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

AMBASSADOR ELIZABETH FRAWLEY BAGLEY

Interviewed by: Charles Stuart Kennedy

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Q: Today is July 27, 1998. This is an interview with Ambassador Elizabeth Frawley Bagley done on behalf of the Association for Diplomatic Studies and Training and I am Charles Stuart Kennedy. To begin with, could you tell me when and where you were born and something about your family.

BAGLEY: Yes. I was born in Elmira, New York, the second of eight children. My father was, first a family court judge and later, a county judge for over 35 years and is a lifelong Democrat. In fact, since I was five years old my brother and I campaigned for him because a judge in New York runs every four years on a ticket, and then, of course, he became nonpartisan after he went on the bench. My mother grew up in Manhattan, the daughter of Irish immigrants, who also canvassed and campaigned for democratic candidates, so it's obviously in my blood!

Q: Are there upstate Democrats? I didn't know that.

BAGLEY: In Elmira, New York there aren't many, but he was and is, very much. My older brother Kevin is a lawyer in New York and worked for Mayor Ed Koch for years. Another brother is a priest. A typical Irish-Catholic family: I have four sisters and three brothers. Unfortunately, there are no doctors, as we have no medical expertise whatsoever!

So, I grew up in an Irish-Catholic family that was political in the sense that every year on election day we would all go out to dinner together, because most of the time it was too expensive for such a large family. My parents instilled in us at an early age the belief that politics was an honorable profession and that voting was a right of our citizenship and a responsibility. My mother told us that her parents could not wait to relinquish their Irish citizenship, which was then under the Queen of England, and vote as Americans.

Q: Where did you go to school?

BAGLEY: I went to school in Elmira at Our lady of Lourdes, a Catholic school, from kindergarten through eighth grade, and then to Notre Dame High School. Then I went to Regis College in Weston, Massachusetts, also a Catholic school. And finally, I graduated from Georgetown Law School, so I spent my entire educational life in Catholic schools.

Q: Did Nuns run the place in elementary school?

BAGLEY: Yes, the Sisters of Mercy.

Q: How did you find them?

BAGLEY: Some good, some bad, like everyone else. I have to say it was a wonderful training, although my children are now going to an Episcopal school because it is a private school and the best one here in Washington. We didn't have a choice where we were going. We went to Catholic school all the way through college. Our parents were very much into Catholic parochial school education. At that time there were no teachers other than nuns and priests. Now a Catholic school would have lay people.

Q: You started school when?

BAGLEY: I was born in 1952 and started school at the age of four or five.

Q: Just to pick up a little social history. Was there much of a cleavage between Catholics and non-Catholics in Elmira in those days or not?

BAGLEY: I would say we were very isolated. I never set foot in a Protestant church or Jewish synagogue. In fact I think we were told not to. I can remember knowing then that they were different. We were taught that we were the one true faith. I don't remember being taught any kind of anti-Semitism, but Jewish friends of mine said that their Catholic friends had been taught that the Jews killed Jesus. I never heard that, although I always knew they were different from us by religion and customs: they went to synagogue on Saturdays when we were going to Mass on Sundays. I went all through the Catholic school system and knew only a few token Protestants, but no Jews. I had a very insulated, very middle American existence. There were several blacks in our high school. We were from the most affluent part of Elmira, New York, if you could call it that. It was a community of about a 100,000 population with a lot of people from Corning Glass, etc. There were ethnic pockets that were interesting, which I didn't know until I went to high school. In my elementary school we were mainly from the same area but there were Irish, Italians and Polish people. My Irish grandmother lived with us and was always characterizing the Italians as being this and the Poles that. She would say to forget the Brits and the Scots because they were the blackest of all Protestants, meaning they were anti-Irish and anti-Catholic. She brought with her great stories from Ireland, but also a lot of ethnic prejudices, usually laced with great wit. We always had knowledge of what my heritage was from her. My mother grew up in New York City, the daughter of two Irish immigrants. Her father was a chauffeur. My grandmother's family had eleven and they all came over. Two brothers were priests. So, we were really raised as very religious Irish, much more than any of my friends. My mother was first generation. Even though we were not in the city we were more kind of ethnically oriented than the rest of Elmira. If they were Irish, they had been there for generations.

Q: Did you pick up anything from your Irish grandmother about how wonderful the British were?

BAGLEY: Yes, exactly the opposite. My grandmother wasn't involved in the famine because it was in the 1840s and 1850s. She came over because that was what everyone did. They immigrated to somewhere and mostly to the new world, New York or Boston. I don't think she had had any unusual experiences, as she was only 16 and a farm girl. But, it was ingrained in them that the Brits came and killed and created or exacerbated, the famine, etc. She was definitely against the British.

Q: When you went to elementary school, were you picking up anything on the international scene?

BAGLEY: No. I don't know where I got that from. I guess partly from my grandmother, as she was from Ireland, but I didn't go to Ireland until I was in college when I went to France and Spain. Probably my first role model was Jackie Kennedy. I was eight or nine when Kennedy was elected, but I still remember his press conferences, which we all listened to devotedly at home. She was my first exposure to languages because she was such a magnificent presence. I bought every magazine and book about her. I knew her like no one else. I don't know why, perhaps her love of languages rubbed off on me, as she was fluent in French and Spanish, which I also majored in at college. I actually told her this later and she seemed pleased. Not that I wanted to be a diplomat but that I wanted to learn languages. I think that was where my interest in the international scene came from because she was absolutely my role model. In sixth grade there was a class in Spanish for the top ten kids in the class and so I began to study Spanish when I was eleven. It was a pilot program and no one could imagine why it existed. In those days nobody took any foreign languages, except maybe Latin because of the Latin Mass.

I loved Spanish and studied it in 6th, 7th and 8th grades. Then in my freshman year of high school I took a test and was allowed to take a sophomore advanced Spanish course. I then got into French and Latin. When I went to college I majored in French and Spanish and took some Italian as well. So, I have always been interested in foreign languages.

Q: Other than the language did foreign affairs intrude much in your education?

BAGLEY: No. Not at all. We were very insulated from the world - no one traveled abroad and foreign policy was never discussed until the Vietnam War, as I recall, but I was so caught up in my own life that I don't remember any discussions besides politics at our dinner table.

Q: This was so true of most schools in those days.

BAGLEY: Yes, there certainly is a difference today, with my own children growing up in Portugal. My parents didn't travel until I was 16 and they took a Rotary trip to France and Italy. They also went to Ireland a few times.

Q: Did you find travel books interesting?

BAGLEY: Yes. My awakening was when I was ten or eleven. The Kennedys really brought it out. I was almost forced to sit and listen to JFK since my parents adored him and then I got involved with Jackie and watched the assassination and the funeral from beginning to end. I had a sense of politics from my father and mother at a very young age and the knowledge of what one man could do and the impact that JFK made by his death and by his very presence. I knew I would be involved in some way politically, but not necessarily internationally.

Q: Any particular teacher in high school...?

BAGLEY: High school yes. I had a couple of teachers in high school who influenced me. One nun who taught world history, Sister Beatrice, and Sister Edwina, who was my French teacher and taught me the "Marsellaise," among other things. I have always kept in touch with them indirectly through my parents, and invited them to my swearing-in as U.S. Ambassador to Portugal. They came and loved it!

Q: In a family of eight I imagine college presented a certain challenge to the family living on a judge's salary. Where did you go?

BAGLEY: It did. In fact, I have to say my older brother, Kevin, had a football scholarship to Holy Cross in Worcester, so he was taken care of. I came along and due to good grades was offered a scholarship to Marymount in Tarrytown, which I fought because I wanted to go to Boston because of the Kennedys and because my brother was nearby. Although my parents wanted me to be with Kevin anyway, (my Irish twin who was eleven months older than I), the pragmatic side said that this was a full scholarship and they would be crazy not to take it. My father said that money wasn't everything and I should go to where I would be happy. I really wanted to go to Wellesley, but that was one thing they couldn't abide because it was not Catholic and they wanted me in a Catholic school. I ended up going to Regis, which is like the sister college of Holy Cross even though it was in Weston, which is close to Boston. I received a partial scholarship there and as I continued to get good grades I received more. In addition I had a federal student loan which I paid off about 10 years ago. We all went to Catholic school and my father did whatever he had to do to get us there, either through academic or athletic scholarships, and/or through student loans.

Q: You were at Regis from when to when?

BAGLEY: From 1970-74.

Q: You majored in languages?

BAGLEY: Yes, French and Spanish, plus one year of Italian.

Q: Were you picking up the international side by that time?

BAGLEY: The Vietnam war was going on around that time. However, I wasn't an activist by any stretch. Two of my brothers at one point were on the lottery list but luckily received high numbers. Holy Cross had a huge moratorium in 1969, the year my brother was a freshman. But again, Regis was an all girl Catholic school and we were more interested Holy Cross and Boston College men then we were anything else at the time! I maintained good grades, but didn't do anything international until I went abroad in my junior year. However, I was involved on a minor political basis in my sophomore year when I wanted to get out of Regis for a while and took some courses at BC. Then I did an internship at the Boston City Council, which was my first foray into Boston politics.

Q: Did you have to date Catholic boys?

BAGLEY: No, I didn't have to, but I did because most of our milieu was Catholic. All the young women I was in school with were all Catholic and mostly from Massachusetts. There wasn't even a cross section of the United States. Kevin's friends, whom I hung out with, were all Catholics and mostly from New England, although there were some who came in on football scholarships from other areas. We were definitely with Catholics and mostly Irish.

Q: I got my graduate degree way back in 1954-55 at Boston University and I remember with the name of Kennedy everybody wanted to find out what I was. It was very important to people there and I had never been in that environment before. The girls wanted to know and it made a difference to them. This was from, both the Catholic and Protestant side. I was sort of agnostic.

BAGLEY: That is interesting, BU being much bigger and not Catholic.

Q: Yes. This was back in the fifties. Anyway, Boston wants to know.

BAGLEY: If you are in Boston they probably do want to know because you are either in the Yankee category or you are Irish Catholic, with many Italians in the North End.

Q: Where did you go on your trip during your junior year?

BAGLEY: I went to the University of Dijon, in Dijon, France. It was a program I had to find because Regis didn't have an exchange program. I persuaded my parents it wasn't going to be any more expensive, so I went. I went in January, 1973 because I wanted to be there for football season at Holly Cross because my brother and his friends were on the team. I was there from January until June. Then, because I was a Spanish major also, I needed to get credit after studying French for six months, so I went to summer school in Bilbao, Spain for another month and a half. This trip really awakened an interest in international affairs, as I was studying with students from all over the world and often had to defend my political positions as well as my faith. Also, Watergate was just beginning and the French were very curious about it, so I had to read up on what was happening at home.

Q: Could you talk a bit about Dijon at that time?

BAGLEY: The group I was with was met in Paris by a petite French woman who was to be in charge of us, named Muriel Bonagura. We stayed one night in Paris and I remember my first view of Paris was the Arc de Triomphe, seen from our mini bus while driving along the Champs-Elysees. It was a real thrill. I thought I was in heaven. Then I arrived in Dijon, which was a downer, after having this great revelation in Paris and now this very parochial, small town, which was the capital of Burgundy and very provincial. If I could have done it over I'd go to Paris, but Dijon was probably a good place for me because you got to know people better and were able to have a sense of a small French community. Every French town had this beautiful square and we would go there for coffee in the middle of the day. The school I went to was an international school and there were students there from all over. I met my first Africans there, ate different foods, experienced my first unisex toilet and first co-ed college. So, from a protected environment it was pretty heady going to France and initially a little intimidating. There were a few Americans in my group but mostly it was international in makeup. It was the first time that I ever had discussions about religion. Previously there was nothing to discuss about religion, you did what you were told. I was not a rebel in my religious training. I remember having emotionally charged discussions with people who were Protestants, Jewish, etc. It was really the first time I had friends not only from different cultures but even Americans who had different religions.

Q: This was the time when the Vietnam war was winding down and the United States was kind of on the defensive at this point. All students around the world were knocking the United States and it was kind of fun.

BAGLEY: And Watergate was happening.

Q: I would have thought that you would have found yourself in possibly a difficult position because of this.

BAGLEY: I didn't like Nixon and wasn't in any position to defend him. But, I didn't have to defend him. I was careful about being an American and not trashing my president, but on the other hand, I was the one who was saying that he probably was guilty and there were some real problems. They would say, "We love Nixon. What is going on? Why are you making such a big deal about this?" They didn't see anything really wrong with his actions. These discussions were all in French and I learned a lot of French attempting to talk politics. Strangely enough, I wasn't defending the United States; I was criticizing the president but also saying that this proves the values of the American system because we were doing this in a very deliberate, legal process according to the Constitution, and the government did not fall. It was almost like giving them a civics lesson on how the presidency and congress worked within the constitution and the strength of our democracy. Once you are put in such a spot you realize how much you do know and how different our system was. It aroused in me a deep sense of pride to be an American.

Q: I think this is one of the things that anyone in the diplomatic trade learns: that you really should know your own country. Not only that, but that you begin to learn more about it because things you have always accepted have to be defended.

BAGLEY: Certainly at age 19 my experience in Europe was quite typical.

Q: How did they get you back to Regis?

BAGLEY: I had a lot of friends at Regis and a boyfriend in Boston, so it wasn't that difficult. I wasn't ready to be an expatriate yet. I went for a reason, to get my French and Spanish, and to do a bit of traveling. We traveled to Italy and Greece which was great. My roommate, my best friend from college, came over to Spain to take a Spanish course with me and then we traveled all over, including Ireland, until August, and then we returned home and back to Regis for our senior year.

Q: I was consul general in Athens at this time and I knew we were having a lot of trouble with kids wandering around. They were getting into hashish. Did you see any of this?

BAGLEY: I was exposed to marijuana for the first time when I was a freshman in college. By my junior year it wasn't a big deal. I saw more of it in Europe, hashish as well as marijuana, but not hard drugs.

Q: This was sort of the modish thing to have. There were kids from all over the world running around.

BAGLEY: It was a fun time. I would do it again. I tried to convince my younger sisters to do it, but they didn't have my wander lust.

Q: When you came back to college did you have a different perspective on religion or world events?

BAGLEY: I think it helped to define my objectives about what I was going to do, although it was still unclear to me how I was going to get there. My parents were wonderfully supportive, but they didn't have any international background. I came back for my senior year and it was fun getting back to another football season and seeing all of my friends. I wanted to go to law school but knew financially it was too much for my parents to handle. Kevin was already in law school and following our father's tradition. I knew I wanted to get into politics. As a sophomore I went to BC where there was a program called the philosophy of politics. The professor, a fabulous Jesuit priest, had internship options, so I got into Boston City Hall. It was fascinating. I interned with Larry DiCara, a city councilman, who later became president of the council. When I graduated in 1974, I said goodbye to my parents and looked for a job and apartment in Boston. I had no choice to return to Elmira. I got an apartment with four other girls from Regis in Brighton for the summer. Most of them went back to their hometowns, but I stayed with another roommate. I went to work part time for the Dukakis campaign, but they didn't pay me anything, so I found a job as a receptionist at the Massachusetts Defenders Committee, a public defenders group. My thought was to get into a place where I could get some legal training, maybe be a paralegal and then go on to law school.

Ironically, the man I worked for is now running for governor, Scott Harshbarger, who is my good friend who protected me from many pitfalls. I was a very brash, young college graduate who wanted to change the world, starting with the legal office, and got the secretaries together for a paralegal course. My supervisor was not very fond of me and tried to fire me, but Scott and other lawyers defended me. I also was a Spanish interpreter which meant I would go with the investigators who were lawyers to interview Spanish defendants. I was on the witness stand a few times. It was great, and I loved being in court and doing interviews. The lawyers would pull me out and I would go off with them and someone else had to take on the receptionist job while I was away, which did not please the office manager, to say the least.

Q: During the later seventies, what was your impression of Boston politics?

BAGLEY: Kevin White was the mayor. He was brilliant and irascible but a great power and a true visionary. I would say that he probably was one of our best mayors.

Q: He was a classmate of mine in college.

BAGLEY: Oh, really? He was very bright. He was kind of a Brahman in his own right and had some wealth and his wife, Kathryn, was also a dynamo. He was considered for Vice President in the late seventies but later faced some corruption charges which were eventually dropped. One of Kevin White's projects, which was called Boston 200, was founded in 1975. It was the Bicentennial of our nation and they were doing big tours of the city and were looking for people who spoke languages. Realizing my woman supervisor wanted to get rid of me and that I wasn't going any farther at Mass Defenders, I quit my job there and went to work for Kevin White's Boston 200, which was headed by his wife.

Q: This was something which was a phenomenon of the period, that young women coming in and wanting to move up often found themselves up against an older female manager who really didn't want to see people come up because they were essentially going to bypass them. Was this what you were up against?

BAGLEY: Exactly. I will never forget her. She was an old maid who started off as a secretary, probably was very bright and obviously very efficient. She managed the office and actually hired me. I was young and arrogant and thought I would be able to move out to do this Spanish interpreting and that the receptionist job was a little stepping stone, but that was not her expectation for me, as she wanted to keep me in my place. When you look back she was probably right. I was definitely out of bounds and acting outside of my "chain of command." Even though the attorneys liked me and encouraged me, I really worked for her, so I can understand why she wanted to fire me, as I was a renegade. In retrospect, I felt sorry for her because that job was her life, and she probably resented the fact that I had a chance for a brighter future.

Q: Was Boston politics a machine then?

BAGLEY: Yes. Kevin White certainly had a political machine and had a very extensive "spoils system," as every mayor does, to reward his campaign workers and supporters.

Q: Did you get involved at all in politics.

BAGLEY: Somewhat. Boston 200 was a federal work program but the jobs were assigned on the basis of political connections. In fact, my political mentor was Larry DiCara, the Boston City councilman that I worked for in college.

Q: What did they call them? In Chicago they call them rabbis or Chinamen, I can't remember which. Was there a nickname for having a patron?

BAGLEY: No, I don't think so, but it was definitely political. In fact, Kevin White's wife, Kathryn, ran the program. She was very smart and very efficient and he was eloquent and charismatic - they were quite a team. I took the job in 1975 and I worked there for about a year. We had exhibits covering the 18th, 19th and 20th centuries so I learned a lot about Boston politics and about Boston itself. They had a training program for over a month with a number of historians among the lecturers. We would study the various neighborhoods of Boston including the Freedom Trail, the Old South meeting house, the Boston Tea Party site, among others, and then would be tested on it. We would have to give presentations on these areas and on Boston history. I worked on all the exhibits and conducted some tours in French and Spanish.

Q: Had the busing thing occurred by then?

BAGLEY: That happened before I took the job and I wasn't too much involved in it. Louise Day Hicks, the leading anti-busing advocate and a councilwoman, was in heated debates on the issue between Kevin White and the city council and later, in Ted Kennedy's office. I must say that Kevin White, as well as Ted Kennedy and others, took a courageous stand against segregation. It was a volatile political issue especially in South Boston, where many Irish and Italians were vehemently opposed to it because it affected their children directly. But they won, and it was an important and principled stand against discrimination.

It is amazing. They were always at each other's throat. It is a great experience if you want to get into politics.

Q: Had the political bug hit you?

BAGLEY: Yes, the bug bit me when I worked for the council and I was still in government, so to speak, when I was working for the Boston Bicentennial because I was doing a lot with Kevin White and his people and his wife. At that point we went on a schedule of working long hours for four days and then getting three days off, so I decided to take that opportunity to go and volunteer in Ted Kennedy's office. So, I just walked in and said that I had this schedule and was a great admirer of Senator Kennedy and would like to volunteer. I was asked by the office manager what I did and what did I know about Boston. Well, I knew a lot about Boston, even though I wasn't born there. She hesitated over my not being a native Bostonian, but finally she told me I could come in once a week. Then they started giving me more and more things to do, like casework assignments. After two or three weeks I was asked if I could type. I said that I didn't but I could learn. The office manager then called me in and said that one of the case workers had just left and if I could convince her that I could learn how to type, I could have a job. I would be on probation for six months and then they'd decide if it was to be permanent. She evidently liked me even though I wasn't from Boston. So, I went to typing class and learned how to type.

Q: Was there a reason not to learn to type? Most people go through college and type their reports. Was this an effort to make sure you were not going to end up as a secretary?

BAGLEY: There was probably some of that. I paid my roommate to type a paper in college. Even in French class, where it was more difficult, my father's secretary happened to be French, so she typed my French report. I think it was an element of pride that I didn't type and I figured that I could find a job that didn't require it. Until I went to Kennedy's office, I didn't think of it as a great asset. So, when I said I never learned to type, they were kind of incredulous as well. So, I did learn to type. I had to because the case workers always typed up their own reports. I worked there from 1976 into 1977, a little over six months.

Q: What does a case worker do?

BAGLEY: There were three of us and it was constituent services. You would have a constituent come in who had lost their social security check, or had an immigration problem, or an IRS issue. We received letters from people to Senator Kennedy from all over the country because he was very popular and famous; and we had to write a response.

Q: I used to have to answer letters for Senator Kennedy abroad. I found it very interesting because he had turned into sort of an ombudsman all over the country, not just Boston and Massachusetts.

BAGLEY: He was the last of the Kennedy legacy, the keeper of the flame of Camelot, if you will. Even after the tragic events at Chappaquiddick in 1969, he was still adored. And he worked very hard for his constituents and answered every piece of correspondence - with our help of course! I liked the job but soon became bored with constituent services. I was fascinated with Washington and wanted to work in his Washington office. I decided by that time that Boston was getting too provincial for me. I felt I needed to expand my horizons. Ted Kennedy wasn't in the Boston office very often but when he came in, the office would be transformed. Ted would enter as a conquering hero and the women would all flutter around him. They treated him like a god, but he was very nice and always came around to our desks to say hello. I'll never forget working with my head down and suddenly looking up into those deep blue eyes - he was so handsome in those days!

I became friendly with many of the senator's friends and family, who would invariably drop by with a problem or simply to chat, and I think this created some tension between me and the older women, particularly with my boss, the office manager, who was overly protective of the senator. Again, looking back, I can see that she was too naï¿½ve to appreciate the liabilities.

Q: Well, after the death of Mary Jo Kopechne, they were probably being very cautious. Even in the Foreign Service, particularly when the Senator was very young, there were stories circulating about him. So, you can imagine the office manager wanting to make sure that...

BAGLEY: Although there was nothing to worry about on either side. But again, I learned another lesson that she was the boss and I had to deal with her and not with Ted. There was a clear chain of command and I was in danger of violating that tacit understanding, so I left to pursue a job in Washington. Senator Kennedy put me in touch with his committee staff in Washington, where I interviewed for a few jobs but was told to wait a few months for an opening.

In the meantime, I moved to Washington and got a receptionist job in the office of Senator Wendell Anderson, who took Senator Hubert Humphrey's seat after he became Vice-President under Lyndon Johnson. Wendell Anderson had been the popular governor of Minnesota, but then made a political blunder by appointing himself to fill Hubert Humphrey's senate seat instead of finishing his term and running for the office.

The job in Anderson's office was a receptionist position which I only took because I wanted to be available for the job in Kennedy's office when it opened up - I had never been to Minnesota, knew nothing about the state, and everyone who worked there were of Swedish or Norwegian descent and members of the DFL (Democratic Farmer Labor Party). It was a far cry from Boston politics and I was miserable. Needless to say, the office manager, again a spinster, was not happy with me either, and we agreed that I should look for another job. While I waited for the judicial committee job, I ended up meeting a friend from Kennedy's office who had just moved to the State Department as one of the key management people, under Undersecretary of State Ben Read at the time. He was in charge of all the political jobs in the State Department. This was in 1977. The Carter administration had just come in and was beginning to get settled. Carter gave Vance and all his secretaries total control over their departments, so the State Department was full of Kennedy people and other Capitol Hill staffers. My friend called me and said there was a job working on the Panama Canal Treaty, a temporary job, but something that might eventually get me into the State Department and he felt he could get the job for me. I went over to the Department immediately, interviewed for the job and landed it partly because of my Spanish, as well as my Kennedy connections. It was one of the most fascinating issues of my career. I began in September, 1977.

