They've got a lot working for them. I think there's some chance they'll come out of it.

I think there's some chance they'll come out of it. I think things are pretty tough, though. And the inflation, I think, is the worst thing. You watch the escudo on the foreign exchange, it gets devalued about every three months. This is bad. What this does for private saving is brutal, and it causes the tendency to invest in real property.

Somebody got the idea in the inflation of the thirties and early forties that a good thing to do was plant trees, and they discovered that the Monterey pine grows very well in Chile. It's not a very good lumber tree with us, but it grows like mad in Chile. They planted vast acreage in pine forests figuring this was a wonderful hedge against inflation. But they didn't realize you had to take care of the forests and thin them and so on. So a lot of them are not well cared for and have not been a good investment.

Inflation upsets the economy and diverts resources in a way that is really terrible and it is a persistent problem. They've been inflating since roughly 1880, and there seems to be no answer.

O'BRIEN: Well, thank you, Ambassador Cole, for an informative interview.

COLE: Well, this has been fun for me.

[END OF INTERVIEW]

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