Q: It was a very hot issue at the time.

BAGLEY: A very hot issue.

Q: It was sort of one of the cornerstones of the Carter administration.

BAGLEY: Exactly. That and Camp David and I was fortunate to work on both of them.

So, I was hired for what was thought to be a six month assignment but turned out to be three years. The Senate treaties weren't passed until 1978 and then the implementing legislation brought it to April, 1979. It was exhilarating and very demanding. It was my first real substantive role and exposure to the federal government. I had worked as a case worker so I knew what constituency services were in a Senate district office. I worked in a Senate office for three months and consequently knew enough about the Hill to understand the process, but I really didn't know Congress or the State Department. It was Carter's very first foreign policy initiative, so every department and agency was involved. It was run at State out of the Office of Congressional Relations. I was assigned as a deputy first to Bob Beckel, who later went over to the White House as congressional liaison, and then to Ambler Moss who is still a very close friend and served later as a US Ambassador to Panama during the implementing legislation fight in the House.

Q: Where is he now?

BAGLEY: He is down in Miami as Chair of the University of Miami International School.

Q: He was interviewed for our program.

BAGLEY: Yes, he should have been. That was one of the most historic times of my life.

Q: Can you give me an idea of how the group working on these treaties felt? Was it us against them, the conservatives of both parties? This thing stirred up all kinds of nationalist feelings.

BAGLEY: Yes. The debate was very emotionally charged in the country. Usually people didn't think about the canal but when they did think about it they would say, "Why are we giving the canal away?" The book at the time which became our bible was "The Path Between the Seas" by David McCullough, who also became one of our outside advisors - a wonderful, brilliant man!

Q: Was this a democratic thing or more of an issue thing between liberals and conservatives?

BAGLEY: No, it kind of went down party lines. Although, Carter didn't have a lot of support in the Senate. They didn't know him and the team he had was run by his chief of staff, Hamilton Jordan and Frank Moore, both Georgia natives who didn't know the Senators or Congressmen or Washington. That was Carter's biggest problem initially, as it turned out to be Clinton's. Vance was able to bring into the State Department very good people who knew Washington. So, the guy who was assistant secretary for Congressional Relations was Doug Bennet, who had worked for Senator Abe Ribicoff and was head of the budget committee under Senator Ed Muskie. So, he knew Washington very well. His deputy was Brian Atwood, who is now head of AID. He had worked for Senator Tom Eagleton from Missouri. He came over from Eagleton's office and was a former Foreign Service Officer. He really understood the Foreign Service, which was important because no one else did. I was a legislative assistant, and worked directly with Ambler Moss and Bob Beckel. Ambler was assigned to negotiate the Panama Canal Treaties under Ambassador Sol Linowitz, who came in 1975. Ellsworth Bunker had done it for years but they needed a lawyer who was perhaps tougher to come in and wrap up the negotiations and Linowitz came in from Coudert Brothers Law Firm and brought Ambler Moss with him. He was an amazing man. Ambler then came to the State Department as a political appointee in the role of deputy assistant secretary for Congressional Relations, so I worked with him directly on the passage of the Panama Canal Treaties.

It was the number one issue in the Carter White House. I was at meetings at the White House, the Defense Department and every part of the State Department that was involved. After a while they asked us to go up to the Hill to establish an office. This is quite unique and I don't know if it has happened since. It actually happened twice with me because they asked me to do it again on the Cyprus agreement two years later. I was asked to set up the office, S-207, just off the Senate floor. It was right near Vice President Mondale's office, so we were able to hold meetings with Senators there. It was Ambler Moss and me and Mike Kozak, who is now in Cuba, and then was a deputy legal advisor and Colonel Larry Jackley from the Defense Department. At that time the debates were not televised. They had just gotten on to NPR, National Public Radio. We were given a box so we could hear the debate at all times. Whenever there was an amendment, an understanding, or a reservation, I would call the document room right away and they would bring it up to me in our building office. I set up our filing system and tracked all the Senate bills. We would met with supportive Senate staffers every morning, mostly Democrats, and compare notes and go over our daily strategy. Then the floor debate would begin and I would research the Congressional Record every day. I ended up keeping a catalog of all the major issues, like defense, sovereignty, the economic implications, among others. So, I knew the debate better than anyone else. Then there were amendments, which would violate the Treaty, and we would try to work with them to soften the language and make them "reservations" or "understandings," legislative terms that would not violate the Treaty. We were always meeting with the Panamanians at the same time to try to determine what they could and could not live with, and communicating this information back to the White House and the Senate. It was a great negotiating process and I was in the middle of the whole process, absolutely enthralled with my role as one of the "gang of four," along with Ambler Moss, Colonel Larry Jackley, and Mike Kozak.

Q: How did you find the Pentagon, the Department of Defense, on this? Were they leery of the whole thing?

BAGLEY: Yes, initially. I remember being totally intimidated by the brass coming in dressed in uniforms and angry about various clauses in the Treaty. The military was a very important part of the whole agreement and they were angry about the timing of when the bases would be taken over and how they would effect the transfer of the bases. That was a very crucial issue. There were a number of fascinating issues around the transfer. How much money would it cost? Was it constitutional to transfer the Canal by treaty and thereby exclude the House? The House was very angry because they wanted to have some say in the actual treaty itself. We did it by treaty because we knew we had a better chance of getting the votes in the Senate. As it turned out, we were right, because when the House was given the opportunity to vote on legislation to implement the terms of the new Treaty, they rejected it the first time, and we had to have a second vote after much political deal-making.

Anyway, Colonel Jackley, who had worked on the negotiations in Panama, was assigned to represent DOD and probably to keep us State Department people honest. He was a bit of a curmudgeon, but we learned all learned to get along and in the end, we proved to be a very cohesive team, so much so that Secretary of State Cy Vance called us the "gang of four." We really worked the Senate every day. Ambler got to be friendly with Howard Liebengood, who was Senator Baker's chief of staff, after he accompanied them on a trip to Panama. After visiting Panama and the Canal, Baker realized how important it was and how truly vulnerable it was and decided to support the Treaty, which, of course, politically for him was probably suicidal. Baker, the Senate Minority leader, and Robert Byrd of Virginia, then the Majority leader, introduced a Byrd-Baker leadership amendment, which postponed the giving of the Canal until the year 2000. It was worked out by the State Department and didn't really change anything but addressed concerns on both sides. He thought he could get people from the Republican side to support the Treaty because of this amendment. In fact, there were lots of amendments in the end sponsored by Democrats, like the freshman Senator Dennis DeConcini, and we had to compromise with them on various language and often refer to back to the Panamanians in their approval if it made a significant change.

Every day the "gang of four" would meet with the Baker people and talk about the day. That proved to be extremely valuable because we were not the White House, we were the State and Defense Departments, and it brought Colonel Jackley along because he was then able to understand what it meant to compromise. None of these guys had any sense of the Hill, as no one had ever worked on the Hill besides me and my experience was limited at best. Politically I think they all understood what it meant, how difficult it was for Senator Baker to convince his Republican colleagues, and what needed to be done. So, we really analyzed the debate every day, discussed strategy, and worked with them throughout the debate. Of course, Baker was the leader and we deferred to him, but it was a wonderful exercise in bipartisanship and proof that especially in foreign policy, politics should stop at the water's edge.

To this day, Howard Liebengood, Cran Montgomery, and Reil Hildenbrand, Baker's chief strategists, and of course, Howard Baker, are the best Republicans and some of the finest people I've ever met. Senator Frank Church, from Idaho, was number two on the Foreign Relations Committee and led the floor fight along with then-freshman Senator Paul Sarbanes of Maryland. The minority and majority leaders, Byrd and Baker, were on the floor most of the time. I was then called by my nickname, Betsy, instead of Elizabeth, and the senators came to call me "Panama Betsy" and "the last deal in the deals book," which was the book I put together of possible amendment reservations and understandings and guarded with my life! Was that sexual harassment? I doubt it. I was the only female, just 25 years old, so it was meant in jest and as a sign that I was an integral member of the team.

Q: How did you find the congressional liaison? Did you feel sort of uncomfortable with its operation?

BAGLEY: No. I guess my political instincts were already sharper than my diplomatic instincts. I had a little desk outside of Doug Bennet's office, along with his secretary. They were busy and I just wanted to be where the action was, which was the Hill. So, when they thought about putting an office on the Hill and wanted me to do it, I jumped at the chance. I would come into the office for the staff meetings and then leave, so I had very little to do with the congressional relations office at the State Department. I frankly think that more people should spend more time on the Hill. Even when I finished on the Senate side and then did the House side when we didn't have an office on the Hill, I was up there every day and got information that nobody else had, simply because I was on-site. I was almost like a reporter, out on the front lines. The Foreign Service Officers were obviously trained diplomats and weren't interested in being on the Hill. Most of them spent very little time on the Hill and I think were not comfortable there. I think that the main problem with "H" or the Foreign Service Officers being in "H" is that they spend too much time writing memos and reports at their desks, as if they were drafting cables at an Embassy, and not enough time getting to know the staff and members of Congress on Capitol Hill.

Q: I have heard this before.

BAGLEY: Yes, they need to have their eyes and ears there. I would have to call in my reports at night. When we were on the Hill, it was so intense and went on after midnight, so I was pretty much relieved of doing any written reports except to do oral reports. What I was doing was really running a campaign. It was fabulous. I think it was an awakening for all of us who spent our days and months in that little office because we gained invaluable insights into the legislative process and the importance of their work. Colonel Jackley became a great defender of the political process and of the Hill after working with us. We would fax proposed compromise deals with various Senators to DOD and State for clearance. Senators were always wandering into the office and I would be in the middle of all the discussions on compromise language and strategy. Senator Sarbanes came in quite often. Not only did I have the "deals book" but I knew all the debates because I was researching them. Every day I would go home and go through the Record with my marker. So, it was kind of an exercise in future legal research because I was really learning a lot about the workings of the Senate and the myriad of issues that the Senators had to grapple with every day.

Q: How did you find the congressional staff members? Were they more or less the machine that was running the debate?

BAGLEY: Yes, they were. The White House ran it very effectively, although we all had very good relations with the White House people, who were mostly political. They were mostly on the Hill as well, operating out of the Vice President's office. They would meet every day with the Senate staffers. There were several of the Southern senators who were not on board. I remember Wendell Ford was not on board. I remember his Senate staffer was a woman, very bright, who would come to every meeting and feed the information to him and prod him along. He ended up voting for it in the end, but it wasn't until he exacted certain concessions for his vote. We kept a list of leaning for, leaning against, for, against, undecided, and would try to get them on board. We started off with not enough and ended up with 68 in the end. Byrd ended up convincing his West Virginian colleague, Senator Jennings Randolph, a real conservative, who was our last vote, so we got one more than the two-thirds needed.

Q: What was your perspective of Walter Mondale, because he had been a senator and you might say the connection because of Carter came in from the state of Georgia and wasn't bringing any particular clout with him. I would think Mondale would have been an important figure.

BAGLEY: He was very important and spent a lot of time on the Hill talking to senators or calling senators. He was very involved. Jim Johnson was his key staff person and he was up on the Hill daily. Mondale was crucial to our efforts because, as a former senator, he understood the process and was also very well respected by his former Senate colleagues. We would also have regular briefings at the White House for senators. President Carter would be there along with the Chairman of the Joint Chiefs of Staff, the Vice President, the Secretary of Defense and the Deputy Secretary of State, Warren Christopher, was actively involved because Vance was working on SALT at the time and had turned Panama over to his deputy. The President would start off to introduce everyone and then he would go into minute detail on every phase of the Treaty. I remember being very impressed but also thinking why is he doing this when he has everyone here and they all had things to say. He spoke for an hour and then asked for questions. All of the questions were directed mostly to him and he would answer them. So, I would think to myself, "Isn't it wonderful that he knows all this, but why does he need to know all this?" It was my first sense of recognizing that he is an engineer and a micro-manager who is engaged in the minutia instead of the big picture. I think that was a real problem with his presidency. He didn't really have a relationship with the Congress; he had very little with Senator Byrd, the Senate Majority leader, and none with Baker. As far as I could see he really didn't understand the politics of the Treaty. He knew the policy like no one else, but, while that is very impressive to have that kind of information at your fingertips, he didn't need it. He was there to be inspiring, and he was lecturing them instead. In the presence of Reagan or Clinton you felt like you were with the "President," but when I first met Carter, I found him to be a nice, sweet man but not charismatic or an awesome presence. That hurt him on the Hill because he didn't like to engage in the give and take of legislation, and as a former governor, he had little experience with the legislative process. In the end, it was the Democrats' sense of loyalty and the Republicans' belief in the issue that won the day.

Q: Did you have any trouble with Ham Jordan and some of the other assistants?

BAGLEY: I have to say that Hamilton was very engaging. He was a brilliant political strategist although not a great manager. He was not a diplomat but a good 'ole boy and was great with people. He and the then Panamanian Ambassador, Gabriel Lewis, who later became foreign minister and died last year, developed a very close personal relationship. He was with him all the time. He would be the one that you would fax to say, "Call the ambassador. Talk with Gabriel." Gabriel was luckily very close to Torrijos, the President of Panama. If it wasn't for Gabriel keeping Torrijos in line.....they listened to the debates on the radio all the time and they were getting lambasted by Jessie Helms and others constantly. There were constant comments about a banana republic and a tin horn dictator. Drugs were an issue and the Panamanians were also accused of being drug kingpins. Torrijos had quite a temper and he had every reason to be offended, but Hamilton played an extremely pivotal role in keeping the lid on. He also kept Carter in line. Although Hamilton didn't know the Hill, he had a couple of good relationships with senators which helped, and he had made some mistakes early on by not consulting or not returning phone calls, so he was determined to be as responsive as possible. Mondale was probably our chief lobbyist on the Hill. But Hamilton was responsible largely for the Panamanians because both we and the Panamanians knew that it was in both of our national - and political - interests to pass the Treaty.

Q: Were you always concerned that some ungodly thing would happen with the Panamanians that would blow you out of the water?

BAGLEY: Absolutely. That is why it was so important to keep them apprised of what was happening on the floor and explain to them that the insults about them were largely political and should not be taken seriously. They felt like they were a colony of the U.S. and had an inferiority complex. All that came to the fore with the Panamanians, particularly with their President, General Omar Torrijos, who had a huge but very delicate ego!

Q: Did Gale McGee play any part in any of this?

BAGLEY: The former ambassador to the OAS?

Q: Yes.

BAGLEY: He played some part. He was in and out but didn't play a major role. There was a lot of testimony before I came in and I remember that he was there as a former OAS Ambassador. They also had a citizens committee that Averell Harriman chaired, and Ambassador McGee was on that and he did a lot of public speaking around the country. There were a number of former ambassadors engaged in public speaking and outreach in an orchestrated campaign that was unprecedented at the State Department. They ran an amazing speakers program that engaged everyone across the country. This was in addition to the Harriman Citizens' Committee which was established to enlist immediate citizen support for the treaties. We had a lot of irons in the fire at once.

Q: You stayed until the Treaty's implement legislation was passed?

BAGLEY: Yes. They passed the treaty in April of 1978. There were actually two treaties considered together. We passed the Panama Canal Treaty and a second treaty called the Neutrality Treaty. I can't remember why they were divided because they were part and parcel of each other. We waited the summer and then started implementing the legislation. There were a lot of things that dealt with the bases like Social Security and the return of assets, etc. There were several congressional committees. The Post Office and Civil Service Committees, and a Panama Canal subcommittee (run by Rob Bowman) of the full committee run by Representative Jack Murphy, who was the Chairman of the Merchant Marines and Fisheries Committee. When Ambler Moss became ambassador, I started organizing congressional delegations, or CODELS, to Panama and became the institutional memory for the treaties at the ripe old age of 26!

I remember going down to Panama with Chairman Jack Murphy, a conservative Democrat from New York, and Rob Bowman, a right-wing conservative Republican from Maryland, and going to Mass, the three of us! Although we agreed on very little, we were able to find common ground somehow and I think it helped in our negotiations over the implementing legislation. I have never found a person that you can't somehow relate to on some level, and I think that is key to working in politics - or any other profession, I guess.

Both Congressmen were adamantly opposed to implementation of the Treaty. It was tied up with President Anastasio Somoza of Nicaragua because Jack Murphy was in the U.S. military academy with Somoza.

Q: Oh yes, Jack Murphy was Mr. Nicaragua. He was hanging on until the very end.

BAGLEY: It was outrageous because he and Somoza were big buddies. At that time the U.S. government had a huge problem with him and we were trying to get rid of him. Murphy linked the two issues and had the power to do so because he ran the Merchant Marine Committee in the House, which had primary oversight of the Panama Canal Zone. Drugs were also an issue with Somoza and with Manuel Noriega. We lost our first vote in the House, which was devastating. We couldn't imagine how we could have lost. I think we all just took it for granted. We won, of course, the second time, but it was a long effort and we had to make a number of compromises while still keeping the Panamanians in check. It was much longer than anyone had expected and much more emotional and challenging, but in retrospect, it was one of the most exciting times in my life because it combined politics, public relations, foreign policy, and legislation over one of the most important issues facing the country at that time.

Q: We will stop here. What did you do after the treaty was in the bag?

BAGLEY: I went back to H (Office of Congressional Relations) and worked on the lifting of the Turkish Arms Embargo, another hot issue in the Carter foreign policy agenda. We won that battle, finally, and then I was asked to go to lake Placid, New York, as the State Department's representative to the Winter Olympics.

Q: Good. We will pick up on the Cyprus and Lake Placid events next time.

BAGLEY: Good.

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Q: Today is October 1, 1998. Let's start with Cyprus. What were you doing with Cyprus at the time dealing with the Hill and when was this?

BAGLEY: It was probably September, 1979. During that time they were working on the lifting of the Turkish arms embargo.

Q: At the time you were working on the Turkish arms embargo, what was your role and how did you see the problem at that time?

BAGLEY: My role was the same role I played on the Panama Canal Treaty, but because I was still working on Panama it was really focusing on setting up that same kind of office on the Hill, where the State Department would run an operation out of the Vice President's office off the Senate floor.

Q: Kind of a boiler room.

BAGLEY: Exactly. What I did was very narrowly focused, whereas in Panama we really ran the gamut of public affairs outreach, congressional liaison, military issues, and of course, it was a treaty.

Q: It was trying to solve a situation that wasn't going to change appreciably and trying to get people to back away from their political stances which were based on domestic politics instead of reality.

BAGLEY: Exactly. Panama was also based on domestic concern but it was a much more emotional and a broader policy concern. This was about the arms embargo against Turkey. I wasn't involved initially so how it came to happen at that particular time, I'm not sure. Of course the Greek lobby was very strong, because they were against lifting the embargo.

Q: What was your impression of the Greek lobby on this issue?

BAGLEY: The Greek lobby was very influential for their small numbers. There are only about three and a half million Greeks in the country. But, they really put together an amazing lobby. Paul Sarbanes, who had been our savior and our floor leader on the Panama Canal Treaty, was, of course, against us on the lifting of the arms embargo, so, as is the case on most legislation, allegiances are constantly shifting, depending on constituencies and policy beliefs.

Q: After four years as consul in Athens I learned that the Greek-Americans are really something. In fact, in many ways they can only be compared to the Jewish Americans except the Greeks are really more widespread. If you take California, New York and Florida out of the equation for the Jews, it peters down, but the Greeks are everywhere.

BAGLEY: Yes. They tend to be in Boston and the major cities. They are often wealthy and tend to be more conservative and Republican. It was a very emotional issue that touched so many of them and it was a charged debate. Why President Carter decided to tackle this volatile issue on the heels of the Panama Canal treaties is a mystery to me, but maybe because the SALT Treaty was floundering, they decided to try to get this passed.

Q: When you went to the Olympics, what were you doing? This was 1980.

BAGLEY: My title was "State Department Representative to the Winter Olympics" at Lake Placid. It was one of these jobs that they created, not for me particularly, but because they felt they needed someone on site to be there. I was not a protocol officer, although I became involved in protocol. I wasn't doing any congressional liaison. I was sent up basically to be there if there were any problems of international concern. One of the interesting facets was that I had several briefings on terrorism and on defections. The Soviet Union was our enemy and the Cold War was an overriding concern. The defection possibility was something I had to be very sensitive to and attuned to in case there was anyone wishing to flee communism from any country. I was the only person representing the United States government, which was kind of strange as I was only 26 years old. I think there were many people who might have wanted to do it but I think they felt the job was too non-substantive. Most career Foreign Service Officers wouldn't have wanted to take the chance of being up there and away from official Washington. There was another officer who came on board with me who was a consular officer, but he didn't stay up there; he was the one who was my contact at the State Department. I was under the Undersecretary for Management, Ben Read's office, and the person who directed this program was Tony Gillespie. He was my reporting officer, if you will, but he only came up once, with Secretary of State Cy Vance. Most of the time, I was on my own to make my own work, basically.

What actually happened, the way it turned out, was really fortunate for me because it became much more of a political job. When I went up there I decided to meet everyone on the International Olympic Committee, or IOC. I had a little house and they gave me a clothing allowance. It was very interesting because I spent three weeks up there. Every day I would go, check in, walk around and see who was there. We would have visitors coming in but I was only responsible for protocol when there were heads of state or special foreign visitors, or high officials from the Carter Administration.

Q: Was there an immigration office representative there in case there was a defection case so it could be handled rather quickly?

BAGLEY: Yes, they had a small, unobtrusive presence but I would always know how to locate them in case of an emergency. The protocol people came up a couple of times. But, I was the only person on site. I was supposed to be coordinating for the entire U.S. government. If there were a defector, I would be the one that they would come to presumably because I was the only known U.S. government representative on site. I knew the President of the International Olympic Committee and the President of the U.S. Olympic Committee and the local Lake Placid Olympic Committee. I worked out of the local Lake Placid Olympic Host Committee office actually, under an impresario named Peter Spurney who had organized expos and international events before this job. They had their own office of protocol, which I checked with daily.

We became involved, strangely enough, because right after I arrived President Carter made a statement that as a result of the Soviet Union's invasion of Afghanistan the U.S. was going to retaliate against the Soviet Union. He announced that the U.S. Olympic Team would not be allowed to attend the Summer Olympic Games, to be held in Moscow. This caused great consternation because he didn't really have the authority to do that since the Olympic Committee is a private organization. I think they just didn't initially do their homework, and it was an ill-conceived idea but it was a done deal and we were forced to sell it.

Q: The administration had its problems, I think. Carter tended to micro-manage and often when you are doing that you might not understand what you are micro-managing in complex situations.

BAGLEY: The implications were vast and it was a huge problem. I was there with the International Olympic Committee and got to know all of them. They all came to me furious, so I became the person who had to explain U.S. policy, a position which frankly I didn't understand either. When they realized their mistake, because I had to call back and tell them that it was a real problem, they sent Lloyd Cutler up, who was then the White House Counsel and his deputy Joe Onek, who called me immediately and also Bob Berenson, the Assistant to the President on Health, who was responsible for the Olympics as well. Joe and Bob came up first and spent two or three days with me before Lloyd arrived. We had to set up meetings and it became once again sort of a campaign operation, which, of course, I loved, because that was what I did best, dealing with all these people and trying to convince them to do what they did not want to do.

What we tried to do was first of all to convince Lloyd Cutler to make the U.S. government case to the International Olympic Committee. Actually what they wanted to do was try to get the IOC to accede to our proposal and go along with it and move the Moscow games to another venue. This, of course, was a non-starter from day one because the IOC is a private organization, not governmental at all. And since the U.S. government doesn't underwrite the U.S. Olympic Committee, unlike other countries, we had very little leverage over the American Olympic Committee, who desperately wanted to go to Moscow. Cy Vance came up and gave a big speech on this issue. He had a full entourage, of course. Lloyd Cutler and his two deputies spent a lot of time in Lake Placid with me, trying to salvage our policy. When the U.S. hockey team played against the Soviet Union, Mondale, then Vice President, came up to go to the hockey game and then to make another speech. So, it was elevated to the top. It became one of our big foreign policy issues, because it was caught up in Cold War politics, and our team winning the hockey game against the Soviet team was a metaphor of the triumph of good over evil. President Carter even sent Air Force II to Lake Placid to fly the U.S. hockey team to Washington for a celebration and I, of course, accompanied them - it was a transforming moment, but the USOC still refused to support the administration's position.

Q: You must have had many problems because it was an ill-conceived idea. The Olympics are an international game and the site of the games is not really the issue.

BAGLEY: No, it shouldn't have been, but it became the issue. We showed pictures of Berlin and showed how that became a real propaganda tool for Hitler during WWII, who used it to glorify the Nazi state. Of course, on the other side we had Jessie Owens who went and broke through the race barrier at the same Olympics. So, we had arguments on both sides. The bottom line was we didn't subsidize the U.S. Olympic Committee or the team. We did, however, have a little leverage with their tax status. So the administration ended up half-threatening them with a withdrawal of their tax status. It became a really huge issue, and again we launched a national public relations campaign to convince people that the Moscow Olympics were synonymous with the glorification of communism and that Americans had to boycott them and show their solidarity with Washington. Of course, most of the athletes were non-political and it was their athletic careers and dreams that were at stake, so I sympathized with them fully. But I had to try to convince them that the fight was larger than themselves.

Q: Were you hearing any comments from those government people you were involved with wondering what the President had gotten them into?

BAGLEY: I was the only one at State that was involved in it at the time although it later became an issue that "H" dealt with on the Hill. I ended up then going over to the White House on detail to work on several amateur sport events that the White House got involved with in an effort to placate the Olympic athletes. We set up international track and field events with the national Olympic associations and held a "mini-Olympics" in Philadelphia, which I was sent to work on with the local officials.

Q: The Philadelphia games.

BAGLEY: Yes. We ended up sponsoring these games all over the country. It was quite amazing when you think of it. There was talk about having a sports czar at the State Department. Nelson Ledsky, who oversaw the Turkish arms embargo campaign in H that I was involved in, was given this portfolio. Somehow he became what they called the sports czar, which was amusing because he was a rather heavyset guy and I doubt if he played a sport in his life! Then they tried to pass legislation that would prohibit the athletes from competing in Moscow. Of course, Congress reacted to the public mood and many supported the athletes.

It became a huge effort that fanned out into lots of other activities that we ended up doing because we had to reinforce the Olympic effort and also compensate them for what they weren't able to do in Moscow. So, I ended up being detailed over at the White House for about five months, working for Lloyd Cutler and Joe Onek.

Q: Did you get any feeling where the impetus for this particular decision came from within the White House?

BAGLEY: The legal advisor's office claims they had nothing to do with it. In fact, Bob Berenson and Joe Onek were two people who had actually counseled against it because they were more in tune with what was happening, especially Berenson, who was attuned to health, fitness, and the Olympic community. I don't know if anyone knows where the idea came from. It was clear that the President signed off on it and made the announcement himself.

Q: It is the usual thing that when something like this happens we say, "Okay, what can we do to be beastly to the Soviets?" This was probably one of the things and it may have struck somebody as an easy thing to do, not knowing what a mine field it would be.

BAGLEY: What it also did was to create a political firestorm around the Olympics, which is an inherently apolitical organization; the credo has always been to try to be above politics and confined to the jury of sports. In fact there is always some politics within the Olympic movement itself, as with any organization. The Carter statement obviously was not well thought out.

Q: The Carter team was gearing up for the 1980 elections. Did you find yourself back wearing a political hat?

BAGLEY: Well, I couldn't because I was at State and I actually had decided to stay out of it. I had been asked by both camps, Carter and Kennedy, to join either campaign. I couldn't join Ted Kennedy's campaign because I felt strongly that this was not his time to run for president against an incumbent president of his own party. I also felt that he didn't have a compelling reason to run, which was proven later in Roger Mudd's interview with him in Hyannisport. Although I had many friends in the Kennedy camp I just felt that was not the right way to go and really didn't want to join the Carter campaign because that would be tantamount to going against Kennedy, so I kept my job at State and operated above the fray as a diplomat, which was difficult for me because politics is in my blood and I hated to remain out of the campaign.

Q: I'm just trying to catch the mood. Carter at a certain point was talking about a great malaise and he was basically a rather gloomy President. His wonderful smile seemed to be artificial all the time. He was very moralistic and very down beat in a way. Do you think this was catching around?

BAGLEY: Yes. There were a series of things that he did that irritated people because they were moralistic and naï¿½ve. The Olympics was one. The other was his saying that he was disappointed in the Soviets for invading Afghanistan. There was a certain amount of naivetï¿½ in him and he suffered for it as it was perceived as a lack of resolve or a certain weakness. I think part of his strength was that he was a very honest person with great integrity. In his campaign, he told us he would never lie to us, and I don't think he ever did. He was also a missionary, who wanted the world to be a better place and internalized the problems of State to such an extent that he became crippled by them.

Reagan was the complete opposite. If you could have two opposite people in the world, they were Carter and Reagan. Carter was very moralistic, wanted things to be right and trusted everyone even though some of them shouldn't have been trusted. He didn't have a great relationship with the Congress and, then there was the malaise statement which sounded like a scolding. There were problems, of course, with the economy, with inflation, and certainly the biggest problem was the Iran hostage situation. Then Reagan comes through with "Morning in America," everything is wonderful, no worries, etc. People wanted that sense of optimism and "can-do spirit" even though there wasn't much substance behind these statements and a lot of things he promised during the campaign he did exactly the opposite when he became President, like reducing the size of the federal government, which doubled during his eight years, and the deficit, which tripled! He talked about shrinking the government and ended up with a larger government than at any other time in history. But Reagan was a likable man. Carter is a wonderful man but in a messianic, preachy way. He still is. He is a missionary at heart and has accomplished more in his post-presidential years than he did as president.

Q: During the campaign you were still in the State Department. What were you working on?

BAGLEY: I was always approached by people at State who said, "Do this," or "Why don't you do this?" I literally bumped into Ambassador Sol Linowitz, who had been the negotiator on the Panama Canal Treaty with Ambassador Ellsworth Bunker, and he said, "What are you doing now?" I told him that I was finishing up on the Olympics. He said, "Well, in two days I am going to the Middle East. I have just been appointed as the President's Representative to the Camp David Accords and I need somebody to run the plane and be the admin officer." I said, "Well, that might be interesting. I am not an admin person." He responded that he'd rather have me than a career Foreign Service Officer and announced that he would call Ben Read and make it happen. "Can you go to Cairo and Israel in two days for a ten-day stint?" "Why not," I replied, always eager for another adventure, especially overseas.

So off we went on Air Force II! We had an admin person from S-S/EX on the trip who helped me out, telling me what had to be done. It was strictly administrative, not substantive, although I ended up getting involved in the issues because I was always asking questions of the negotiating team and often chatted with Ambassador Linowitz on the plane trips.

Q: What was the issue?

BAGLEY: Linowitz's portfolio was to head up the U.S. negotiating team that was charged with implementing the terms of the Camp David Accords among the U.S., Israel, and Egypt, with primary emphasis on hammering out the terms of Palestinian autonomy. The Egyptians and Israelis had their own negotiating terms and the U.S. served as the facilitator and honest-broker between the two sides. My job was to "run the plane," i.e. plan the menus with the Air Force stewards, do the manifest and the itinerary, arrange for luggage pick-up, and serve as the point of control between Washington and the plane on messages, phone calls, and overall logistics. We always flew to a European country for the weekend to rest up and prepare for the negotiating session and then go to either Egypt or Israel. We usually went to Alexandria in Egypt and Herzliya in Israel outside Tel Aviv. We couldn't negotiate in either capital since the Israelis would want us to negotiate in Jerusalem; it was official U.S. policy that we didn't recognize Jerusalem as the capital of Israel, only Tel Aviv. So, instead of doing capitals we stayed on the outskirts. The negotiations lasted from March 1980 until September 1980. Begin and Sadat attended some of the official dinners but the negotiations were painful. The Israelis were often very intransigent and the Egyptians were often emotional and disorganized, although I found them to be friendlier as a group. It was fascinating because I got to know everybody on both delegations including spending some time with Sadat and Begin. Sadat had a truly magnetic personality and had tremendous charisma and courage. Begin was more dour and serious but he had a sense of history and profound desire to have a legacy of peace.

The Israelis and Egyptians are totally different types of people with totally different ways of operating. The modus operandi of the Israelis was much more painstaking and deliberate in terms of details being very precise. The Egyptians were much more ebullient and warmer people but less efficient and probably more emotional. It was frustrating on both sides. I wasn't involved in the actual negotiations; that was really Ambassador Sol Linowitz and the five or six members of his team, but I was on call to do whatever was needed, and I was able to read most of the draft language, which gave me an acute appreciation for the immensity of the task at hand.

Q: On the final trip back, what was Linowitz's judgment that you were picking up from him? Things were working, things weren't working?

BAGLEY: He was very discouraged. The last trip back was very disappointing because Sadat had called off the negotiations in apparent frustration over the Israeli intransigence on water issues, as I recall. I think what happened was that they just reached a point where the Israelis had just hit a wall and wouldn't budge. Sadat lost patience and said that he wasn't going to be involved anymore until they became more flexible. So, the last time we went was very disappointing.

Q: About this time the election took place?

BAGLEY: October, I believe, was the last trip and the election was in November. So, right after that, another assignment was in the works as congressional liaison again, this time for the CSCE, Conference on Security and Cooperation in Europe. The CSCE had a plenary meeting every four years in different capitals and this time it was Madrid. Representative Dante Fascell, who was Chairman of the House Foreign Affairs Committee, had asked me months earlier if I would be interested in doing this. I had met him and his staff when I was working on the Panama Canal Treaty, implementing legislation and he was on the House Foreign Affairs Committee. Again, it was up to Ben Read's office. they were choosing somebody from the State Department to go along on this congressional delegation. Fascell had asked for me and they agreed since he was a very powerful member of Congress and important to the State Department. So while I worked for the State Department, I was detailed to Fascell's congressional delegation..

I left the day after the election. President Carter lost and we were all lame ducks. Attorney General Griffin Bell and Ambassador Max Kampelman were co-chairs of the CSCE delegation.

Q: What was your impression of CSCE at that time? It later became a rather important institution.

BAGLEY: It was more than an inter-parliamentary union because you did have the Soviet Union and Soviet Bloc and NATO countries all gathered together. It was the only forum where you had all of these countries united under one roof. There was, of course, a lot of Cold War rhetoric on both sides. What the Soviets wanted was to legitimatize the post-World War II borders, which they did, of course, while the West wanted security but also human rights and political freedoms. There were three baskets. Basket three was our favorite, of course, which was human rights. So, that became a major battleground and it was fascinating to see how they argued their positions. Again, I wasn't involved much in substance, being a congressional liaison from State. I was responsible for briefing the Congressional members on certain procedures and also handling the numerous "public members" of the delegations, many of whom represented international NGO's. The most controversial issues were the security and the human rights issues in baskets one and three, with the Soviet Bloc insisting on security and confidence-building measures, and the NATO countries prodding them on human rights issues. I worked in Madrid from November to Christmas of 1980, about six weeks, but the conference itself continued until June of 1981.

Q: Eventually it grew into one of the major factors of the dismemberment of the Soviet Union.

BAGLEY: Yes. And it was a forum for NGO's and a means to highlight their issues. We had a number of non-government organizations coming in, especially human rights groups. We had huge groups of American observers besides the members of Congress who came. There was always action around the convention hall in Madrid, with groups picketing and press gathering everyday. There was also a presidential delegation sent by President Carter and a number of CODELS to deal with throughout the six-week period.

Q: Was there any feeling that headway was being made in the Soviet Bloc countries, particularly in Czechoslovakia, Poland and East Germany? Was the Bloc pretty much monolithic at the time.

BAGLEY: At the time certainly publicly it was monolithic, but there were fissions in the various groups. When we met with people, if you got to know them well enough, they would confide that they had ideological problems with their colleagues but they would never say it publicly. But one of the most valuable experiences I had was a weekly reception that the U.S. delegation hosted for our friends, many of whom were NATO, but also some Soviet, Polish, and Czech colleagues. This was the best way to reach some common ground because in the end, you have to establish trust before you can change.

Q: What did you do when your time ran out in the State Department?

BAGLEY: I came back in mid-January and the Reagan people had all been there already and had placed my boxes outside the door of my office in the old Executive Office. Building! I was aghast because they weren't legally allowed to move in before the Inauguration on January 20th. I packed up and was in a state of flux for a time. A couple of my friends in the media, one in particular, Pierre Salinger, was dedicated to getting me a job with ABC, where he thought I should be. I did end up at ABC as an associate producer for a while, although I can't say I enjoyed it. Pierre was doing a film sequel called "America Held Hostage - The Secret Negotiations Between Iran and the United States." He asked me to join this project because of my State Department background and because the events all happened during the Carter administration. I did interviews with Michael Blumenthal, Secretary of Treasury and Hodding Carter, Warren Christopher, former Deputy Secretary of State. So, I helped on that particular project, and then I worked on the book of the same title, living part-time in Paris, which lasted through 1981.

When that was finished, I decided not to go on at ABC because it was a very cutthroat operation, and I didn't have a comfort level there. Politics is cutthroat but nothing like the media where there are extremely ambitious people who are all very insecure, and there was a little tension there because I kind of came in at the top as a young person not having paid my dues. After that it became apparent that unless I went to work for Pierre Salinger, who was then ABC Bureau Chief in Paris, it would be much more difficult for me to survive and I would have to move to New York. So, I joined the Center for National Policy, which was a non-profit think-tank dedicated to progressive issues of our day. It was founded by Cy Vance and Terry Sanford, former Governor of North Carolina and future senator.

My title was Congressional Relations Director and I was responsible for promoting the position papers and monographs written by prestigious authors to members of Congress. So these ideas could become part of the congressional debate.

Q: Was there a Republican counterpart to this?

BAGLEY: Well, the Republican counterpart was probably the American Enterprise Institute. Brookings, of course, is much more of a democratic kind of a place although there are Republicans there and it tends to be more mainstream.

They do monographs on everything from domestic policy, campaign finance reform, tax reform to foreign policy, Cambodia, Korea, Vietnam. I came on as a congressional relations director, which was more advising the Hill, getting input from the Democrats on the Hill as to what issues they thought we should be looking at; what issues we should be analyzing. We would always have three different offers of a monograph and then a conference or session usually held on the Hill and we would bring in the people. I did this from 1981-87.

Q: The Congress for the most part was still democratic, wasn't it?

BAGLEY: Well, in 1980 we lost the Senate. In fact, I was asked to join the congressional relations staff and go back to the State Department, but I couldn't bring myself to do that, because I would be working for Ronald Reagan and promoting his values, which were anathema to me. But it was Senator Howard Baker's staff who asked me, the friends whom I had made in 1978 during the Panama Canal Treaty debates in the Senate. How ironic!

Q: What did you do after 1987?

BAGLEY: From 1980-1983, I was doing things for Pierre Salinger as well. I was working full-time for the Center until 1983 when I went on part-time because I entered Georgetown Law School in September of 1983. I was also very involved in the presidential campaigns, with Mondale in 1984 and first Gary Hart, then Michael Dukakis in 1988.

Q: The presidential race in 1984 was Mondale and 1988 was Dukakis. Did you get involved in the foreign affairs side of these races?

BAGLEY: With Dukakis I did but not with Mondale. I got married at the end of December, 1983 and was doing a lot of traveling with my husband.

Q: Your husband was Smith Bagley. What is his specialty?

BAGLEY: We met at the Democratic Convention in 1980. He was a very close friend and financial supporter of President Carter. I was doing protocol for the convention, in charge of the foreign diplomats. We were married in 1983. He has several family foundations that deal with human rights and public policy issues. He also has cell-phone companies in New Mexico, Arizona, and Colorado. He is very involved in politics and fund raising. Because of all the friends I had on the Hill it became a natural marriage of common interests. I had personal friends in Congress and he had Carter as a personal friend. We ended up fund raising for our friends in Congress and in that period I was most active as a political activist in my spare time. When I wasn't working for the Center or going to law school, I was involved in raising money mostly for presidential and Senate campaigns.

Q: I would appreciate your comment on something that is bothering me increasingly about money raising. It seems that money has become more and more important because of television. When you give money, I am not talking about $100 but some substantial sum; essentially you want somebody to do something. The difference between a campaign contribution and a bribe gets tricky.

BAGLEY: I disagree. I think that most people like us give to candidates who share our values and concerns on issues like foreign policy, the environment, choice, women's and children's issues, etc. Certainly there are lobbyists who give money so they can have a "foot in the door" to be able to argue on behalf of their clients, but the members of Congress are not compelled to vote on their behalf and most do not.

I left my husband's foundation board because of a conflict of interest with what I am doing now. There are two main objectives and one is normalization of relations with Cuba. The other one is campaign finance reform on which they have done a lot of work on grassroots lobbying. In fact, I wrote a paper in law school on campaign finance reform. The more I got into the issue the more I realized that the big problem, the loophole, was going to be and already had started to be the system of soft money. As you probably know, hard money is federal dollars and soft money is what you can give outside the federal restrictions; it's unlimited. The loophole is that you can give $100,000 to a presidential candidate as long as $80,000 of that goes to the party to get out the vote. The issue now is with the president and vice-president raising money and asking for hard money versus soft money and that is where Janet Reno draws a distinction. This Buckley v. Valeo decision is a Supreme Court decision of 1974. I did a lot of research on it in 1984-85, and it was already starting to be an issue and now it is a huge issue because there is too much money out there and the system is in danger of being corrupted; certainly many abuse it now.

Q: I have a very hard time. I feel our system has become almost completely corrupt.

BAGLEY: Buckley v. Valeo, of course, resulted from Watergate and they closed the gap on hard, or federal, money. You can give up to a $1,000 per person per primary and one per general election; a PAC can give up to $5,000, but you can't give any more and you can't give more than $25,000 in one year to federal candidates. That was supposed to take care of the problem. But, what they have done is gone around it. The loophole says you can give any amount of money to get out the vote as long as you give to the national party, i.e. the Democrats or Republicans. So, the law was formed to close the gap and to delineate what needed to be done, but 25 years later it is subject to abuse because they found loopholes, and created the "soft money" phenomenon, which I wrote about in my law school paper.

I think the bottom line is that they have to cut the soft money. Senator Feingold, a Democrat, and Congressman Shays, a Republican, have filed bills to limit soft money. Now we would like to eliminate the TV time or try to have TV time come out the way it does in Europe. The networks donate free time or do a public service announcement. That hasn't reached here yet due to the 1st Amendment right and freedom of the press. But, yes, it is a difficult issue, and one which should be resolved very soon.

Q: How much did foreign affairs play in money-raising? Did you appeal to people ethnically?

BAGLEY: It depended who you were dealing with. The other thing that we were very careful about was people wanting to become ambassadors here and there. That was something I was always extremely careful about. You didn't tell them that if they would give $100,000 they could be ambassador to a certain country. But we certainly appealed to ethnic groups on certain issues that matched the candidates. Michael Dukakis was a perfect example, of all the Greeks who supported him, even though most of them were Republicans.

Q: That has to be implicit.

BAGLEY: It depends. It might have been implicit in another campaign. I think if you give a certain amount of money you expect to be considered for something if you want it. I don't think you can say you want to be an ambassador to a particular country. I think you may get on the list and be given more consideration than someone who gave $10 or $100, especially if you are raising money. But right at the beginning when the big money was beginning to roll in to the Dukakis campaign we had to be careful how we presented it. And obviously, a person has to undergo a stringent vetting process and demonstrate some kind of qualifications.

Madeleine Albright worked for Gerry Ferraro when Gerry was the vice-presidential nominee for Vice-President Mondale and worked on foreign policy issues. John Sasso ran Gerry's campaign. John was from Boston and happened to be the campaign manager to Dukakis. When he came in, John asked Madeleine to become foreign policy advisor to Dukakis. We were always kind of in the same sphere. I had stayed in touch with a lot of diplomats and certainly NDI, the National Democratic Institute for International Affairs. Fritz Mondale, former Vice-President, was the chair, Madeleine was the vice chair, and I was the finance chair. We were very active on a number of international election observing trips. I did a lot of foreign trips with NDI during that period. I also worked for President Carter on the Council of Freely Elected Presidents, which consisted of former North and South American presidents. They joined NDI for election observing as well. We observed elections in Nicaragua, El Salvador, Czechoslovakia, Philippines, Pakistan, Paraguay, and even Panama!

Q: We have now reached the magic hour. Let's pick it up next time with your connection with President Clinton and then go on to the time you were ambassador to Portugal. How would that be?

BAGLEY: Great.

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Q: Today is October 22, 1998. How did you meet the Clintons?

BAGLEY: I met Bill Clinton in 1980 at the Democratic Convention in New York, the same time and place I met my husband. I was doing protocol for the State Department. I had just come off the Olympics and was going on to CSCE in Madrid in September so I had a little hiatus. They asked me to go and help out in the protocol office at State. So, I moved up to that office and then over to New York to work with the diplomatic corps. My husband was at the VIP diplomatic reception as a friend and supporter of President Carter. I met Bill Clinton at a luncheon. He was then governor and a rising young star in his thirties, going for his second two-year term. Everyone assumed he would win, as we all hoped President Carter would win, but neither of those two things happened. I think Clinton blamed Carter for a long time because he was asked to bring a number of prisoners from the Mariel boatlift to Little Rock Prison and he reluctantly did. There was a huge revolt in the prison that caused all kinds of trouble for him; and then he lost the election. He first attributed it to that incident! He attributes mostly that to his defeat in 1980.

Clinton gave the speech at the lunch which was very impressive. Everyone was buzzing that he would be if not the next chief, certainly presidential timber, which he was and had shown it already. Then, of course, he was defeated, casting some doubt in many people's minds. Interestingly enough, after he was defeated (he always tends to bounce back as we all know), he joined Pamela and Averell Harriman's "Democracy for the '80s" board to restore the Senate to the Democrats, which we lost in 1980 to the Republicans, and give some meaning and structure to the Democratic Party. It succeeded very well in bringing a lot of people together. My husband was a neighbor of Pamela's and was the first one to give $5,000. I was dating him at the time and I remember hearing about it and being excited about belonging to such a group. We became fixtures at her salon, where she had "issues dinners," as she called them. One of her advisers on foreign policy was Sandy Berger, whom I had known in the Carter State department when I was in "H," and he was in policy planning. He was the connection to Bill Clinton joining Pamela's "Democrats for the '80s," since they were friends since the 1972 McGovern campaign.

Clinton came to several issues dinners. One or two times he was one of the speakers and at other times he was in the audience. He was still at that point looking to get re-elected as Governor of Arkansas. I remember talking to him about that and he said, "You know, I have to do a lot of different things. I have to apologize to the voters of Arkansas." Very similar to what he did in his first term, taking on too much with health care, and probably being too liberal for the state. He always talked about Hillary in glowing terms. I had not then met her, but then she was known as Hillary Rodham, not Clinton, during his first term and was very bright and aggressive and very controversial for conservative Arkansas. She was too far ahead of her time, certainly Arkansas' time. Bill told me that he didn't suggest it but that she came to him and said that maybe part of the problem was that she was too liberal, too much of a feminist and should probably take her husband's name. He said that he was delighted and told her not to do it just for him. She said that it probably would help, and it did. They won back the governorship in 1982, and then began four-year terms instead of two-year terms.

Q: What was Pamela Harriman doing as far as bringing these issue groups together?

BAGLEY: The initial purpose was to try to redefine the issues of the Democratic Party. Because of her husband's prestige, she was able to bring people to the table like Clark Clifford, Bob Strauss, and other titans of the democratic establishment. He was the vehicle and she was really the engine. She brought members of Congress together with labor leaders and business. I remember my husband talking about the first meeting. They had about 40 people from the democratic establishment who came with the question in mind of "What happened?" Carter lost but that didn't surprise them because he wasn't part of the democratic establishment, he was sort of a blip on the screen. But we also lost the Senate. What is going on and why did we lose the Senate? It was more trying to regain the Senate. It was time to refocus on what exactly the Democratic Party was, is, and should be in the future. So, it was called "Democrats for the Eighties" because they hoped to restore the Democratic Party and regain the Senate.

Q: Did you sense that there was a movement to try to move the Democrats to a more centrist position?

BAGLEY: I think that was certainly a trend. Carter wasn't considered a liberal; in fact, Kennedy ran against him because he wasn't liberal enough.

I think it was more to redefine the Democratic Party in terms that would be more palatable. Not to change our issues but to refocus on what were our real values, what we stand for and why didn't the people agree with where we stood. She brought all the best political minds together for a series of policy discussions, usually led by the incomparable Clark Clifford. She brought in a whole group of very powerful people through her husband and her own personality. She had some very good staff people, who not only knew how to raise money but how to balance political issues. She brought in Peter Fenn, who is now a political consultant and was then out of a job because of the defeat of Senator Frank Church. He came and became her first political director. Janet Howard, who had worked for Senator John Glenn, and on the Harrimans' Citizen Committee for Panama, became Pamela's chief of staff and indispensable right-hand. There were people like Sandy Berger, Tony Lake, Dick Holbrooke, and many others from both foreign and domestic policy arenas, as well as numerous members of Congress and former Carter Cabinet officials.

One month you would have Joe Biden or Paul Sarbanes or someone talking about an aspect of foreign policy, say European security or something. Then you would have a governor or someone talk about domestic policy. There would usually be two or three people presenting their views and then an open discussion. It was a way of bringing people together and talking about issues. It was a time of engaging people to bring people together and showing that there was something going on in the Democratic Party; that ideas were percolating and there was some life in U.S. government. Bringing the establishment types, the traditional democratic establishment, like the labor leaders, like the Clark Cliffords and Bob Strausses of the old time Democrats in contact with some new blood and with people who were attracted to this type of salon. It was really quite an amazing group of people. It was great for networking and I loved it! I had been in my little niche in the State Department and certainly didn't know Clark Clifford or others, who were 30 years older than I and I was in awe of them.

I got involved in fund raising partly because of Pamela Harriman but also through my husband, who had been doing it for many years.

Q: When you say fund raising how did the system work at that time?

BAGLEY: In 1980 it was difficult to raise money since you could only give $1,000 federally per primary, and $1,000 for the general election. This was before soft money came into being or before they found the loophole that is now soft money. We raised money for candidates mainly for the Senate because we wanted to win the Senate back, and the House was so big that it was over-whelming but at the time it was still democratic.

Q: As things progressed towards the 1982 election, were you running into Clinton at all?

BAGLEY: Yes. I would see him at Pamela Harriman's salons and at the Democratic National Committee's Business Council meetings. Everything was going on parallel tracks. Pamela Harriman's PAC was going strong and the DNC had a business council where you paid $10,000 and they would have conferences to discuss current issues. You would get to network. This was the beginning of the business council and my husband was a member so I would go with him to various retreats. I remember one with Bill Clinton somewhere in Florida. He gave a speech on education which just amazed me. We sat together a few times and talked about everything from politics to issues to Hillary to Smith. He was very charming, very engaging. We didn't have much to do with the gubernatorial races by and large since we were focused on the Senate, but I remember talking to him at length. He would stay up late, talking to anyone and everyone; Hillary was usually not with him. I can remember leaving at one or two in the morning and he was still going on about the country and issues. He is just a wonk, but a very interesting and compelling wonk. I think he brought a lot of people along with him during those conferences. People were just impressed by him and everyone thought he'd be president one day.

This was in 1984 and I supported Mondale, who I knew, and my husband supported Gary Hart. We gave a fund-raiser for Gary Hart after he lost. I think Clinton might have come. He was in and out of Washington, in and out of these democratic conferences, always around. So, you knew that he was interested in more than Arkansas and had national ambitions. Anyone that heard him knew that he was capable of national success because he was very dynamic. In the eighties we were looking for that and Gary Hart was cerebral, very bright and a great intellect, but couldn't connect with people on a personal level. No one had the personal charm and charisma that Bill Clinton did and everyone knew it. They just figured it was going to happen at some point.

In 1988 we supported Gary Hart and the Donna Rice thing happened. He had done very well in 1984 except he had run out of money early and Mondale won the nomination and was defeated. In 1987 he started early and my husband was one of his early supporters. We had a conference at our home down in Georgia. By that time I had decided to support him. I had interviewed him for a paper I was doing at Georgetown Law School. I was doing a paper on START II and why the treaty failed and he was very helpful and extremely articulate. We became good friends. I wasn't totally convinced that he was the right person, but I didn't have another candidate. He was very respectful of me, and after I sent him my law school paper, he called to say that he had entered it into a law journal with a foreword which he himself had written, so I was duly impressed!

And then the Donna Rice debacle... We had just held a big fund-raiser for him and he was number one in the polls; people were starting to jump onto his bandwagon. Everyone almost assumed that he would get it. Then there was a stakeout of his Washington home while he was on his way to New York. They caught Donna Rice coming out of his apartment and then all hell broke loose. Everyone knew he had the problem and had basically lied to everyone who asked him. He had just given an interview to the New York Times and to a question about his personal life and rocky marriage, he said, "Oh, just put a tail on me and you will be bored." Famous last words. The next week they did and they weren't bored. That ended his political career.

I remember shortly after that I was called by Michael Dukakis, who was then Governor of Massachusetts and I had a lot of Massachusetts connections and had worked for him on his campaign earlier but he didn't really remember me. His chief fund-raiser, Bob Farmer, was a very close friend of mine who called and asked if I would accept a call from the governor and I said, "Sure." This was right after Gary Hart left the race and he wanted me to come up to Boston and talk to his people and join his campaign because he was going to do it. So, with that, I did and pretty much said yes. Smith felt betrayed by Gary Hart; I was less devastated because I hadn't been that close to him and didn't really trust him. So Smith stayed out of the race and I supported Mike Dukakis.

Right after that we went to a conference again. My husband by that time was Vice Finance Chairman of the Democratic National Committee He was up on the podium introducing somebody and Bill Clinton sat down next to me and said, "So, what are you going to do now that Gary is out?" I said, "Well, I think I am going to go with Dukakis. He called me and I just got back from Boston. I was very impressed with his operation. He is very serious." He said, "I wish you would not give your answer right away. Wait a little while because I am considering it." He said that he was flying in a bunch of advisors next week and could I hold off until then. I said that I would think about it but was almost convinced that Dukakis could do this and did he think he was ready. He said, "Yeah, I'm ready. I think so, but I'm not sure so we are going to have this meeting." About 30 seconds later he said, "But you know, I think there should be a statute of limitations on this infidelity stuff." I said, "Really Bill? Why?" I had no idea, but apparently, he had the same problem as Gary Hart!

Q: To put this in context, Bill Clinton had many affairs.

BAGLEY: Yes. He was referring to his own personal problems, but I had no knowledge of his reputation at that time. Because of this red flag I started asking around. It turned out to be a very telling comment. Very good friends of mind, Sandy Berger, John Holland and others were going down to Arkansas from Washington. One of them called me and asked if I wanted to go, that Bill thought I might be interested. I said, "Let me know how it goes, but I'm not going to Arkansas." So, they came back and it was all over the papers that he had decided not to run. So, he too was a casualty of the Gary Hart debacle.

Q: You have been in this political environment. You are an attractive young woman so your antennae would probably be more acute. Is there something about political life? The whole thing seemed to be very blatant and not very satisfying.

BAGLEY: Although I know many politicians who have good marriages, it goes with the territory and has something to do with power and ego. Clearly, there are a number of women who are attracted to powerful men, and politicians seem to have validation although, obviously, it's not unique to politicians!

Q: I think of the Kennedys. Some are real major political figures. Now, you never think of Nixon. It unfortunately is an Achilles heel.

BAGLEY: It can be. It certainly was with Ted Kennedy and Gary Hart, as well as with Bill Clinton, although he was able to somehow combat it just with sheer force of will. He was brilliant in terms of his own campaign strategy. He had been thinking about running for a long time clearly, like all of his life. So, he was more prepared than any other candidate and was the best of all the candidates. The American people made the decision that they had done away with Gary Hart who could have made a good president, and were not going to do the same to someone who was clearly a star and had such a deep connection to people. He was what they wanted in a president except for this Achilles heel and therefore they gave him a chance. But for his amazing personality and his will to succeed, and his ability to bounce back from any defeat he might have been another Gary Hart. Then again, maybe people decided it wasn't relevant and was nobody's business anyway.

Q: I was just talking to Winston Lord yesterday and talking about how fifteen minutes before a major leader was coming to meet him everybody was firing talking points at him and he put it together with just the right tone and everything else.

BAGLEY: Unbelievable. I have seen that happen twice. I was at briefing meetings on both prime ministers of Portugal that I brought to the White House, one with Tony Lake and one with Sandy Berger. We would talk to Clinton and he would sit there writing with his left hand and wouldn't even look up or talk. I was wondering why we were wasting our time when he obviously wasn't listening but writing something else. Then he would all of a sudden look at me or Tony or Sandy and ask about such and such a point that was mentioned five minutes ago and how he should address such and such. It was amazing. Then he would go out and talk to this foreign leader, in my case the prime minister of Portugal, and would do everything that we advised that he do beautifully in such a way that it seemed like he had spent his whole life immersed in Portuguese politics or US-Portugal relations. It is phenomenal and he does it in such an easy way. He doesn't use cards or any props like Gore does. He is the most gifted politician of his lifetime, or anytime.

Q: Back to the Dukakis campaign. Were you with his campaign?

BAGLEY: Yes, I joined the Dukakis campaign. I did two things. He asked me to be Washington's finance chair, to bring in money from the Washington/Maryland/Virginia area. We had a fund-raiser at our house that raised more than any other fund-raiser in the country. It was a lot of work but also luck. It was around the New York primary and Gore was running as well. People just all of a sudden sensed that it was Dukakis. We had 350 people attend the fund-raiser. It was difficult to fit that many people into our Georgetown house all at once so people were lined up around the block. It was the most incredible scene and people still talk about it. We raised $350,000 for Dukakis that night in March of 1998.

People all of a sudden knew that Dukakis was the one, that Gore was faltering. Gephardt had won the lowa caucus but the primaries were more important. You had New Hampshire and obviously Dukakis would do well there, a neighboring state. He came in second to Gephardt in lowa and in New Hampshire he blew him away. He then won New York and that was the turning point. What Gore mistakenly expected to happen was that on Super Tuesday, which included all the southern states including Florida, Georgia, North and South Carolina, he would get the lion's share. But Super Tuesday was April 2, I believe, and New York was earlier which he lost and by then the ball game was over. It is going to be different this year because the California primary is going to be around the same time as New York and everything is going to be front-ended. Dukakis won largely because of the money and was able to sustain the momentum.

Q: What was your impression of Dukakis?

BAGLEY: I liked him very much. He was an honorable, decent man and very comfortable with himself, which I liked. I flew with him to lowa several times. Once I had just gotten back from Cuba and had written my impressions of Fidel Castro and we were talking about all that and he was great. He immediately asked to read it and he read it and asked me questions. He was very engaging and interested in what I had to say. I liked him personally. But, beyond that, he did say something like, "You know, I didn't really ever want this. It wasn't anything I yearned for, but I feel it is time for me to give something to the country." It was the Massachusetts miracle that he was running on and in fact Massachusetts was buzzing and he was taking credit for it, which he should. He said, "I want to extend to the country what I did for Massachusetts and I think this is the time for moral leadership." Of course, he was very moral, unlike Gary. I guess what I thought in my head and I think I have repeated to people was that he was very comfortable with himself. He said that if he didn't win this it was not going to kill him. He would go back to Massachusetts and ride the metro, as he had done everyday as governor.

I think that was probably his mentality but, in fact, what did happen, and was probably the biggest mistake he ever made, was after the convention he went back home to Massachusetts for the month of August and did town meetings there as he always did as governor, because that was what he always did. He never really shifted gears to run for president. Of course, that horrendous response to the question in the last debate, "If your wife Kitty were raped, what would you do?" in which instead of saying I would feel like killing the guy he just very calmly said that he was against the death penalty. He never showed any emotion and people said, "Oh, please." The people wanted him to get angry. I remember telling Bernie Shaw of CNN, who asked the question, that it was an awful question and asking why he would even say something like that. He said, "Frankly, I liked Dukakis. I wanted to see him get excited. Everyone knows he adores Kitty and I thought it would bring some anger and he would show it. I was as shocked as everybody else by that response." It was a silly thing to lose a debate over, but it was characteristic of the lack of passion that he unfortunately showed. He was passionate but it didn't come through, and his mantra, "This election is not about ideology; this election is about competence" rang hollow because the Bush campaign made it about ideology, and ran a vicious campaign under Lee Atwater's direction, and Dukakis failed to respond and defend himself.

Q: Did you find that foreign affairs ranked very high with Dukakis?

BAGLEY: Not really. The other thing I did do was to work with Madeleine Albright who was his foreign policy advisor. She had worked in the Mondale campaign in 1984, with Gerry Ferraro as her foreign policy advisor. John Sasso, who had also worked with Ferraro and Mondale, was chief of staff to Michael Dukakis. He was the brains behind this whole operation, but Dukakis felt that he had to fire him over a campaign issue concerning Senator Joe Biden's plagiarism of Neil Kinnock's words. I think Dukakis lost largely because Sasso wasn't there to mastermind the campaign and to save Dukakis from himself.

We needed to show Dukakis knew enough about foreign policy or was at least interested. I knew a lot of ambassadors so I became the diplomatic liaison for the campaign. That was something else I did besides the fund-raising. Then I was appointed to the platform committee for the convention. Paul Kirk, who was chairman of the DNC asked me to be on the platform committee, which was a great honor because it was about substantive issues.

I would bring in about twelve ambassadors for lunch once a week and Madeleine and I would talk to them about the campaign. It was hysterical and we still laugh about it. I had a long table in my dining room and I would have twelve ambassadors, six men on each side (I don't think there was one woman ambassador at the time) and Madeleine would be on one end and I would be on the other end. I would start off and talk about the campaign and introduce her and she would talk about the foreign policy dimension and then they would ask questions. It was very successful because it got around town that we were doing this and they reported back home. They would ask questions and I would take notes and then try to figure out what Dukakis' view was and get back to them. It worked as a framework for his thought process and helped to focus him on current foreign policy concerns, as well as give Madeline additional insights.

Q: This was Dukakis versus Bush. Bush was Mr. Diplomat Connection par excellence and probably knew more than almost anybody. You have to go back to the Adamses to find a President who had as much foreign policy experience. You must have had a feeling that you had to catch up.

BAGLEY: Oh, absolutely, that was part of the problem. We needed to get out to the establishment because Michael Dukakis was not the establishment or even part of the democratic establishment. He was a little like Jimmy Carter. He was a governor of Massachusetts and hadn't been involved with the establishment. He wasn't like Bill Clinton who had gone to all of these conferences and knew everybody. He was really by himself. So, we were dealing with a similar problem, and even more so because Bush was so well respected. We were not talking about a Nixon scandal, we were talking about a guy who was a foreign policy president. He lost later because he didn't focus enough on domestic policy. It was a learning exercise for us and also for Dukakis. He needed to know foreign policy and he didn't, beyond speaking Spanish and knowing a little about Latin America as a Peace Corps volunteer. That was important but other than that he had no idea of foreign policy. Madeleine certainly had her own credentials, and it was important for the foreign ambassadors to see her in the context of what she might become if he became president. It was also important to know the aides around him. If Dukakis wasn't schooled in foreign policy, at least the people around him knew and were willing to listen to their concerns. I was the one who did the follow-up questions, and it was very enlightening and instructive.

It was interesting. What I usually did, because I didn't know all of the members of the diplomatic corps and I was worried about inviting some and not others, was to call an ambassador I knew well, say the French ambassador, and say, "Who do you think would be a good mix for this lunch? I don't want all the European ambassadors together. Who would you be comfortable with?" I would let him make suggestions and then he would act as the anchor for the lunch. If there were a particular issue that was important at the time, we would bring that ambassador in. They were always trying to see Dukakis and obviously there was no time, so if we could try to address that at least they would see Madeleine in this kind of a context and we would get twelve ambassadors at once rather than one at a time. So, it worked out very well. We must have done about 10 meetings, so we covered 120 ambassadors.

I think this was helpful, even though we didn't win. It was great for me and very helpful for Madeleine. We learned a lot, not only how to put it together but what the concerns of a wide range of countries were and often there was a common thread. Madeline's background was Eastern Europe and the Soviet Union. She didn't really know Latin America, so for her it was a learning curve too. It was important for her to get to know these people, and it was a great learning experience for me.

Q: Were the Republicans doing a similar thing?

BAGLEY: They didn't need to because they had the NSC and the State Department. We were the government in exile and needed to show that we knew something or even if we didn't we would be open to their views and respectful of their concerns. We were the ones who had to prove ourselves since we Democrats had been out of power for eight years and everyone knew what the Reagan/Bush Administration policies were.

We lost, but in the meantime the Center for National Policy had been established in 1980, a democratic think tank. All these things were happening at the same time. NDI, the National Democratic Institute for International Affairs, was established in 1983. There was a National Republican Institute and a National Democrat Institute that were part of the umbrella organization, the National Endowment for Democracy, or the NED. There was a labor piece and a chamber of commerce piece and two-party institutes that worked for political development. It became almost our government in exile.

Q: I am just now doing some interviews with Bill Maynes, Tony Lake, Winston Lord, people who go in and out and sometimes with different parties. As well as a government in exile there seems to be foreign experts in exile who come and go.

BAGLEY: Winston Lord came back in a different party, but he was career wasn't he?

Q: He started out career and then moved out. He was with Kissinger and then was ambassador to China under Bush and came back to be assistant secretary under Clinton. Were you conscious of building a democratic government in exile?

BAGLEY: Yes, I was. I have never been in a Republican administration, so I wasn't one of those who would go in and out. My political side was always very prominent and I could never suppress that to work for a Republican administration. I was actually offered a job by Senator Howard Baker's people, but there was no way I could work for Reagan. So, I never entertained that thought at all. I can't say that I'm a diplomat or foreign policy person first. I'm probably a politician first and a foreign policy person second.

Q: After the Bush Administration came in did you find yourself as a Democrat out in the wilderness drifting towards the foreign policy side?

BAGLEY: I was always that. Within the context of the Democratic Party I was always more interested in the foreign policy side. When I was not in a campaign, NDI was my primary interest. I was on the board of NDI. Brian Atwood was the president, former Vice-President Fritz Mondale was the chairman and Madeleine Albright was the vice chair, I was the finance chair, and Rachelle Horowitz from the labor movement was secretary. It was a very prestigious group of mostly foreign policy people with some representatives from labor unions and business.

Ireland was also deeply something I was deeply interested in because of my contacts and ethnic background.

Q: It was a particularly difficult time for the Irish during the Bush administration. The IRA was doing nasty things. The Irish wing of the Democratic Party at best was ambiguous about the IRA...

BAGLEY: I think it started changing around the mid-eighties. Ted Kennedy was probably the first to really help with Tip O'Neill and Kirk O'Donnell focusing on the fact that there was another approach. Ted was the first one to call John Hume, who has just won the Nobel Peace Prize. John started his Social Democratic Labor Party around 1975. Ted Kennedy was the first one to call John Hume and say, "I want to meet with you. I see that you are demonstrating another approach." John was the first one to advocate peaceful non-violence. He had studied Martin Luther King's teachings and read Gandhi and decided that this was something that he needed to do. 1972 was the beginning of the Troubles, so he began as an outgrowth of that tragedy, where a number of Irish who were peacefully marching were shot down by the RUC, the Royal Ulster Constabulary, the Northern Irish police, in what is now called "Bloody Sunday."

The "Troubles" was the metaphor for the struggle of the Catholics toward equality, similar to our civil rights era. The trouble began about then. John Hume was the first to ever advocate a non-violent solution to the problems in Northern Ireland. Ted Kennedy took up the call and met with him. I remember John telling me that he was awakened in the middle of the night by a call, "Hi, this is Ted Kennedy," and he thought, "Yeah, right." "I want to talk to you." John hung up, thought he had had a dream and the next day there was a call from Ted's office saying he was coming the next day. He was amazed and thrilled. Ted then, of course, met with Tip O'Neill and they devised with Pat Moynihan and Hugh Carey, who were later called the "Four Horsemen," the movement in the Senate and House for a peaceful solution to the problem. But, it was really initiated by John Hume. It took a long time for Irish politicians... Most of them couldn't understand how a peaceful solution could be possible. But, gradually, the Irish politicians came to realize that the IRA was not the way to go.

Q: During the Bush period were you all looking at candidates and trying to bring potential candidates up to snuff on international affairs? It was a pretty active time. We had the fall of the Soviet Union, end of the Berlin Wall, the Gulf War, things on which people could take stands.

BAGLEY: I remember the Gulf War debate and George Mitchell led the debate against going. I remember sitting there all day Saturday and Sunday. It was really gripping. It was our equivalent to Vietnam almost. To sit there and listen to the Senate debate on TV through C-Span was remarkable. I began writing letters to people who were against the war as I was. I wrote to George Mitchell, Bob Kerrey and John Kerry, and Sam Nunn, who led the fight against the Gulf War. George, I think, was particularly brilliant. Sam Nunn was also amazing, which was particularly important because he was a conservative on the Armed Services Committee and an expert on the military. Those were the ones I thought we could use as a potential starting off point to run. George Mitchell really looked at it and I told him if he decided to run I would help him. He was probably my first choice, based on a lot of things that he had done and I thought he would make a great president. Sam Nunn thought about running as well, but it didn't happen. There has to be the fire in the belly and he didn't have it. Al Gore voted for the resolution to send troops to the Gulf and in fact used that when he was running for Vice President. Clinton, also, when he was governor, supported the Gulf War.

Q: It wasn't a very strong statement.

BAGLEY: No, it wasn't. It was classic Clintonesque, but since he didn't have to vote in the Senate, he really didn't need a strong statement because it was irrelevant. Later he strengthened his statement to prove his bona fides.

Q: After we had won.

BAGLEY: Yes, after we had won he really came out in favor of the war. Then Gore actually, to his credit, even though I disagree with him, came out very strongly for it. I guess it helped him in the campaign after he became Vice President. He, of course, had decided not to run for president for family reasons. I was actually close to Al Gore as well. We were so involved in so many things that beyond George Mitchell, there wasn't any one person that I was trying to groom. We couldn't as a party groom one person over another anyway. So, it was all kind of let a thousand flowers bloom and we will see which one prospers.

Q: Was Clinton still making the Washington circuit?

BAGLEY: Oh, yes. Not a lot, but we were so involved, I guess we saw him as much as anyone did. He and Hillary came to the governors' conferences. Jim Blanchard was the head of the Democratic Governors Association and because we served together on the platform committee under Dukakis in 1988, Jim asked me to give a dinner for the governors, which I normally would not have done because I didn't know many governors. But we did and Bill Clinton came to that dinner in 1990. So, he was in and out, also attending dinners at Pamela Harriman's house for her PAC, "Democrats for the '80s," which we joined early on.

We are also very close to Dale Bumpers, the senior senator from Arkansas. He, in fact, had been governor of Arkansas and ran against Fulbright who was a mentor to Bill Clinton and defeated Fulbright, not on the war but on being out of touch with the Arkansans. A lot of people were very upset with Bumpers because Fulbright was such a major statesman and a brilliant man. I think Clinton always blamed Bumpers for Fulbright's demise and he was always taking polls and trying to figure out if he should run against Bumpers. Bumpers always knew that Bill was right behind him. Clinton told me a story of how he almost did it one time and then something else would happen and Bumpers would do something that would change his mind. Bumpers was a very shrewd man and I'm sorry he is retiring after this year. He was another one who everyone thought should be president. He was brilliant but maybe a little lazy. He didn't have the fire that Bill Clinton had. Clinton, of course, never ran against him, but he was always threatening - waiting in the wings.

Betty Bumpers founded Peace Links, a women's international outreach organization, and invited us to a dinner celebrating its 1st anniversary. I was then going on to a dinner hosted by Esther Coopersmith in honor of Governor Bill Clinton. He was the new chairman of the Democratic Leadership Council. The DLC was an antidote to the DNC, the Democratic National Committee, formed by southern centrists, around 1986. I was against it because it was really against the liberal northeastern wing of the Democrat Party that I was still for, with Paul Kirk, formerly legislative assistant of Ted Kennedy's, as the chairman of the DNC. I thought they were going to destroy the party and was much more in that liberal wing of the party anyway. I thought Bill Clinton was as well because as usual whenever you talk to him he agrees with you and you have this wonderful feeling that you are totally in synch. Well, I was shocked when it turned out that he wasn't, but he was always "triangulating," which was, of course, very astute. Anyway, I decided I would go and hear what he had to say even though I wasn't part of the DLC. I remember saying to Dale Bumpers, "I can't stay for dinner, because I have to go on to this other dinner." I remember him saying, "Mark my words, that SOB is going to be the next President."

The dinner was a mix of Washington politicians and "high society," as Esther Coopersmith is a Pearl Mesta type always giving big dinners and lunches. What she was known for and still does amazingly well is her introduction of everyone. There would be fifty people at a dinner or lunch and she would go around the room and say two or three sentences about each person in the room. You never could imagine how she would know that much, or remember, but she did.

She had me on Clinton's left and Madeleine Albright on his right. Madeleine had never met the governor. I, of course, had known him for several years but not well. He spent most of the time talking to me. Eleanor Clift, a journalist, was right across from him and she since has become one of his most devoted fans and protectors and defenders in the press, one of the few. She, you could tell, was fascinated with him, and she would ask questions, but he would answer and then turn back to me. I don't think he said two words to Madeleine. It didn't register who she was or he didn't want to talk foreign policy or whatever. Esther then got up and started talking about each person. "Now Elizabeth Bagley is a lawyer and a huge Democrat, but I don't have to tell you much about Elizabeth because I know you know her, and I suggest, Governor, that you stop talking to her, because you need to talk to Madeleine Albright, who is going to be your next secretary of state." This was in 1991 and I will never forget that. He just kind of laughed and looked at Madeleine and she turned red.

There was then a Q&A period. I remember him being asked a question about the Soviet Union. He just blanked. He tried to answer and nothing came out. He said, "You know I really don't know enough about the Soviet Union." He hadn't announced for President but everybody figured he would so they listened raptly. As Governor, he wasn't expected to know much about U.S.-Soviet policy, but he didn't even have a reply. He said, "I will defer to Madeleine Albright who I'm sure can answer this question." She got up and answered it quite well. At the end of the dinner, he pulled Madeline aside and said, "I have to talk to you. Could you come over tonight to Sandy's [Berger] house and we can talk and you can tell me everything you know about foreign policy. I have to start now." She said, "Okay." I said, "You are going over? It's eleven o'clock already." She said, "Well, this is as good a time as any. I'll do it." She and Sandy were friends. So, she went. She stayed until about 2:00 AM and it would have been longer if she hadn't had a class to teach at Georgetown that morning. That is when their relationship started.

Q: I know you have to leave about now. The next time we will pick it up from the time Clinton met Madeleine Albright.

BAGLEY: All right.

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Q: Today is January 13, 1999. We are at 1991. What are you up to?

BAGLEY: I mentioned how Clinton and Madeleine got together on foreign policy the evening of the DLC [Democratic Leadership Council] gathering at Esther Coopersmith's. Clinton was looking at running for president at that time but he hadn't announced. Once he did, Sandy Berger really coordinated all of his foreign policy. Sandy had been in the State Department from where both Madeleine and I knew him. He was in policy planning and deputy to Tony Lake. So, when Sandy, who didn't feel as comfortable on a broad range of foreign policy issues, (he was really into trade issues,) was asked to coordinate foreign policy he brought in people and put Tony in charge of foreign policy for the campaign. Sandy was the behind the scenes person, which is what he wanted. When Clinton won, he decided he wanted to be deputy NSC and be in the White House but not the NSC advisor, which went to Tony. Madeleine, I think, wanted to be deputy secretary of state. She wasn't as involved in the campaign, as she was with Dukakis when she was his chief foreign policy aide. She was on the team and we did some things together with diplomats. I did the same thing with the Clinton campaign that I did with Dukakis - hosting a group of foreign ambassadors to brief them on the Dukakis world view and later, the Clinton world view, with Madeline, Sandy and others at my home.

Q: I want to talk about the Clinton 1992 campaign. Did it start in 1991?

BAGLEY: He didn't announce until September, 1991 but he was already laying the groundwork. He started by giving a series of foreign policy speeches at Georgetown. I didn't join the Clinton campaign right away. I was actually working for Bob Kerrey, which was a bit of a problem initially.

Q: He was from Massachusetts?

BAGLEY: No, that is John. Bob was from Nebraska. I started with him. What happened was my husband is a big liberal and we have lots of friends on the Hill and in the Senate in particular. I have even older friends because I knew them when a lot of them were in the House and I was working on the Panama Canal Treaties. Tom Harkin was one. Although I liked him personally, I felt he was too liberal to be elected. But, my husband disagreed and he wanted to convince him to run for President. I remember being in the car and driving down Mass Ave from our house on the way to the Hill. I said, "What is the purpose of our lunch?" "It is to convince him to run for President." I said, "I don't think he really should run for President so I'm not sure I should be at this lunch. I am not going to be very convincing and I really would be disingenuous if I said I thought he should run because I really don't think he can make it." So, he said, "Okay, you don't want to do it, then just get out." We were five or six blocks from our house and I got out of the car and walked back home. Smith went up to see Senator Howard Metzenbaum and they had lunch with Tom and they and others, I'm sure, convinced him. So, he announced. Tom must have been one of the first to announce and that must have been in early 1991. I wasn't part of that although I went to a couple of parties for him. They all assumed I was with him, even though I never said anything, I just stayed out.

No one had really asked me to join the campaign until I bumped into Bob Kerrey at Jay Rockefeller's house, I think in May. He asked what I was doing, was I working for Harkin. I said, "No." He was just about to run and he said, "Well, you have to help me." I said, "No, I'm staying out of it, Bob. I really don't want to get into it. It is too messy at this point." He said, "Please, come up and let's have lunch, I want to talk to you about my vision for the future." So, I went up and we had a long talk. He said, "Come with the team to New Hampshire. You know it is not going to happen with Tom Harkin. I love Tom Harkin but you have to have an independent profile. My health care proposal is unique and this is what it is all about." He was right, but what he didn't realize was that he couldn't run his whole campaign on national health care. He was the first one to come out with a very definite proposal but it kind of got lost in the whole campaign rhetoric. He didn't have an overriding vision beyond this health care piece and his own very compelling biographwar hero, Congressional Medal of Honor winner, lost a leg in Vietnam. He was a wonderful guy, very independent, and a deep thinker, even an iconoclast. He was just the type for New Hampshire so I felt he would probably do well there even though he was from Nebraska.

I did go with him to New Hampshire and the bug hit. I remember one time they were all there and spoke and I listened to them all. Bob was very good. Harkin was a rousing populist, exciting the crowds. What he was saying was too much liberal rhetoric that I thought was overdone. But, he definitely had his base. Bob had more of the independent base. Clinton was just brilliant. He was an amazing speaker and had a view that was broader than any of the others. My younger sister was involved in Clinton's campaign. He kept asking her where was Elizabeth? She never told him what I was doing but told him he should just call me. He never did.

I remember a group of them were taking me to the airport and Mike McCurry, who was working for Kerrey as his press aide, took my bags into the airport and we bumped head-long into Governor Clinton. Mike had never met him so I introduced them. He said, "Liz, I'm really so sorry that I didn't get to you sooner. I'm sorry you are working for Harkin, but when he is finished..." I said, "I'm not working for Harkin I am supporting Bob Kerrey." His face just dropped. He didn't have the same kind of competitiveness with Harkin, and thought that Kerrey was a bigger threat. They were former governors together, and knew each other well - maybe too well, as it turned out!

There was a gay joke that went around while the candidates were together waiting to speak, and Bob told an off color gay joke about Jerry Brown, of all things, and it was picked up by the microphone. Bob was telling this joke to Bill Clinton, who was laughing. At the end, when the press picked it up and Bob had to apologize about this gay joke, Bob didn't say, "I was telling it because Clinton had told me an even worse joke," which was the truth. Clinton failed to defend him and instead said that it was a joke in poor taste. Bob Kerrey was furious about it and said you can never trust Clinton. So, there was a lot of tension between the two, which still exists to this day. Bob has always been considered an independent thinker and one who marches to his own drummer. He was also a war hero and a bachelor, both of which Clinton resented for obvious reasons, so they were polar opposites, which is why Clinton was so disappointed that I had chosen Kerrey over him.

Clinton started his campaign around March, Harkin around the same time and Kerrey a little later, maybe June. This was in 1991. New Hampshire was in February, 1992. Tsongas won, Clinton came in second, and declared he was the comeback kid, [after the Jennifer Flowers scandal that almost killed his campaign, which Hillary saved when they went on 60 Minutes to talk about their marriage], Harkin was third and Kerrey was fourth. Clinton got all the press and, as a result, the momentum. Kerrey went on to South Dakota and won there but by that time his money had pretty much dried up. So his campaign never really went too far. Harkin stayed through one more primary and also ran out of money. Tsongas stayed on and did pretty well but he was sick and never seemed to have the energy or the charisma to sustain his campaign, so Clinton triumphed in the end.

Q: Where were you in this?

BAGLEY: After Bob got out I had committed to helping him with his debt retirement, because we actually had a rule at our house that neither one of us could give a fund raiser. This meant Smith couldn't give one for Harkin and I couldn't give one for Kerrey. But, I did tell Bob we would do it later, and I did. That was, I think, in April and then I went on the Clinton campaign.

Q: What were you doing on the Clinton campaign?

BAGLEY: At that time there was a foreign policy team, but not a big one. It didn't become serious until around June. I raised money, was on their finance team. I think May was the first event I did for Clinton. Then we did another one for Hillary in July or August after the convention.

Q: When did it begin to dawn on people that George Bush was vulnerable? At one point he had the highest rating anybody had ever had.

BAGLEY: I don't think people felt that Bush was vulnerable until after the debates which I think really crystallized the difference between the two candidates. Bush showed that he was not connected with everyday life. He went to the supermarket and didn't know prices or how to go through the line, and looked at his watch during the town meeting debate, which clearly indicated his boredom with the whole process - a metaphor for his campaign and his administration. "It's the economy, stupid" was the Clinton mantra, and it worked!

Q: He didn't realize there were automatic price readers on cans, which, of course, every housewife certainly would.

BAGLEY: Actually everybody would. I think even my husband would know that. He looked at his watch during the debate and that one was Clinton's finest hour. He was so good with people and he walked around and met the audience. His whole town meeting style is quintessentially Clinton. He talked about issues that people care about, which he does to this day. And, he connects with people in an uncanny way. Better than anyone I have ever seen. I think by the time he went through New York and Tsongas withdrew, it was a forgone conclusion that he would win.

I was on the steering committee for the convention. Bill Richardson was the chair of the committee and asked me to be on his team. By that time it was basically the Clinton campaign, so we thrashed out certain issues. Nancy Soderberg joined on, who had worked for Ted Kennedy. She came on around June. There was a steering committee meeting in New Mexico. The Clinton advisors all came, the foreign affairs and domestic teams. Then there was the convention in July in New York, when the film played with the refrain: "And he still believes in a place called Hope." That and the "Don't Stop Thinkin' About Tomorrow" theme underscored the difference between Bush as yesterday and Clinton/Gore as the new generation leaders of tomorrow.

Q: With all of you on the campaign, were you trying to keep away from foreign affairs with the idea that this was Bush's major strength?

BAGLEY: I don't think we tried to keep away from it. He had to be briefed on foreign affairs certainly. What he did do was to have a series of foreign policy speeches that he gave, I think five of them. They were on NAFTA, US/NATO, Soviet relations, arms control, trade. They were excellent - all at Georgetown University, his alma mater.

Q: Were there efforts made not to make some of these popular commitments that often come up particularly during the primaries and sometimes into the campaign that you are not going to deliver later on? I think of pulling the second division out of Korea by Carter and there is a perennial one of establishing our embassy in Jerusalem in the New York primary. Some of these commitments that are made for a momentary gain really come back to haunt you. Were people kind of saying, "Let's not do this."

BAGLEY: There were a few things. Clinton claimed that he supported the Gulf war but it wasn't very clear. I actually did not support it, so it wasn't a big deal for me. But, Gore had spoken on the floor of the Senate in support of it so it made Clinton's claim more credible. Senators Sam Nunn and George Mitchell led the fight against it. Senators Bob Kerrey and Ted Kennedy were against it. Al Gore was in the minority on the democratic side. He had made a very strong speech for it. Clinton didn't say much about it but did say we were coddling dictators like Saddam Hussein, something which is always coming back to haunt him. We still haven't gotten rid of Saddam Hussein. He really came out for NAFTA, which was courageous because labor was vehemently against it and still is. Clinton's people were working very hard to craft something that wouldn't upset labor too much but basically would state that NAFTA was in our best economic interest.

Most of his focus was domestic with a foreign policy aspect to it. He always linked foreign policy to domestic policy. We can't be strong abroad unless we are strong at home. What we do at home to our economy impacts the rest of the world. We can't be isolated - we are the leaders of the world and that means in our economy, our national trade, our moral authority. It is our global responsibility. I think he did that very well. In fact, he created an economic policy advisor within the NSC because his foreign policy agenda was really wrapped up in world economics. I think that was where he was most comfortable anyway. But, it also helped him because it linked him to the domestic situation at home in a unique way. Everything had its domestic underpinning.

Q: How did the Gore group fit into the Clinton group?

BAGLEY: Pretty well. I think better than any other team as far as I know. With Carter/Mondale I know that they were eyeing each other with great suspicion. Maybe because Carter and Mondale were not very close. But Clinton and Gore became good friends and to his credit the President has given more responsibility to his vice president than any other president has ever given. And I think it says a lot about his sense of security, his own sense of self-confidence, in delegating so much authority.

Q: Certain policies, like environment, cutting down government, are readily identified with Gore. A lot of presidents wouldn't have allowed the name to be associated with issues.

BAGLEY: Yes, he has given him a lot of responsibility. And, during the campaign I think it was the same. I think that was reflected with their bus trip where they went around and connected with the people. I think they connected personally then as well. Despite the fact that Al comes from a more privileged background than Clinton, they are both Baptists, southerners, basically centrists. Gore can lean to the left when it comes to the environment and Clinton on social issues can be further to the left. But, basically they are the same ideologically. They have totally different ways of dealing with issues and different personalities. But, I think they work well with each other and respect each other and really like each other.

Going through the vice presidential sweepstakes was interesting with everyone trotting up to Little Rock. Bob Kerrey was also under consideration although I'm not sure that he was a serious contender. They treated him seriously, as they should have, but he annoyed Hillary when he wore a shirt saying, "Hillary is always right," which did not endear him to her at all! He had also criticized Clinton during the primary, especially his avoiding the draft, which he felt viscerally about. We were in Atlanta in February, right after New Hampshire, when he made a comment about Clinton and the draft. He said, "This is outrageous. They are going to open him up like a boiled peanut." The Clintons never forgot that insult.

Q: This was the first campaign you really had been sort of in the center, wasn't it?

BAGLEY: No, I was in the center of the Dukakis campaign as well. I did basically the same thing with the Clinton people as I did with Dukakis. I did a combination of fund raising and diplomacy. I was the diplomat liaison for the campaign. But I stayed earlier with Dukakis, right after Gary Hart withdrew from the race after the Donna Rice affair, and I was the Washington co-chair for the campaign. And I served as the diplomatic liaison for both campaigns.

Q: What does that mean?

BAGLEY: It was really something that Madeleine Albright and I decided to do for the Dukakis campaign and we thought for the same reasons we should do it for the Clinton campaign. You are dealing with two governors who are not well known, who have no foreign policy background, and certainly have no record of achievement or expertise on foreign policy. We wanted to open up to the diplomatic corps to get the word around the world through ambassadors that he was serious and that he had certain beliefs, had an agenda, and this was what he would do. We talked a lot about the UN, and our international commitments. Now that I think of it, Madeleine talked about her views on the UN in 1988 and later became our UN ambassador under Clinton in 1992. We had these discussions on trade and inter-connectiveness and the importance of bilateral diplomacy using multi-lateral institutions. We focused on the U.S. responsibility to pay our outstanding UN dues and our duty to lead. The theme was basically economics, trade, inter-relationships between domestic and foreign policies and the importance of arms control and international institutions.

Q: By the time debates were over, I take it victory was in the air?

BAGLEY: Yes, it seemed very close.

Q: Were people beginning to position themselves by saying, "Boy, if we win I would like to be this or that."

BAGLEY: Yes, I think towards the end there was a lot of that. What Madeleine and I did starting with the Dukakis campaign was to invite 12 ambassadors and they would sit on either side of my dining room table with Madeleine at one end and me at the other end. I would begin and she would do a "tour d'horizon" on what the Clinton foreign policy would be and then we opened it up for questions. I always selected the ambassadors, taking into consideration regions, friendships, etc. I did a lot of research on who would be the best to chair the group. I usually chose one leader as the kind of dean of the lunch who would direct the conversation. You wouldn't have the Israelis and the Egyptians together, for example. You mixed it up trying to avoid countries in conflict. We did the same thing for the Clinton campaign. It worked out well. The ambassadors would come back to me with questions and we would get answers back to them.

Q: I would think one of the big things of any campaign would be the Israeli influence. How did that play? Someone from Arkansas is not going to come out with a lot of commitment on the Israeli side.

BAGLEY: Yes, there aren't very many Jews in Arkansas or in Tennessee. Both of them were national figures in terms of having been involved nationally. Al Gore having run before and getting himself in trouble in New York during the primary in 1988. There is always the influence of the Jewish lobby because there is major money involved. But, I don't remember any major issues coming out on that, besides the usual "make Jerusalem the capital of Israel," which is always an issue in the campaign. Camp David was certainly on the list of things to build upon, but I don't remember it being a burning issue on the campaign for anyone. The Persian Gulf certainly was.

Q: Bush had taken the rather courageous stand of calling back credits for housing because the Israelis were building houses on the Left Bank on Arab land. Did that come up at all?

BAGLEY: Yes, Clinton criticized them on that. The Democrats always tend to go with the Jewish constituency on Israel and say stupid things, like moving the capital to Jerusalem always comes up. Things that we shouldn't even touch.

Q: I would think raising money, without trying to sound fascist almost, but a lot of the free money floating around for good causes or political causes is Jewish money. Did you find that the candidates had to act in a certain way or you as a fund raiser had to say certain things?

BAGLEY: Not really. It was more the effect of the primaries, of the politics, not on money. The Jewish Democrats were going to give their money to Clinton anyway and Jews are mostly Democrats on social issues. I don't think he was close to the Jewish community anymore than any others, although Harkin might have been closer. But, when it comes to a general election with Bush versus Clinton, they would go to Clinton because they really thought Bush was more pro-Arab like they felt the State Department was. I don't think there was anything in particular that he had to do.

The Cuban vote was an interesting one. He was influenced on Cuba because of his own personal defeat as governor in 1980 when President Carter had asked Castro to release political prisoners. Castro not only released political prisoners, but also common criminals resulting in the Mariel boat lift incident of 1980. They were all in Miami and President Carter asked Governor Clinton to take some in. He did and this caused a big riot in Little Rock. Clinton has never gotten over this event. There is still a visceral dislike for Carter but also for Castro. I think he sees things differently now. I have talked to him recently about Castro and in certain ways he has a lot of respect for hicertainly his longevity if nothing else.

Q: One always hears about how important the Cuban vote is in south Florida, but at least until recent times it has been secure in the pocket of the Republicans.

BAGLEY: Absolutely. The Cuban-American Foundation president and the founder, Jorge Mas Canosa, was a really strong Republican. There was no reason for the Democrats to think they could get it, but they still thought they could get some money from them, and they did. The foundation played both sides. But, we lost Florida in 1992, although we won it in 1996. It was not just Florida; it was also New Jersey where now they say the Cuban population there is even more radical against Castro than the ones in Miami. The real hardliners are in Newark, New Jersey, which has the second largest Cuban population in the United States. So, it is still a factor. Again, it is not numbers, it is like the Jewish factor, it's money. It is important in certain primaries. I don't think he was influenced in 1991 about that, however.

Q: How about Bosnia? At that time we were still wrestling with what to do with Bosnia and the feeling was that maybe the Europeans could take care of it and we could stay out of it.

BAGLEY: I know, wishful thinking.

Q: Did that come out?

BAGLEY: Yes. I think the President at that point was criticizing Bush for not doing enough in Bosnia. As you know, once we were in nothing was done for another two years. You have to reassess and have study commissions, etc. It took a long time before we got in, of course. It was the French who finally pushed us in, a couple of years too late.

Q: When the President was elected in 1992, what did this mean to you?

BAGLEY: Naturally, I was thrilled as I had worked very hard for him. It also meant trying to get a job with the administration. I don't think the scrambling for jobs started until October, but certainly in November. There was a transition team being formed. Sandy Berger ran this team. I always felt comfortable that I would be selected to do something because I was not only on the policy team but I knew all of these people so well. But, it was circuitous. I lost a few things that I wanted. It turned out to be better than I would have even hoped. During the transition they asked me to be the diplomatic liaison on the transition team, meaning that I would deal with the diplomats and heads of state during the Inauguration. They all wanted to see the President-elect and we had to do position papers, etc. During the campaign I used to work with the foreign press as well. A friend of mine, Marc Ginsburg, was doing the foreign press and he asked me to come out to Little Rock the last couple of weeks to help him. I did that with him. He was on the transition team as well. So, I worked with the foreign press and the diplomats.

I figured I would get a job because of my resume and also because of my fundraising efforts. The funny part was that they brought a guy in named Arnie Miller, who is an old friend, actually, who did personnel executive searches, and he was asked to do that for the Presidency. It was crazy, they decided to do it all in Little Rock, the transition team and foreign policy and everything. Sandy actually stayed here most of the time. It was Tony Lake and Nancy Soderberg, who had been on the campaign and kept their transition offices in Little Rock. And then the executive search group had offices in Washington.

They always said to send your resume and five letters from people. I dutifully went along and sent five letters from Senators on the Hill and I actually wanted congressional liaison in the State Department.

Q: Called the "H" Bureau.

BAGLEY: Yes. I had worked there from 1977-81, under Brian Atwood, who was also on the transition team. He was promoting me for the job and Sandy and others. But, I didn't get it. It ran into a buzz saw with the White House congressional liaison, who wanted his friend in and Wendy Sherman got the job. The reason I mention this is because after all these resumes and everything was sent down from Washington to Arkansas, they simply disappeared! Nobody knew where anything was. It was a most bizarre situation. It had totally broken down. I remember after working on the transition and checking in every once and a while on my case, they would say, "Oh, yes, everything is fine. We're working on it." Well, they never did. As far as I was concerned there was no real reason for me to have my resume in there because they knew where to find me and they already knew me. Anyway, that was the job I wanted and they filled it right away. It happened in November, I think.

Q: There was a terrible breakdown later on.

BAGLEY: Yes.

Q: What was the second job you were interested in?

BAGLEY: The second job: chief of protocol. I had done protocol on the campaign so it was pretty obvious I had the experience. I was really the only person who knew the diplomatic corps. But, that was more of a First Lady decision, I think, and since she didn't know me very well heard later from friends that my Bob Kerrey connection was a problem.

Q: I have often found that the wife's view, and this is true in my personal relations, is a different view from the man's view and sometimes it is more personal. This is a man's pontification. I have often seen this and it is something to be reckoned with.

BAGLEY: Yes. And Hillary was a very strong influence. This was really her job anyway, one she really wanted to control. She needed someone whom she knew and was comfortable with, which I can understand. The problem was that was they interviewed me and others and I was clearly the most experienced of the group. But, the bottom line was that it was her personal decision and she chose Molly Raiser because they felt that they owed her something.

Q: I have interviewed Molly. It was given to her because of her husband who had died very suddenly.

BAGLEY: Did she tell you that is why she got it?

Q: More or less, yes.

BAGLEY: Molly and I are very close friends and Vic was one of our best friends. She was all set to get her doctorate in history in Buffalo. They were thrashing around for a long time and her name floated up a few times, but she never really asked for it. Finally, I think she indicated an interest in the end and, since Vic had been very active as the Washington Finance Chair for the campaign, the Clintons wanted to take care of Molly, which I fully supported.

Q: I am trying to get the feel of these things. I'm sure if you fix your sights on one job and that goes and you fix your sights on another job, you begin to feel that you might be losing your place in line in a way.

BAGLEY: I went for jobs that I knew I was qualified for. I knew I could do the congressional job because I had worked in that office for four years. I knew I could do the chief of protocol job. I wasn't really looking for anything beyond what I thought I qualified for. In that sense I just threw up my hands. What was I supposed to do now? By then it was 1992. They had made such a mess out of it by stringing three or four of us along. Then it got into the papers and all of a sudden it became a race that was silly because it wasn't a race. It was people that were interested and some were pushier than others. I learned early on that I could have a lot of Senators helping me, and I did, but there was a point where that became counterproductive. In fact, I remember Bob Kerrey going for a run with the President and he called me an hour later. I said, "You must have talked with the President because I heard you were going for a run with him." He said, "Yes. We had a long talk about you." I thought, "Oh, God, I am not sure that was a good idea!" It just reminded Clinton that I was with Kerrey first.

They were very loyal to the people who were with them in the beginning. I was with them earlier than a lot of other people, I came in in May, but I had been with Bob Kerrey and that made a difference to some of them, especially Hillary at the time. More than Harkin, due to the hostility that still exists between Clinton and Kerrey. But I had a lot of support on the Hill. It was something you needed to do but you had to be careful about it. It is not a campaign.

Molly got the job in May, which is very late when you are talking about all these months, and I found out I was pregnant in March or April, which was quite a shock I have to say as I had no plans to become pregnant. It was a 99.9% chance, or whatever. It was ironic because I remember Molly calling me and saying, "I hear you are pregnant." I said, "Yes." I hadn't told anybody yet, but somehow she knew. I had known she had just gotten the job and it was one of those things where I didn't want to tell her I was having a boy. The irony was that here she is with the job I wanted and thought I should have, and I am having a baby boy and she has just lost her son. Actually, Conor, ironically, was born on the day that her son, Monty, and her husband died in a plane crash - one year earlier.

I didn't tell anybody I was pregnant because it would have just given them an excuse for saying, "Oh, we don't have to deal with her for another year or so." I went through the motions of calling and having Senators calling. At that point I didn't even know what job I wanted. Knowing I was pregnant I didn't really know what to do when they called me and said, "Would you be interested in an ambassadorship?" Such a position had occurred to me but I had dispelled it immediately because I was sure my husband would never want to leave. But, I talked to my husband and he said that perhaps I should go and talk to them about it. So, I was given a list of countries and Spain was on it at the time, but by the time I had thought it through, it had been given to Dick Gardner. There were other countries on the list but I chose Portugal.

At the time it was going to be a career foreign service officer, Mel Levitsky. Don McHenry was offered Brazil but when he decided not to take it, the chess game changed and Mel got Brazil and then Portugal was open. So, I had a lot of people helping me from within the State Department and White House. I just said, "Okay, this is it. I'm not going for anything else. " I figured this was good because ambassadorships take so long and my son would be born by then and things will work out perfectly. So, I said, "Portugal or nothing." They started calling me asking if I might want something else. This might not work because someone else wanted Portugal. I said that I didn't care and if I can't get it I'm not interested in anything else. Finally the President called me and offered me the job.

Q: When was this? The President came in in 1993.

BAGLEY: It wasn't until November 1993. My son was born July 31, 1993. This shocked most people because I had never announced to the White House that I was pregnant and frankly, it shouldn't have mattered although I knew intuitively that it would. They asked me why I hadn't told them and I answered, "For the very reason you are asking now." It shouldn't have made a difference, but it would have.

Q: It would have been an excuse to avoid a problem.

BAGLEY: Call it sexual discrimination or not, but I knew that had they known, they would have put my career prospects on the back burner. At this point my momentum was as strong as it could be because they really felt badly about the chief of protocol job. They had put me through the ringer and they sincerely wanted to make it up to me, especially with several senators and congress people prodding them.

It worked out very well. The President called in November of 1993. I didn't go until September 1, 1994. I delayed it a little bit because my son was a month premature and he was on an apnea monitor for breathing and I really wanted to make sure that he was off it before going to Portugal.

Q: Every year the ambassadorial confirmation process seems to get worse and worse. Did you find the paperwork incredible?

BAGLEY: The paperwork was outrageous. I remember going away for Christmas to the Bahamas where we rented a house. I entered the house and everything was in Portuguese. It turned out that the people who rented the house to us were Brazilian but lived in Portugal. When we moved to Portugal we had to move to a rental house which my husband chose himself because I couldn't go to find a house for us. Our embassy residence was under repair, something we didn't know until a month before. That is another FBO [Foreign Building Office] story. We ended up across the street from the Bragas, who rented us their house in the Bahamas.

Anyway, the financial disclosure forms took me probably three weeks. I called Jim Hamilton to help me with vetting because my husband had a lot of stocks and income, and we filed joint tax returns. His financial profile was very complicated and mine became complicated to the extent that they wanted him to get off some family trusteeships, which he refused, understandably, since he was not the candidate. So, we went to OGE [Office of Government Ethics] and it was outrageous. We had our lawyers, Jim Hamilton and his team go through everything with a fine tooth comb and devise all these ways of doing it differently. I then recused myself from dealing with numerous companies, none of which I knew. They went through a very complicated formula. In February, the Office of Government Ethics finally said, "Okay, it is legally and ethnically acceptable, but it has to pass the Washington Times' political test." Who would ever pass a Washington Times' political test, especially a liberal Democrat like me?

Q: The Washington Times being the Reverend Moon's newspaper and a very right wing paper.

BAGLEY: Exactly. What they basically did was to leave it up to the politicians. Well, who are these guys in OGE to tell me about politics? I finally said, "Listen. If I can get it done politically on the Hill by the Senate Foreign Relations Committee, will that be satisfactory?" They said, "Yes." So, I called Jim Thessin, legal advisor at the State Department, and had a long talk with him. He said, "It looks okay with me, but politically maybe we should go to the Hill." So, I called Ed Hall at the Senate Foreign Relations Committee who was the legal counsel at that time with the Democratic majority and said, "What do you think of it? Will you talk to Jim Thessin about it? He can tell you the details." He said, "You won't have a problem. They are not even going to look at you because we know you. You have more support than any ambassador we have had." I knew everybody on the democratic side of the Committee, which was the majority, of course. So, he and Jim Thessin talked and then went back to OGE to tell the green eye-shade guys that they had cleared it politically and it was okay. By then it was the end of March, just in time to go to charm school, which I managed to get into on April 3rd.

Q: This was the ambassadorial seminar.

BAGLEY: Yes.

Q: How did that work? What was your impression of it?

BAGLEY: It was Sheldon Krys, whom I still see and who did a great job as moderator. The other guy was a Republican appointee to Brazil. I can't think of his name. Sheldon was kind of the dean, if you will. I thought it was interesting. I don't think it was good for the spouses. I was sensitive to my husband's situation. They certainly weren't ready for a male spouse, even though there had been male spouses. I think the biggest problem with the State Department and the ambassadors is that they really haven't figured out what role a male spouse should have. They are not very good with the role of a female spouse either. But, the male, in particular, I think is much harder. It is inherently harder because men tend to have their own business and they sort of let them do their own thing, yet they can't do their own thing being in another country. So you are putting lots of restrictions on them and not giving them anything really in return. It is not a real partnership.

Q: There is also a difficulty in that the rules and regulations are really designed more to fit the female spouse and you can't make any demands on the spouse. In the old days you knew what you were supposed to do and in a way it was much easier. The demands are basically still there but they can't be stated now. So, it is almost "You can do your own thing but don't get into trouble."

BAGLEY: Yes, and there are no perks. Here are the things you can't do. You can't do this, you can't have an office, you can't use the car ever, etc. The seminar just didn't know how to brief spouses. Smith and a couple of wives, who were professional women, would just sit and laugh about the whole thing. But, I thought basically it was interesting training. They had people coming in talking about the administrative work, what you could do, what you should do, how to handle yourself and deal with threats, etc. They went through the basics the first week with the spouses included. The second week was all top secret. We went over to the CIA and down to Fort Bragg and had in-depth briefings on everything from threat assessments to terrorist targets.

Q: As you read in, what was the situation in Portugal at that time and what were our concerns?

BAGLEY: First of all, it was considered a low threat country because there were no indigenous terrorist groups like, for example, Spain and ETA. At that point I didn't know anything about Portugal. There were no briefings on Portugal specifically during the seminar. You would go talk with the assistant secretary or the deputy assistant secretary and the desk officer. I did whatever I could but it was mostly my own training, based on documents provided by the Foreign Service Institute and my desk officers.

The situation there was tense because they hadn't had an ambassador since September 1993 when Everett Briggs left. That made it difficult because they not only resented the Clinton administration for not putting anyone in but they resented me, too, because they heard all these rumors that I was waiting because of my son's birth. I probably couldn't have gone before August anyway. I was confirmed by the Senate right before they went out for the July 4th recess and then I wasn't sworn in until August 3rd and I left August 30th. It takes eight months to a year to complete the process.

Because I knew so many Senators on the Committee I basically scheduled my own hearing. I called Senator Claiborne Pell, the then Chairman of the Foreign Relations Committee, and asked him if he would chair. He was a very courtly man, and simply said, "I'd be delighted, Dear. Now which day would you like to come up?!" What the Department usually tries to do it is have a couple of Foreign Service career officers with a couple of political people, thinking that the career people will neutralize the political people, who were always seen to be problematic. So, I got the hearing in June. We had people from the State Department Office of Congressional Relations preparing us, but I didn't need any preparation really. They had one mock session called "murder board," where you would be asked a number of substantive and political questions. I was asked if I thought I got this job because of my fund raising for the President. I remember being totally shocked with the question, thinking that there was no way they were going to ask me such a question. And, it turned out not to be a question, partly because of my previous State Department experience in the Carter Administration and mostly because all the senators knew me.

Q: Did Jesse Helms play any role in this?

BAGLEY: Oh, yes. The process was that Meg Donovan would call over to Admiral Bud Nance, who was the staff director then of the minority and a life long friend of Jesse Helms'. She would call him and say that they had these people and here are their files, and their resumes. Tell me if there are any problems with them. He would call back usually, with a number of issues, since we were all loyal Democrats. When she got to me, he said, "Oh, no, we are happy to have her. She has a great resume and all. In fact, I think the Senator would like to introduce her to the Committee." Nowhere on my resume has there been any allusion to North Carolina. But, I'm married to Smith Bagley who is from North Carolina. I called Meg and said that this was ridiculous because I don't know Senator Helms. She told me to talk with Bud. I call him and said, "Admiral, I am honored that Senator Helms offered to introduce me, but I've already asked my two Massachusetts senators (Kennedy and Kerry). He said that I had a very impressive resume. I said, "Thank you, but I did work for Senator Kennedy and the Panama Canal treaties and am really surprised that you think it is so impressive." He says, "Well, you were young then, dear. The Senator would really like to introduce you." I said, "Okay then, I will be honored." He hardly ever came to these hearings and he had never met me, but you can't look a gift horse in the mouth, especially a right-wing conservative like Jesse Helms!

Jessie Helms had been raising money against Ted Kennedy who was up for re-election at the time, through his national conservative political action committee in North Carolina. Ted Kennedy was their nemesis. So, I called Ted and said, "I really want you to be there at my hearing." He said, "All right. I'll come first and sit on your left and when he gets there I will do mine, but I don't want to sit at the same table." Then I called John Kerry, who was on the committee anyway, and asked if he would come and support me but stay in his seat at the committee. He agreed and that's how it happened.

I remember going to the annual congressional picnic in June, the day before my hearing, with Senator Frank Lautenberg and said, "I have never really met Jesse Helms and he is going to introduce me tomorrow and he doesn't even know what I look like. If he comes will you introduce me?" He was there and I was introduced to him. "Oh, I am so thrilled. You have a very impressive record. How's Smith?" He was wonderful. "Do you want me to walk you to the Senate hearing?" I said, "No, no, that is okay." He said that Senator Kennedy was going to go first.

They timed it well. Ted came in and gave his endorsement, stating that he had known me for 20 years. Then he left and Jesse came in right after that and sat down. He said, "I suppose you are wondering why I, a conservative Senator from North Carolina, would be supporting this woman who worked for Ted Kennedy from Massachusetts. Well, her husband is from North Carolina and comes from a fine North Carolinian family. He had the perspicacity to choose this lovely lady to be his bride." Can you imagine? We all went "Oh, God, this is amazing." Up in front there was Claiborne Pell, the chairman. Jesse was the ranking minority at the time. Chris Dodd, who was one of my best friends, John Kerry, Paul Sarbanes, Pat Moynihan, etc. There must have been five or six of the democratic side and they were all laughing. It was hysterical. Then Helms went on to say that I was wonderful, had done this and that, sort of reading off my resume since he didn't know me. He said that I was the type of person we needed to have in our Foreign Service and gave me a hearty endorsement, in full view of the Portuguese TV cameras!

A day before the hearing Bud Nance called me and said, "Now, Dear, the Senator would like to ask you a couple of questions from the chair. What questions would you like him to ask you?" I thought this was really amazing. I said, "Well, you could ask about the Azores air base or about East Timor, etc." "Why don't you send us two or three questions that you would be comfortable answering?" "Okay." So I faxed them the two questions which, of course, is unprecedented.

So, then Helms moved from the witness table back up to his chair to ask a few questions. Claiborne Pell asked a question about East Timor because he had actually been very interested in East Timor. Nobody else had asked me to give them questions. Pell asked me a couple of questions and then Helms started asking me about Lajes Air Base. "How many soldiers do we have there? How much money do we give them?" These were the questions I suggested he might want to ask me. I'm answering the question and Helms says, "This is great, great," with his thumb up in the air. He turns to Chris Dodd, who is laughing of course, and says, "Chris, isn't she great? Isn't she wonderful? The State Department really taught her well. This is the first time the State Department ever did anything right." Chris says, "Jesse, she already knew the answers, the State Department didn't have to teach her."

So, it was one of these back and forth conversations. He asked me a couple of other things and it was always, "That's good. Yeah. Isn't she wonderful." The most patronizing thing you can imagine but I smiled sweetly and accepted his praise. He looked behind the witness table and I had with me my brother, who is a Catholic priest, who lived in Washington, and my older brother, a lawyer in New York, as well as my parents, my husband and my daughter, who was three and a half. Helms is saying, "And I am looking back at her husband and her daddy and brothers and I am saying they are so proud of her. This little lady has done such a good job." Well, my mother was furious, of course. "What am I, chopped liver?" He doesn't mention the women. I think one or two of my sisters were also there. All he talked about was husband, daddy and brothers. Then he came down and talked to my daughter. It was quintessential Jesse Helms and a perfect example of the Tip O'Neill adage: "All politics is local!"

Then I got some tough questions. My good friend Chris Dodd decided to give me a chance to wax philosophically about the future of Europe. He asked me to give my perspective on U.S.-European relations and its future. That went on for a while and a few other Senators came in. Bill Bradley came in to offer some kinds, along with Simon and Paul Sarbanes, who were very generous. The whole thing was a love fest really, and it went a long way to establish me in the eyes of the Portuguese, who weren't at all sure that they wanted the first female American ambassador to Portugal. There was a big headline, "Kennedy and Helms Support Bagley," something no other nominee ever received, to be sure!

Q: I think this would be a good place to stop. The reason is we can pick this up when you go to Portugal, and what were the issues.

BAGLEY: Fine.

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Q: Today is February 10, 1999. Elizabeth you are off to Portugal. You were in Portugal from when to when?

BAGLEY: I arrived September 1, 1994 and departed the end of November, 1997, over three years.

Q: We have talked about how the appointment came about, but let's talk about the issues. Before you went out there what were the issues that you felt were the most important?

BAGLEY: East Timor was one issue that I recognized immediately. The issue was whether East Timor should become independent and receive some kind of autonomy or self-government from the Indonesians. East Timor was a colony of Portugal until 1974/75 and because the Portuguese revolution occurred, they looked the other way and allowed all the colonies to become independenMozambique, Angola, Guinea Bissau in Africa. The Portuguese hadn't colonized much in East Timor except to bring the Catholic religion there. So, it was Catholic, in the middle of Muslim Indonesia. It was only half of the whole island and very small, but the majority wanted to remain under Portuguese control or be independent like the other colonies. There was an uprising in 1975 led by Xanana Gusmï¿½o who is still in prison. He began a revolution, a Marxist revolution, during President Ford's Administration. In fact, Ford and Kissinger had been to Indonesia right before this and looked the other way. Clearly they weren't going to support a Marxist revolution and needed to maintain close relations with Indonesia. These Marxist revolutionaries took over and were immediately suppressed by the Indonesian forces, which then took over the island and imprisoned Xanana and his army of supporters. The Portuguese objected and there was finally a resolution before the UN that was passed stating that Timor is defacto and de jure a colony of the Republic of Portugal, which stands today. This was a volatile issue, certainly not bilateral but an issue that always permeated Portuguese politics because it was a matter of national pride for Portugal. Portuguese-Americans also knew the issue and tried to press their local representatives to support the Portuguese position more strongly with the Indonesian government.

Q: We are talking about Massachusetts and Rhode Island, basically.

BAGLEY: Yes. It was the first thing Claiborne Pell asked me. Strangely enough during my time as ambassador, Russ Feingold, we don't know why, seized on this issue and had a couple of hearings and resolutions before Congress. It is now actually starting to move because of the instability of the Indonesian government. A couple of weeks ago it was in the paper that Josï¿½ Ramos Horta, the foreign minister, had indicated that Xanana Gusmï¿½o may be released from prison and put under house arrest.

The major bilateral issue was over the Lajes airbase in the Azores which we had begun to use during World War II. We had paid for it up until recently. We had a former AID administrator who actually ran this new foundation called the Portuguese-American Development Foundation [FLAD] which was setup with funds we had given. We decided finally that we were not going to pay for it any more, much to the Portuguese chagrin, but we cited the fact that as a charter member of NATO, the Portuguese should share responsibility for the common defense.

Q: We didn't need it?

BAGLEY: We didn't need it as much as we did before. It was becoming less and less important. It was used more as a refueling stop and, of course, as we got bigger planes we didn't need that. It was used as a transshipment base during the Gulf War. It was important for humanitarian shipments of supplies, but strategically it wasn't important anymore. But, the Azores are very important to the Portuguese economy. We were renegotiating the international agreement between the United States and Portugal at the time I was ambassador. They had been doing it for about two years when I arrived.

The other negotiating was a bilateral tax treaty which had been negotiated over 33 years. Those were the two bilateral issues and East Timor was a peripheral issue, when I arrived. A few more issues developed later.

Q: Well, the Azores have always been our main concern with Portugal for so long. Implicit in not paying anymore is we don't need it anymore.

BAGLEY: We decided that we didn't need it as much as we had and we brought the Portuguese, I think reluctantly, into the realization that we were NATO allies and why were we paying for a base that was supposed to help all of us. This should be part of their NATO contribution. There were 1500 Americans there supporting the island anyway, so there was a lot of that kind of justification. We didn't want to pull out and knew that the Portuguese didn't want us to either. So, we tried to gradually convince them that we were equals, they were not dependent on us and we shouldn't be owing them money for using a base that all of NATO shares.

Q: Was this the first time we had raised the question of payments?

BAGLEY: This had been decided in 1992, so it wasn't my issue. This was just a re-negotiation of the decision that was made in 1992.

Q: Usually on these negotiations they send out a team from the Pentagon and State Department.

BAGLEY: They did. I don't think I met the team until they came for the final go around. They might have come once. They had a retired diplomat, retired from Sri Lanka. We were not supposed to be involved, which was, I thought, very strange. Here they had this team and the ambassador was not supposed to be involved. We had one political officer that was dedicated to this. I didn't get into it in real earnest until March, 1995, when both teams decided to withdraw from the negotiations and my political officer came to ask if I could help bring them back.

Q: What was your involvement?

BAGLEY: When I came to Portugal, the first thing I had to do was to convince the prime minister to come to Washington, because of outstanding problems. One problem was that my predecessor left a year before I arrived and there were lots of reasons for this. So they felt under-appreciated and neglected, as the Portuguese are wont to do. The prime minister, Cavaco Silva, had wanted to come for the last couple of years and apparently had a very good relationship with President Bush. He was a Social Democrat, probably a moderate Republican if you were to compare him to our political system. There were fits and starts and obviously he wasn't going to come until there was a new ambassador and he didn't get along at all with the last ambassador. What I did initially, knowing this was a problem, was to talk to Sandy Berger and my friends over in NSC and told them I would love to arrive in Portugal with an invitation from the White House. So, we worked it out that not only would he be invited for an official working visit, we would have a reception for him with Portuguese-Americans, which had never been done before. The reason being there the congressional elections in 1994 would naturally be in November and this was going to be in October and we were hoping to get the Portuguese constituency out to vote. We thought this would be a very good political use of this visit.

My first meeting with the prime minister was within three weeks of my arrival. We were talking about his trip to Washington the following month, mid-October. I had already been told that he wasn't interested in coming then because there was a budget problem and he was basically being coy, for whatever reason. He was annoyed. He was supposed to come before but it was canceled. It is traditionally a lunch that you have with NATO allies and this was a reception. He just wanted more than they were ready to give him, so he decided not to come. So, my first task, I felt, was to get him over for a visit.

Q: What was his name?

BAGLEY: His name was Anibal Cavaco Silva, who was probably in his early fifties. He was a very attractive, charismatic in a way, but with a dour side to his personality. He wasn't very warm. Clearly I didn't think he wanted to like me because not only was I from the wrong party (he was close to Bush), but he felt that the Clinton administration hadn't been very good to him in the last year or so, and he didn't like the former ambassador, which had nothing to do with Clinton as he was career.

I went in to meet with him with my DCM [Deputy Chief of Mission] and political officer. He wasn't terribly friendly to me. We had already been down to the Algarve, in the south of Portugal, where he is from, so we talked about that. He finally said, "Well, thank you for the invitation. I know you are here to give me an invitation to come to Washington, but I can't come because of a budget problem and I have to stay and it is just not going to work. So, I will come in January, February or March of next year." I said, "Mr. Prime Minister, maybe I shouldn't be bringing up domestic politics, but you are a politician. We are having elections in November and what we want to do is not only bring you over for an official working visit with the President so you get to know each other better, but also to showcase you with the Portuguese-American community. I have worked very hard on this before I came and I can tell you now there is too much going on in January, February and March that they have already committed to and it is not going to happen. The only time it will happen is now because it really is good for us, due to the congressional elections in November. If you could possibly look at your schedule again, I guarantee you will be happy with this visit. I will personally do everything I can to make it a success.

Well, I thought my political officer and DCM were going to melt into the woodwork they were so upset. The prime minister looked at me and said, "You know, no one ever said that to me before. You are right, I'm a politician too and that makes sense to me. So let me think about it." I got a call before I returned to the embassy saying that he would go.

Q: How did the visit go?

BAGLEY: Fabulous. In fact he wrote me a long letter before I returned to the U.S. and even came to my going away party with his wife. He wasn't the prime minister then, but he was very complimentary and engaging, which is unusual for him because he's actually a shy person who never went to social functions after he retired as Prime Minister. He wrote me a long letter and said that that was the most important trip of his life and he will never forget it. It was so special. He thanked me every time he saw me. He came to Washington with his wife, Maria, a difficult person too, and [they] stayed in Blair House for three days, got the 19 gun salute, went to Arlington Cemetery, went to the Hill, [where the Senate majority leader hosted a luncheon for him. The following morning, he was the guest of honor at a breakfast] at the Senate Foreign Relations Committee before his visit to] the White House. I went in first to brief the President, while Hillary and Maria Cavaco Silva had a talk and then Cavaco came in to meet the President.

The schedule was for a 15 minute conversation and the prime minister was a little upset with this. I said, "Mr. Prime Minister I guarantee it will be longer than that, believe me." I had told the President that he was very bright and pro-American, although he was close to Bush. They got along very well and the meeting went on for 45 minutes, which is easy to understand as the President is very engaging and interested and they covered a whole range of issues. You had the Maghreb problems in northern Africa, the EU and other European issues, so there were a lot of items to discuss besides U.S.-Portuguese relations.

After the meeting we all walked in with Hillary, Maria, the President and the Prime Minister into the East Room and there were 250 Portuguese-Americans standing there clapping and cheering. It was a two hour reception with a receiving line, [lots of food and drink and Portuguese music]. It was wonderful! Portuguese-Americans had never been invited to the White House before, so this was a very special honor for them, and for Cavaco to see them all together.

Q: Where did you get your Portuguese-American guest list?

BAGLEY: I worked very hard on it. I called everybody in the Senate and the House personally. I had told the White House I would help them because I was worried and did want to make this a success domestically and politically for my own relations with the Portuguese government. So, I called and wrote letters to all the members of Congress who had major Portuguese constituents and asked them to fax to me and to the White House a guest list so that they could have their most prominent Portuguese constituents. What we wanted, of course, were the Democrats, but since most of them were [Democrats] anyway, I sent letters to everyone. There was a big response. The Portuguese-American Leadership Council called with a number of people they would like to be [invited]. The greatest numbers came from California, Rhode Island, Massachusetts, New York, New Jersey. Connecticut and Hawaii, [where there was a large population of Portuguese who had emigrated from Madeira].

So, it was an amazing success. We flew by [military] helicopter all over Washington. The best part was the reception. I had never seen anyone so transformed as Cavaco was at the reception. It was really quite moving and he has talked about it ever since, so we, of course, established a great rapport then. This rapport was extended to his foreign minister, and defense minister who came with him. That was really the cementing of my relationship with the government.

Q: Did you find that the Portuguese immigrant community in the United States had their own agenda?

Q: BAGLEY: Yes, the visa waiver was the third issue besides the air base and the tax treaty.

Q: Could you explain what the visa waiver was?

BAGLEY: Congress passed a law stating that we would waive tourist visas for a number of European countries based on [certain criteria, such as] how many overstayed their visas, the economic situation in the country, [the chances that they would return home, etc]. Portugal didn't meet the criteria, [so they were denied access to the visa waiver program, which was very embarrassing for them].

Q: The point is the Portuguese who received tourist visas didn't return. This was normally the problem and means the poorer countries' visitors would not return while tourists from more affluent countries usually did return.

BAGLEY: Yes, that's correct. The three countries in Europe that were denied waivers were Ireland, Portugal and Greece.

Q: Well, for good and sufficient reasons.

BAGLEY: Yes. The trouble is while I was [ambassador], Ireland was able to receive [the] waivers.

Q: I presume this was because of Ted Kennedy and his sister.

BAGLEY: There was an issue about that, did they stack the deck? There was a bigger issue, too, [in that Jean Kennedy Smith] had a definite problem with some of her staff who felt she was pushing too hard, [as] they didn't fit the criteria. Being Irish, I would not be one to [blame her as I felt that both countries should receive it]. For some reason the Greeks never cared, but the Portuguese really care, [as a matter of national pride, especially since the Spanish had it]. When I brought the next prime minister for a visit to Washington, this issue was the primary issue for him.

This became a major issue for me because it was the embassy that would have to ask the questions of length of stay, where going, do you have a job here, etc. They were faulting me or my embassy for being too tough. I asked my consul general to do a total check and to find out. I said that first of all it is a congressional mandate. We can't give this to you unless you are able to change your statistics. They argued back that we were the ones who put down the statistics and [our embassy was] too tough on [them]. You are asking [the] questions and denying [the] visas. I stated that if we give you the visa and you don't come back, that is a problem. They said that that was because they don't stamp our visas, that the consul is supposed to stamp or the airlines are supposed to give us the stamp when we leave and they don't do it. I said then that they needed to deal with their consulate and deal with TAP, the Portuguese Airline, that is their problem.

It was back and forth all the time. I presented the foreign minister with this study that I had done at the Embassy. I said that I was working on the congressional piece and I [told him that I would love to have Portugal on the visa waiver program because] it would be to our benefit if our consuls didn't have to spend so much of their time dealing with this problem. We are not trying to maintain this, but you have to help us by making sure you don't overstay and [address the issues] that [exacerbate] this problem.

I think we finally ended up with it looking like the visa requirement was going to be waved. It was a major issue, [but eventually thanks to members of Congress like Senator Jack Reed, Barney Frank, and Patrick Kennedy, we were able to get them on the visa waiver list].

Q: Did you have any problems with your consular officers. Often an ambassador, both career and non-career, who has arrived in a place and not dealt with visas and things like this think it is all off to one side. But, all of a sudden they find themselves up against the fact that there is a law, there are circumstances in the country and the consular officers are following the law. At the same time, the ambassador can't issue a visa. There is this constraint. Of course, the ambassador can huff and puff and make it sort of difficult if the consul doesn't. Did you have trouble adjusting to the refusal rate?

BAGLEY: I gave my consular officers total leeway on visas. I asked for the numbers and inquired as to whether we were being too strict. I went down and spent some time there and looked through the numbers [to see] what was happening. I came back and gave the foreign minister a few pointers. First of all TAP airline: we have discovered certain flaws in your procedures that would make it easier for you. The refusal rate we can work on by being open but if the statistics are there there is nothing we can do. Make sure your travel agencies have the right documents; they were just sloppy. They would just say, "I have friends of mine calling and saying we can't get a visa for my daughter who is going over for a wedding." She would be from a wealthy family, was going to college, and would be coming back. The reason they couldn't was because of sloppy paperwork. So, I said that if you get your travel agencies doing the work correctly, and fill out your forms right, the chances are you are going to be okay. You are refused and sent back to redo it because there are things that are not in there and we can't do it unless you give us all of the information. It [became] little things like that, but the Portuguese weren't very good with details, which was one of the problems. But, I made a very strong effort and they knew it.

Q: We will stop here. One of the questions I want to ask is that there was a long interregnum between your predecessor and when you came on board. Was your DCM the chargï¿½?

BAGLEY: Yes, [you're right!]

Q: This often is a problem because it is just human nature that if a DCM has been in charge for a post a year or so they can't help to feel they know the business and all.

BAGLEY: Especially a political appointee.

Q: Believe me it is not just political appointees, it is just human nature.

BAGLEY: Fine.

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Q: Today is February 24, 1999. Let's start with the DCM situation. As I said it was almost fate that if a chargï¿½ is too long at a post it is a problem.

BAGLEY: She had arrived about two years before I did and then the ambassador retired in 1993, so she was chargï¿½ for a good year. She happened to be in Washington and came to see me. It was kind of curious because it was very much role reversal, as so many things came with my job. This time I was [with my family] and my role was as a mother. When she arrived I was putting the kids to bed and was upstairs. She had a drink with my husband who started asking her all these questions that were not necessarily the kind of questions he should be asking. Is the CIA present? How many people? Tell me what the defense capacity is? I think what really hit her was the CIA thing. That was after maybe three questions about how did she like Portugal and what was it like. Instead of asking soft questions he hit her with hardball questions which I would not have asked because the answers are classified and he is not supposed to know the answers anyway. She was very polite but she immediately became defensive and was wary of my husband from that moment on. Also, she was close to 50, had never married and so she didn't have the appreciation for balancing husband and family and work that others might have had. So, I think she always felt that Smith should just be home in Washington or elsewhere. Whatever he did he shouldn't be in the embassy. He felt very strongly that he wanted to be part of things. Not the kind of Bill and Hillary co-presidency sort of thing, he knew enough to know that especially in a Latin country my being the first woman ambassador made it very important for me to be the dominant figure in that relationship and make it clear who was the ambassador. He was very good about being in the background publicly. But, he is a very gregarious person and it was very hard for him to not be in the middle of everything. He finally decided that what he could do is come to the embassy with me and help out our administrative officer with the American School.

I think she had a good experience being chargï¿½. I didn't find out until later when I went to a restaurant and someone would say, "ambassadora" and then ask what happened to the other ambassadora? I realized later, even though she was kind of deferential and a very discreet person who was always politically correct, that there were a few things that happened apparently before I arrived on the scene, and she had in fact, taken on the title of Ambassador without having the right to it!

When I arrived, I think my presence was very much felt. I arrived with a husband who is 6'6," I'm 5'9," and I arrived with two small children - one who was four years, and a one year old baby who still couldn't walk yet, so I was carrying him. This was a different situation than they had ever seen before. I think we made such a major impression first hand that I never felt any kind of threat that there was any problem, because the DCM immediately stepped into the background. We worked well together.

I would arrive at the embassy around 9 or 9:30 depending on the traffic because I was coming from Sintra, which was another issue because I wasn't in the residence for two years. Right before I arrived they had found termites in the top floors and they had to reconstruct the whole residence. Smith, like a wife would have done, went to Lisbon to look for a house to rent. The FBO said it would be only six weeks. Well, six weeks turned into almost 2 ï¿½ years. We rented a beautiful house in Sintra, which is 30 miles outside of Lisbon. The worst problem in Portugal is traffic. Their roads were insufficient, so, the traffic was bumper to bumper going into Lisbon every day. I would take my daughter, four and a half, to school first and it was kind of on the way so we would always drop her off. Therefore I didn't get in until around 9:30. A couple of occasions I remember coming in and Sharon, who was my DCM, was not there. I heard that she was at the foreign minister's. It seemed a couple of things had happened during the night and she was called but she never called me. There were a couple of issues like that and although I didn't blow up at her I said in no uncertain terms that I wanted to know everything that was going on, and that I was the one to consult with the foreign minister, not her!

There was another incident, where I was called by somebody at DOD asking about a plane that was coming into the Azores and it was something that had happened over a weekend and the guy on duty instead of calling me called her. That was okay, because they report to her first, and she reports to me as the filter. She never called me. She was doing everything behind my back, and was probably doing the right thing but there were certain things that she wanted to keep for herself. When I finally made it clear that this would not be tolerated and that I expected and demanded to be in the loop on every part of the embassy. There were issues that I didn't care to be bothered with, if I didn't have to be, but I certainly wanted to know and have the option of deciding what was important to me or not. I didn't care about some administrative details, but every week I wanted a briefing on them. She would hold a staff meeting with all the admin people and I didn't even know about that. She said I didn't have to worry about that but I decided to sit in on some of the meetings and they were so boring that I finally said to her that I wanted a meeting with her, the admin officer and myself once a week to go over what the issues were and how they were being resolved. It turned out that it worked very well. Our admin officer was a wonderful guy but a bit inefficient and unfocused, so I think that helped to focus him a little better and also kept my DCM in line with my thinking.

So, there were things like that that you just knew you had to take charge of immediately. I think it helped that I had worked at the State Department because I knew what the cable traffic was, I knew what to ask for, I knew there were going to be top secret, confidential cables. I knew there would be the Secretary's morning reading. There were things that I expected I would be reading and should have on my desk every day and I did, I always had two notebooks. But, I'm not sure if I hadn't known of top secret classified material there might have been only one notebook. We always had a good relationship but there were a couple of little thorny issues that we had to iron out, and basically I knew the mentality of the Foreign Service, which revolved around their annual efficiency reports, so I knew that that was my final weapon if she didn't behave appropriately.

Q: Did you get another DCM later on?

BAGLEY: Yes, I did. It was a filtering process that I gave my DCM responsibility to review, as I did trust her judgment on these kinds of issues. There were about 20 calls and letters from various candidates. I looked at all of them and she interviewed about ten of them and then brought it down to maybe five. Ironically, the one that I did pick I didn't know until later that he had been promised to be DCM in Lisbon when Sharon Wilkinson got the job instead. Apparently there was an issue of race and gender discrimination, which she brought and got attention in the Department and, at the last minute, they gave her the job. So, there was a lot of bad blood between them. She never told me this but he told me that later. I liked him very much. There were three candidates that I really liked and I chose him. He had served as DCM in Copenhagen before this, and had once served in Portugal with his Greek wife and they both spoke fluent Portuguese. They knew the American school as their children had attended school there, so he really cared about what we were doing to build a new American school. His name is Greg Mattson and we got along very well as he was more of a team player, more deferential to me and also very appreciative of my political sides! He was also a good manager, which was crucial.

Q: What was the NATO relationship with Portugal as you saw it - the political as well as the military?

BAGLEY: It was fascinating. They were obviously intertwined. NATO had a base called Iberlant (Iberian Atlantic) so they were part of the Atlantic Command with headquarters in Norfolk as opposed to the European Command with headquarters in Belgium. The Atlantic Command was run by General Jack Sheehan in from Norfolk and General Joulwan had the political hat and the military hat as part of the entire European Command. What was he called? SACEUR. It was SACLANT and SACEUR. It took me a while to learn the lingo. SACEUR was Supreme Allied Commander Europe and SACLANT was Supreme Allied Commander Atlantic. Portugal was under SACLANT, although they were under all of NATO as well, because their particular area was the sea, the Atlantic. There was an issue because Spain, which had come into NATO in 1986 as opposed to Portugal, which was a charter member in 1949, and had a really important role because they had the Atlantic and had all the Spaniards who were not part of the military part of NATO because they signed up in 1986 as a political member not a military member. Spain did get into the military later on. The Portuguese were always very proud that they were charter members of NATO and they ran Iberlant which was part of the Atlantic Command. The Spanish, of course, were working out of Portugal. We had perhaps 200 American members and families so that most of the American school was comprised of NATO families which made for an interesting mix with Portuguese and other Europeans.

What was happening at the time was France had pulled out of the military part NATO but was always trying to get back in with certain stipulations. The Spanish were trying to angle for Iberlant which was in Oeiras on the sea right outside of Lisbon. They wanted to either take over Iberlant or they wanted the sea corridor to be constructed so that they would have a base in Spain and they would take over some of the Canary Islands and others that were part of Spanish territory. They wanted to put a corridor through, and, of course, the Portuguese didn't want to do that. It went back and forth. They finally agreed to disagree and the Spanish ended up not being part of Iberlant officially, or SACLANT; they became part of SACEUR. So, they took the land option because they were going to get a base. So, Portugal and Iberlant were left intact, at least during my tenure as Ambassador.

Q: Did we get involved?

BAGLEY: No, we stood back and said you two work it out. General Jack Sheehan tried to get involved. He tried to convince the Spanish to move over under the SACEUR umbrella, but they wanted both. The Portuguese handled it very well. I have to say they are very good negotiators. They have a kind of innate distrust of Spaniards, and they still talk about "the Occupation," which was from 1680-1720. Forty years of Spanish dominance of Portugal over 200 years ago! Although they were occupied by the Moors for 400 years, the forty years of being occupied by Spain was what they always remember. So, they always have had an innate distrust and probably inferiority complex because Spain is three times the size of Portugal and is the only country that shares a border, the rest is the sea. There is a great feeling in Portugal, obviously, for the sea and looking out towards the sea, towards the Azores, towards America. Part of their psyche is that they really feel much closer to the West, to America, because the sea was always their empire.

Q: And there is a substantial immigrant group in the United States.

BAGLEY: Yes, we counted about 3 million, which is considerable, although they don't have the political power base their numbers would indicate.

Q: Was there any NATO politics during this period like Bosnia, etc.?

BAGLEY: We were always involved. I would say the largest part of my role was the military, particularly the Lajes Agreement on Cooperation and Defense that we officially signed in May, 1995... That had a lot of repercussions during the time I was there and will continue to have. That was probably the cornerstone of our bilateral relationship. Within that, NATO was part of that issue as well because what we both argued was, on our sidyou are a NATO ally and therefore we should not be paying for the use of your base because we are allies and all in this together. Their side would argue that we paid others for bases and if this was so important, then we should be paying something for its use.

There was the issue of the Spanish. We were kind of honest brokers on that. There were always discussions on it. Whenever I talked to the foreign minister or anybody in the foreign ministry the differences between the Spanish and the Portuguese would be discussed. And France entered into it too because they wanted to bargain their way back into the NATO military sector. They felt if they joined the military relationship after having been out for so many years, they wanted a command in Naples which they would run. They got the Europeans kind of riled up about it. They brought the Italians in and also the Portuguese, who just let it go. NATO ended up not agreeing to it. We were very tough on this. That was definitely a position that I had to take everywhere. A very strong position on the fact that we had the lion share of the burden, we have been doing this from the very beginning and we need to have control of that area and there is no way that we are giving it up to the French or anyone else!

Another issue that developed just before I left surfaced at the July 1997 NATO Madrid summit which decided which countries would come into NATO. Czech Republic, Poland, Hungary. The French really wanted Romania. The Spanish and Italians wanted Slovenia. When Guterres met with the President over lunch that was one of the issues. The President asked if they were really pushing Romania. Guterres said that it was a romance country, but they were doing it because the French wanted them to do it.

So, those were the two issues that the French were exercised about. They lost on both so they didn't come into the military side.

Q: What about Bosnia?

BAGLEY: My role was to ask the Portuguese if they would contribute any forces and they did. They ended up giving a thousand soldiers to Bosnia. For Portugal it was a huge number. Because they were colonialist and it was the colonial wars that were so unpopular during the whole revolutionary period. They were always fighting in Africa. Every Portuguese of a certain age, 40 and above, had an involvement in Angola or Mozambique in the revolutionary wars in the mid-seventies. After the gain of independence, a law was passed forbidding any more soldiers to be drafted or sent into a war situation. So, it was a big deal. Luckily it was a transition period where the Social Democrats were going out of office. The Social Democrats were very supportive of our position in Bosnia. And the Socialists tend to be maybe less that way, supported it as well. So, it never became an issue in the campaign. In fact, when the Socialists came in under Antonio Guterres, he immediately said that they were going to honor the commitment and continue to send their troops. It was a major decision for them because they were trying to change the military.

Q: I imagine also it was a point of pride. You had Moroccans, Ukrainians and others there and not to have the Portuguese would have sort of denigrated their military.

BAGLEY: Yes, I think that had something to do with it. They also had this strong allegiance to NATO. They were in the Italian corridor led by the Italians and the French. They were in a very difficult area. So, I think they felt very proud about that. It was difficult because they were not used to the weather and were not trained that well, but they considered that a badge of honor.

Q: I imagine as the American ambassador you found yourself having to be present at a lot of NATO type things.

BAGLEY: Every NATO thing, but I loved that part.

Q: I was in Italy as consul general in Naples and there were an awful lot of things that had to do with military.

BAGLEY: Oh, in that sense, yes. When the four ministers came over we had meetings with the defense ministers and that was always interesting. The Portuguese had a great chairman of the joint chiefs who was a very ebullient, very gregarious man, who I guess was a favorite among the other joint chiefs because he was always bringing everybody over to host them. He was a wonderful guy and a good friend of mine. We were always involved in that and it was very interesting.

Yes, NATO would always have maneuvers and the ships would come in and I was always invited to receptions. I visited NATO early in my tenure and met with the chief of NATO operations which is always a Portuguese. The second in command is always an American. They were always inviting me to long four hour luncheons, and whenever a VIP would come or defense minister, they would always invite me, which, of course, was a command performance. Like anything else the American ambassador is not first among equals, it is way beyond that. There is no comparison between my role representing the President of the U.S. and that of my colleagues. You have to make sure you are at every meeting or at every national day because you have to show the American flag. I was even criticized for coming in and moving around the room and leaving early, but at least I was there, and I never missed a national day, out of respect for my colleagues and their countries. I felt very strongly if you were asked by the foreign minister, the president or prime minister it was a command performance, plus it was always a great opportunity to learn more and to improve our relations.

Q: How did you find the foreign ministry? In some countries you find the foreign ministry to be a little more providence of the left then say the military and often the Marxists or something like that.

BAGLEY: It is interesting you say that. In fact, the foreign minister was a former Maoist. He was a young guy who was very bright. His name was Josï¿½ Durï¿½o Barroso. He had been the foreign minister two years before I arrived. He was too young to fight in the revolution but was very much into the college revolutionary scene. And then he went a little more to the right and joined the Social Democrats as opposed to the Socialists. I think some of his people were that way and I certainly would say Antonio Guterres, who was a Socialist, and who later became prime minister, brought in various people who were much more left than he. One was part of the Young Communists at one point, I learned one day. He didn't do well with Jaime Gama, who is the current foreign minister. I think they clashed. Gama at one point told me that he himself had been a revolutionary, part of the Socialist movement, once a Communist but later moved away from it. There is a real problem with the Communist party there even now. The Communists took over after the 1974 revolution and nationalized all the banks and there was a real feeling for years that they had taken control and destroyed the country and many of the old family businesses. That was during the Frank Carlucci's time as Ambassador.

Q: Kissinger was almost ready to write it off.

BAGLEY: I had visited the Communists headquarters during their election campaign in 1995 and it was all over the papers and news for several days as the lead story. They criticized me for legitimizing the Communists by visiting their Party headquarters, while I had visited the headquarters of each party, in the belief that I should visit each one. The problem was that it was in the middle of an election year. So, they accused me of trying to make a deal to get the Communists to move over to the Socialists so the Socialists would win because, I, of course, being a Democrat, must be closer to the Socialists, even though the present government was Social Democrat and I dealt very well with them. The prime minister and others were asked about this and forced to answer the questions of "Why was she cavorting with the Communists?" They all supported me publicly and said that these accusations were outrageous, that they worked well with me and there was no indication of a conspiracy.

Q: Conspiracy theories aren't only in the United States.

BAGLEY: Right. That was the only time I was criticized and it was by the press and people who were still paranoid about the Communists. I remember President Soares coming over to me and telling me in his heavily-accented Portuguese French, how proud of me he was for doing this. It was like I was making a major statement. I said, "Mr. President, I hadn't planned on making a statement, I felt I needed to do that simply because I had visited everyone else." The Communists, in fact, represented 25 percent of the parliament and were bigger than the Christian Democrats. I really felt I would have been wrong not to have visited them. The Communists made a big deal of the visit having press and cameras there. But, I will tell you even my good friends, who were obviously in the aristocracy that still exists in Portugal, those who had run the banks, owned the business and the major newspapers that had been nationalized by the Communists, were angry. I had a couple of friends who were really angry with me. It took a while but later before I left a couple of them did say that I was right and their reaction was visceral, not rational. It was an interesting experience to be vilified for something that I thought was so mundane.

Q: Did you have a problem trying to make sure that you weren't captured by the aristocracy, the elite? There is always an effort to grab ambassadors and in particular the American ambassador. Was this a problem?

BAGLEY: I didn't see it as a problem because I spent a lot of time out in the country visiting every other weekend with common Portuguese people. We would make an effort to visit one part of the country. I would take off Friday and the whole family would spend three days over the weekend, visiting the local bishop and the local mayors. We also went to see the local newspapers and always received good press. I wanted to make my presence known so that people could see the American Ambassador. We would be hosted by the local officials and we would talk about the local issues. So, I felt very close to the people to the extent that one can be without being fluent in their language. My Portuguese was not all that great so I was limited in that respect. I asked my staff to look for places that would be important to see. We went all the way up to the Minho, which is the most northern part of Portugal, an area that no ambassador had ever been. In that sense I really wanted to make sure they knew that I cared about their country and wanted to get to know their country and their issues.

Certainly there were social people that you got to know. I had a couple of very good friends. It is difficult to make really good friends, and it is even harder if the ambassador is a woman because you don't have many female friends. There was a couple that I had actually met in the States before I arrived in Portugal who were friends of friends and I was able to have a closer relationship with them. And that was important. The Espiritu Santo family is one of the most prominent Portuguese families. They were the major banking family and lost everything and had to go to Brazil and other places. Later they returned and bought everything back. That was very interesting and significant because theirs was the major banking and real estate group in the country, so there was information and insights that you could get from Ricardo Espiritu Santo as a leader of the business community who was very well respected. So, I used him as a sounding board for various local issues as well. We were also very close to Colonel Luis Silva, who owned Diario de Noticias, the major newspaper, as well as the media and entertainment industries, called "Lusomundo." We sponsored a number of movie premiers and invited all segments of Portuguese and American society - they were very popular.

In Spain you have the royalty but you don't have that in Portugal. The Portuguese are very much into the revolutionary spirit of the republic. To the extent there was an aristocracy, they generally weren't titled. If they were, their titles were from France or somewhere else. I was always on the social pages and in their magazines, but the people that I was close friends with were a very small group of people who were very well respected as top business people or a few Brazilian friends who were in that echelon but also important because they were reflecting the business interests of the country which I tried also to develop.

When you talk about different kinds of diplomacy I always felt that when you tried to compartmentalize what you do or what aspects of diplomacy there arof course there is the commercial diplomacy which we have been building up through the years to try to bring in more American business, etc. There was political diplomacy, of course, the negotiation of the airbase agreement and the tax treaty. The military relationshipolitical/military. And then there is public diplomacy, explaining U.S. policy to the Portuguese people, which I found as important as the other three. So, if you have to divide it into various aspects of diplomacy, I worked on each one in a different way, but I think I developed each one and was very conscious of doing that.

Q: Did you have dealings with our ambassador to Spain, Richard Gardner?

BAGLEY: Yes, Dick Gardner and I go back to the Carter administration. He was then ambassador to Italy. Strangely enough we visited when I happened to be going to Madrid for a wedding of Portuguese friends. We stayed with them and had dinner with them. He came over, I think, once. I really thought the European ambassadors would have more interchange. But we didn't have a professional relationship with one another in terms of meetings or conferences.

I don't know whose idea it was but I think it was Dick Gardner's and Pamela Harriman's. The State Department brought a group together in Brussels of all the European ambassadors but I hadn't arrived yet so Sharon, my DCM, went. I guess it turned into a big fighting match about money, and embassy space and security and Dick Holbrooke hated it so much that he said "I will never do this again. Never again." So, as much as I tried to get him to do it again, he refused. I thought it would be a good idea and we could talk about NATO and our common interests in EU and whatever. But, it never happened and I think it was a mistake.

There was a meeting sponsored by NATO for all the American NATO Ambassadors. I remember Marc Grossman, who was then ambassador to Turkey and now our assistant secretary, came. And several others. They invited all of the NATO ambassadors to come to Brussels for two days of briefings. It was very interesting. General George Joulwan was then SACEUR, as well as NATO chief, and he briefed us, along with his generals, on all the missions that NATO was involved with, which was fascinating and very helpful to my understanding of the overall U.S. military command.

There was one thing I did do with Dick Gardner which was just happenstance. We heard that Vice President Gore was coming to Spain. His daughter, Kristen, had gone to Harvard and was a Spanish major and wanted to do some journalism. She took a semester off school and was working at a paper in Madrid. He wanted to come over to Madrid and visit her before she left. I got a call from his office asking if I would be interested in a visit from the vice president for a few hours. I said, "Absolutely, I would love to have him."

I called everybody to see who was around. I remember calling the prime minister and the defense minister. The defense minister happened to be the vice president's equivalent with the title of "President of the Cabinet." His name was Antonio Vitorino, who is a wonderful guy and very, very close to the prime minister and a good friend of mine whom I had met when he was on an NDI delegation years ago. I called him right away asking if he would be here and free. He said, "I don't think the prime minister will be here but we will see if we can work it out, maybe he can come back earlier." I said that it was not definite but I just wanted to make sure that you would like to see him and that we could arrange something very special. We got everything worked out. I then called the vice president's office back and said everything was set. The prime minister was coming back early, we were going to do dinner, there was a lunch hosted by the defense minister, and meetings had been set up with everybody. They gave me five hours.

Then I get a call from Dick Gardner, about midnight. He said, "Elizabeth you have to help. There has just been a piece in the Madrid paper saying that this is a boondoggle and that the only reason the Vice President is coming is to see his daughter. He's not doing any meetings or anything else. We've tried to tell them that we have all these other meetings scheduled but they don't believe us. The Vice President's staff is hysterical because it is been picked up by the American press. Can you help? Can you call the Vice President and try to convince him to come and vouch for us with the American press?"

I've known Al Gore for twenty years, so at one o'clock in the morning, I called him - it was 8:00 PM Washington time. He called me back and I said, "You know, Al, I think it would be a real problem for you not to come and believe me I don't have a boondoggle set up for you. You have the prime minister flying back early to meet you. I'll go to the Portuguese press and the American press and make it very clear that you have meeting upon meeting and you will be working here. In fact, I think it would be a real problem now that we have confirmed everything and the prime minister has made a point of coming back early. It would really be a slap in the face and we could have a diplomatic incident." He said, "You're telling me that this would create an international incident?" "Well, maybe not international, but the Portuguese would not be happy. I really think we can honestly brief the press that this is a very important visit. That is not going to be a problem." He said, "All right, all right, I'll come." So, that was the only time that Dick Gardner and I worked together and fortunately, we were successful in putting the VP's visit on track.

Q: How did the Gore visit work?

BAGLEY: Oh, fabulously. Actually he ended up coming twice because we had an OECD biannual summit going on in Lisbon. The Portuguese are very good at getting summits, major international visits, etc. They are always jockeying for such events. They are great hosts and love doing it and somehow were rewarded for their efforts. The president was supposed to come because it was at the presidential level, but at the last minute he decided he couldn't come, because of an APEC summit around the same time. So, Al Gore came back to Portugal and stayed about five hours. These were lightning visits but they were great. He came, we took him to the embassy, I introduced him, he spoke and mingled with everybody. They were very excited. They hadn't had a vice presidential visit in their memory. We never got the president but we did get the first lady.

Gore had a meeting with the prime minister and the foreign minister, accompanied by me, his national security advisor, Leon Fuerth, and two notetakers. Then he met with his counterpart, the minister of defense. They all got along very well. This was the second administration, the Socialist administration of Antonio Guterres, which was closer to us in ideology and very supportive of the Clinton Administration. They talked about Angola, of course, because Portugal is a member of the troika with Russia and the United States, and at that point it was heating up once again with elections and attempts to implement the peace agreement between the government and UNITA. They talked about what Africa was like, the Maghreb issues relating to Northern Africa, Tunisia, Morocco and Algeria in particular, and the impact it would have on an immigration wave into Spain, mostly, but Portugal also. They talked about NATO, of course, and about the EU. Gore was interested in what was going to happen with the Euro and how the EU would change both in an economic sense with the adoption of the euro and also politically, with the addition of several new members.

Gore encouraged Portugal to sign on to a special "global classroom" treaty that he had that would bring the environment into the classroom where they could learn about all these things on the Internet. Portugal had said they would sign on but for some reason they never did. So, we were able to announce that. We made a lot of progress and both sides were very pleased.

The Portuguese, as a small country of ten million people, are always grateful for whatever you can give them in terms of equality or feeling that they are valued members of the alliance. That went a long way towards cementing the relationship which was already quite strong. I think in general they always felt I was fighting for them, always pushing the envelope. We had a lot of visits to Portugal and I would arrange meetings for high ranking Portuguese officials with their counterparts in Washington. If you were the minister of defense in France you would see Secretary of Defense Bill Cohen right away. But in Portugal's case, I had to make the phone call and really make it work. That is the problem with Washington and the White House. You have to make yourself known in a small country and push all the levers. I worked it from the beginning, with the first prime ministerial visit to the White House to the second Prime Minister's visit three years later. I worked very hard on the 2nd one to make it just as good, if not better than the first one. Guterres was a Socialist and had great empathy with Clinton. He is very much like Clinton and very close to Tony Blair. The new Socialist, like the new Democrat. They were very similar and very simpatico, if you will.

Q: How did the Hillary Clinton visit go?

BAGLEY: Great. I had been writing to her for months; her chief of staff, Melanne Verveer, is an old friend of mine and also Catholic. I know, of course, of Hillary's spiritual side, and her Methodist missionary work as a youth in Chicago. Portugal is a very Catholic country, second only to Ireland in its observance of Catholicism. Although they have divorce and an abortion law that is very strict, both are not considered common in Portugal even now. Anyway, I had been having an ongoing exchange of letters with Hillary through her chief of staff. I would send her an update of the American International school, what we were doing to rebuild it, and when we created our first brochure, I sent it to her, hoping that she might be interested in breaking ground for the first building.

Then I would send her some things on Fatima, a very holy site of a major religious apparition of Our Lady in 1917. The Pope has been there three times. It really is quite an amazing scene. The 13th of each month between May and October, the Blessed Mother appeared to three peasant children in this little place called Fatima, which is about two and a half hours outside of Lisbon. I would write to Hillary's chief of staff and say, "Melanne, I know you want to go to Fatima, as most Catholics do, but I'm also sure that Hillary would find it very moving." She called me one day and said, "Would you like us to come in a month or so?" This was in July. Hillary was going to Vienna for a summit on women called "Vital Voices" which she had begun in 1995 in Beijing, China. I was invited to that and was going to go but then, of course, decided since Hillary was coming here I had better stay here and make sure everything was right.

It is amazing what you end up doing. Hillary had an advance team a month before and then a second advance team that changed everything the first advance team had done. We spent so much time on this and our embassy staff was very frustrated but also excited. We had a control officer with them and I spent an inordinate amount of time telling the teams what I thought she should do. I encouraged them and eventually convinced them to set up the groundbreaking event there for her, which she did with a shovel that now hangs in the school. She also made a major education speech at the Gulbenkian Foundation, the largest cultural/educational institution in Portugal. Then, we had a couple of private dinners and a lunch hosted by the prime minister, who told Hillary that I was the best American Ambassador that Portugal had ever had and they wanted me to stay, which was very flattering, of course! I really pushed Fatima because I thought it was not only something that she needed to see, but because there were two or three other towns on the way that were beautifuObidos, one of these medieval towns which is quite stunning to see cut right into the rock on a huge cliff. I had friends where she could stay at different times. She was staying with us and then going out to Cascais which is on the water to spend a couple of days just relaxing with Chelsea and her friend, which I also arranged for her. She spent two days relaxing, three days working, and every afternoon and evening with us, so we had a wonderful time.

She stayed with us for three nights and we took her to Fatima. She still talks to us about Fatima as one of the most moving experiences of her life because we met with the bishop there and he praised her for what she had done for people around the world in the area of human rights. He said, "Everybody says we need F-16s. [At that time I was working on an F-16 deal and it wasn't even in the papers. I don't know what made him say this.] But, we don't need F-16s, we need human rights and people like you talking about real issues. What you have done is so important." Her eyes just filled up. It was really quite beautiful. I was translating for him and I could see how much she was moved by his words. Then we walked through the Basilica and down to where Our Lady of Fatima appeared to these three children. It is a tiny sanctuary, very simple. As he said, "We are simple people. We are peasants. The children were peasants. We have the Basilica but we want this to be special and very plain." Hillary was going to light a candle. As she approached, Portuguese pilgrims were there, as always, and they started clapping. This was a private trip, so we didn't advance it or try to build a crowd. But, there were a few Americans in the group and it became known that she was there. One of the women started singing and the others joined in singing "Ave Maria." This is the song they always sing in processions. They sang a cappella, of course. It was so beautiful. She and Chelsea lit this candle and they prayed for her and her husband and peace in the world. She came back to the bus and she was in tears. It was really quite moving. We all felt it, a special presence there, as if we had somehow experienced the aura of the Blessed Virgin. That was an amazing trip because as I said, "You will show the Portuguese people how much you care about their faith and their culture just by this one visit." And she did. She got more press on Fatima than she did meeting with the prime minister and any speech she gave. Fatima became a metaphor for her work and her beliefs, and the image resonated throughout Portugal. And Hillary was visibly affected by that visit, as she could feel their love and their respect for what she was trying to do, which was not always popular in her own country.

Q: Our relations with Portugal were going along very nicely by the time you left weren't they?

BAGLEY: Yes, very nicely. In fact, I would say that they could not have been better. In fact, before I left, I was awarded the distinguished service awards from the Army, Navy, Air Force, and the highest civilian honor, the Order of Prince Henry, the first time that any ambassador - even Frank Carlucci - had received it from the President of the Republic.

Q: You left in 1997. Did you see any problems that your successor would have to clean up?

BAGLEY: No. Expo hadn't happened yet and that was always going to be an issue. It started out being a bilateral issue because as usual the United States was reluctant to get into it and we don't fund these things. Everybody else has a biannual fund, a special fund for projects and the government funds them. There was actually a congressional resolution passed right after one Expo debacle stating that they would not appropriate money any more. So, we had a problem because the government wasn't saying whether they were going or not. It was on the oceans and environment and I pressed the Gore people explaining that this was the year of the oceans for the UN and since he was the Administration's chief environmentalist, we really need to do this. I said that this was very important to the Portuguese and it is important to us, we need to be there so finally they agreed to go.

I pushed for Tony Coelho to get the job as commissioner because I knew that he could raise money, is a Portuguese-American, and is dedicated to Portugal, and was a former congressman who might be able to procure some public funding as well. There were some questions about Tony, too, as he left Congress under a bit of a cloud, due to some business dealings which I think he was worried about after the Jim Wright scandal. He left immediately after that and didn't run again. I remember going to visit Harold Ickes and others at the White House and they would say as usual, "This isn't going to work. Give us another candidate." I said, "We don't have another candidate. It is Tony or nothing as far as I'm concerned. He is well known there because he used to take groups there as a congressman." I really pushed hard for him. He was the only one I could see that would make sense and get the job done and they finally agreed to appoint him. He finally ended up putting in an amendment in the NASA bill and got money for the whole exhibit, $9 million, to build the Expo exhibit. I don't know if they knew they were building the Expo but he slipped it in. So, thanks to Tony we did have an exhibit.

So the Expo exhibition was on the horizon, looming, when I was leaving. The air base agreement was already in place. I made sure that before I left, I finalized the F-16 transfer because that was something I had been working on for over one year directly with the foreign minister and defense minister. It was delayed by the NSC because of the president's trip to Latin America, as they worried that Venezuela would find out and want the same deal. This was a very unusual transfer. Used F-16s have never been transferred to any government without being bought. We had an agreement for two hundred ninety-three million dollars of excess defense articles as part of the Lajes Base Agreement on Cooperation and Defense, but we had only given them about twenty million dollars worth of equipment. We gave them this hydrographic ship, a few bulldozers and tanks, but nothing that they really wanted. What they wanted we didn't have or it was so outdated that when they looked at it they didn't want it. The chief of the Air Force, Aleixo Korbal, really wanted F-16s. He felt that if Portugal were to be an equal partner in NATO, they needed F-16s. They bought 25 F-16s before I arrived and they wanted 25 more, but they didn't want to buy them, so I went to the Pentagon when I was in Washington, met with Jan Lodal, a friend who was in charge of these transfers under Secretary Perry, and we decided that the Lajes Treaty allowed us to transfer F-16s as part of our excess property clause.

Then, I finally ended up dealing with Bill Cohen, the next Secretary of Defense, during the visit of Prime Minister Guterres. I cornered him outside the Oval Office and said, "Bill, we really have to do this. I have been dealing with your people for two years on this. The prime minister is going to ask about it in his meeting with the President. We've examined all the alternatives, but we're blocked by your people in the air force, who don't want to give them up without payment. We owe them two hundred and fifty million dollars of equipment that we can't give them. We've tried everything. There is nothing on our list that they want and nothing on their list that we can provide. Now we're in danger of reneging on our international commitment. This is an unusual agreement, exclusive to Portugal, so it is not establishing any dangerous precedent. He said, "You're right. I've looked at it in preparation for this meeting and I agree with you. Let's get going on this." I said, "Okay, who do I talk to?" He gave me his chief of staff and we started finalizing the details.

During that time the President in the meeting said, "We will see what we can do," and later said to Cohen, "What's wrong with this? We should do it." Cohen said, "We're going to do it. I've just told Elizabeth. We just need a letter from the Portuguese defense minister." Within a few minutes, I grabbed the foreign minister and asked if he could call Antonio Vitorino, who was back minding the shop in Lisbon, and tell him to get a letter over immediately. We had a plan of how he was going to say that this was in accordance with the U.S.-Portuguese Lajes Agreement on Cooperation and Defense, whereby we agreed to transfer $250 million of equipment and since Portugal needed the F-16s in order to be in compliance with their NATO commitments, then the U.S. could transfer the F-16s under the Excess Property Clause. It was all the language that we had figured out at the Defense Department that was needed in order to get the ball going again.

The foreign minister needed to be briefed about this, but then became very enthusiastic, and agreed to call the Defense Minister immediately. He called and then ran in to me and said, "I called him and he is going to get the letter to you, but he wants you to see it first." So, I got the letter and wrote to my friend in Defense and said, "Is this what you need?" He said, "Yes." It was a wonderful case of reworking this whole deal in one day. Of course, it took a lot longer to get the deal done, as I kept calling every day Cohen's chief of staff and we had a lot of bumps in the road, but it finally got through. It was the first and only one of its kind and the Portuguese were ecstatic.

At one point it was sidetracked. Right after I left, it was embarrassing because I had received the highest civilian honor from the president and all these awards from the air force and the navy and was thinking this was great, I hope this thing works. The defense minister kept saying, "You know, you are going to have to keep working on this after you leave." So, I did. I remember calling Sandy Berger and saying, "You know this is outrageous. Your staff person is pulling this deal because of the President's trip to Venezuela, Ecuador, Peru and Chile." It was an alliance issue. They were worried that Chile, Venezuela and Ecuador wanted to buy F-16s and if they found out that Portugal got them they would want to get them, too.

Q: We wanted to prevent an arms build up there.

BAGLEY: That's right, but we had made a special alliance with Ecuador, I think, and were doing one with Chile during this trip and they didn't want them to find out about the Portugal decision so we had to keep the lid on it tight until after his trip. I said, "First of all I don't buy your argument because this is an entirely different case. The Defense Department has already stated that we have the air force on board. This is an exclusive agreement that has no relevance to what you are doing in Latin America. But, if you insist I want a promise that this is going to go right after the visit." I was told it would absolutely be done when they came back.

So, they came back and I, of course, had to keep working it. But after about a month they went to the Hill where they had a few little kinks to work out with staff members who couldn't figure out what we were doing or didn't understand why. You know you are dealing with various different interests. In November of 1997 we finally signed off on it and they are being delivered now.

Q: You came back in October 1997. What have you been doing since?

BAGLEY: Once I came back here there is usually a month's transition. I had already been asked by Secretary Albright to work on NATO enlargement, and I was particularly ready and willing to help on the Hill because I knew most of the Senate.

I had been working on NATO enlargement for a couple of weeks and had just gotten my shipment back from Portugal and was trying to figure out where to put all these things I had acquired over three years in our house in Georgetown, when Madeleine called me. She said, "I have an assignment that's made for you." Of course she wouldn't tell me on the phone, I had to go in. She explained with the help of a couple of her staff people that there was an issue of media programming and establishing TV networks in Bosnia. As soon as I heard Bosnia I said, "You know, Madeleine, I hate to say this but when I saw Bosnia in my cable traffic, not only could I not pronounce the names, I didn't really have a sense of it all and never spent a lot of time on the issue except during NATO meetings. She said, "That's okay. Once you get there you'll figure it out." So, I went to Bosnia and was there for about a week and met with everyone in Sarajevo and in the Republic of Bosnia Herzegovina and in the Republika Srpska. My task was to convince American TV networks and movie studios to donate entertainment programs to the two Bosnian networks to build up an audience so that then we could work on building up an indigenous independent media to counter the state controlled media.

Q: The TV had been absolutely vicious and the prime instrument for stirring up racial hatred.

BAGLEY: Exactly. Strangely enough because it was such a sensitive issue they never reached any kind of agreement on it at Dayton so it really didn't happen until they met in Sintra, Portugal, where the contact group met after a NATO meeting and finally agreed. There were all these issues with the French and the British on guidelines. They were against putting too many restrictions on the Pali Serbs. We have a different view of what to do with our stations, competitiveness and openness, etc. They agreed on these guidelines and basically said that if you don't do xyz then we will confiscate your network. And, that is what they did. It was really amazing. Carlos Westendorp, director of the Office of the High Commission, the representative in charge of implementing Dayton, was given the authority to implement this media agreement. Basically he told the Serbs that if they don't stop their vitriolic messages, hate filled rhetoric, then we will take you off the air. We will seize your transmitters. They continued not believing that we would do anything and asked for it. NATO then went in and seized the transmitters. This was in October 1997, right before I came back from Portugal. The only problem with that was that the Serbs didn't have their transmitters, but they did have a library of material that was locked up and they certainly weren't going to let us use it. So, we had the problem of having a network with no programs and really no people who knew how to program because it was all state controlled. There was no sense of freedom or competitiveness or knowledge of how we organize our own networks and programming, so we had to develop an international team of trainers, programmers and media experts to teach the Bosnian Serbs how to run a TV network, and then we gave them the American TV shows that would enable them to attract an audience. One of my proudest successes, besides being able to send some great family TV shows and TV documentaries and children's shows like "Sesame Street," was being able to bring the NBA to Bosnia, Montenegro, and Kosovo, which was enormously popular and impossible to buy except through my program as I went directly to David Stern, the head of the NBA.

It has been a great learning experience I have to say. My title is Senior Advisor to the Secretary of State for Media Programming Acquisition. I know I am the only one at State Department that has ever had this title, and I must credit Secretary Albright, Jim O'Brien, Elaine Shocas and others for thinking of me and allowing me to set up this highly unusual and unprecedented program. I guess they figured that I could think "out of the box" and get the job done which, I'm happy to say, I did!

Q: I'm sure in the future we will hear and read more about your work. I want to thank you very much for this.

BAGLEY: It was my pleasure.

End of interview