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

JOSEPH A. B. WINDER

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

Q: Today is the August, 23, 1999. This is an interview with Joseph A. B. Winder being done on behalf of the Association for Diplomatic Studies and Training, and I am Charles Stuart Kennedy. Let's start at the beginning. Could you tell me when and where you were born and something about your family?

WINDER: I was born September, 1939 in Schenectady, New York. My father at that time was working for General Electric Corporation and was subsequently transferred to Fort Wayne, Indiana where I grew up and spent most of my young life. I spent three years in the army. I graduated from the University of Michigan with a degree in political science and a masters in business.

Q: Let's go back a bit. When did you move to Fort Wayne.

WINDER: I think it was when I was three years old, in the early 1940s during the war.

Q: What type of business was your father in in General Electric?

WINDER: He only worked there for a short while before he went back to law school. He was working in a production facility in Schenectady and then moved to Fort Wayne and decided to go back and finish up law school, get his degree, which he did and then worked in Fort Wayne as a lawyer.

Q: What kind of a lawyer?

WINDER: He was working with a mortgage insurance company and then with a food processing company in corporate law.

Q: What was your mother's background?

WINDER: Well, she grew up in Ann Arbor and married my dad when they were in college and was basically a stay-at-home housewife.

Q: What was schooling like in Fort Wayne?

WINDER: It was a good Midwest town with good public schools. I went through the public school system.

Q: In high school, what were your main interests?

WINDER: I did some intermural basketball, golf and tennis and was active in a couple of

social clubs and church related activities. Nothing out of the ordinary.

Q: What were your best subjects?

WINDER: I was particularly good in math and science in those days.

Q: You graduated from high school when?

WINDER: In 1957.

Q: When you were in high school did the outer world intrude at all?

WINDER: Not much. Fort Wayne is a fairly parochial town with only 150,000 people. In those days you didn't have a whole lot of interaction with the outside world and we were pretty much focused on events in our own area and neighborhood. I really didn't have much of a horizon beyond the Midwest.

Q: When you got out of high school in 1957, did you go into the military at first?

WINDER: No, I went to college.

Q: Where did you go?

WINDER: The University of Michigan.

Q: Why?

WINDER: My parents had gone there, my grandparents had gone there and it was a natural thing for me to do. It was a good university and I sort of went with the flow.

Q: So, you went there from 1957 to 1961?

WINDER: Actually I interrupted my college education. I went there for two years and then went into the army for three years, returning afterwards. I got my undergraduate degree in 1964.

Q: During this 1957-59 period, what were you taking?

WINDER: I spent the first year studying engineering and then I decided that I really wasn't interested in construction and the engineering business and switched to a general liberal arts program. It was after I was in the army for three years and expanded my horizons that I decided to major in political science and that is what I did.

Q: Why did you break up your college education and join the army?

WINDER: I decided I wasn't getting what I wanted to out of university and I thought it

made sense to do my Army stint since we were all subject to the draft in those days. I decided I would do my three year enlistment and get that out of the way and then go back to college with a little better perspective of what I wanted to do. And that, indeed, is what happened.

Q: What were you doing in the army?

WINDER: I spent a year studying the Greek language at the army language school at Monterrey and then the army in its wisdom sent me to Frankfurt and made me an accounting clerk.

Q: That sounds right. I'm also a graduate of the army language school. I took Russian and ended up in Korea and then Japan not using it.

WINDER: I didn't use my Greek at all except in bars. Somebody had projected a need for a Greek linguist in the Army Security Agency headquarters in Frankfurt. They trained a fellow and then trained me to replace him and it was only after the two of us got there that they began to question whether they needed such a linguist. I think they stopped the training after me.

Q: How did you find the military?

WINDER: It was fine, just exactly what I needed to get out a bit and see the rest of the world.

Q: The 1959-61 period was a rather interesting time.

WINDER: Yes, I was there when the wall went up which was kind of fun and exciting.

Q: What were you doing?

WINDER: I was basically doing a clerical accounting job in Frankfurt and didn't have much to do with the political situation there, but it was interesting to follow.

Q: Did you get involved in the 1960 political campaign, either mentally or through reading about it?

WINDER: Of course. In fact I was in Army Language School during the Kennedy- Nixon campaign and debates. I went to Army Language School in March, 1960 and graduated in March, 1961, so I was in Monterrey during the debates and followed them very closely. In fact, I was 21 in 1960 and voted for the first time in that election.

Q: Did the beginning of the Kennedy era sort of hit you as far as interest in government service?

WINDER: It was somewhat exciting. After all, he made his Peace Corps speech on the

steps of the Michigan Union where I had gone to school. But, my interest in the foreign service and the outside world was really a function of my studying the Greek language which gave me an entirely new perspective and living and serving in Germany for a year and a half.

Q: Studying the language of a country often is one of the best ways to get a feel for the people and how they react. Were you picking up anything from your teachers?

WINDER: Oh, sure. I enjoyed very much learning about Greece. In fact, when I was in Frankfurt I took 3 weeks leave and drove to Greece and had a good time. Unfortunately, the foreign service never saw fit to make use of my Greek language. But, I still have a certain affinity for the place.

Q: You came back and took political science. Any particular thrust to it?

WINDER: No, sort of general. I was interested in American politics and international relations and studied both of those. Then I decided to take the foreign service exam.

Q: How did you hear about the foreign service exam?

WINDER: Well, I'm not really sure. I guess, perhaps, through my Greek language course where they talked about embassies and working in embassies. When I was in Frankfurt I was aware that embassies existed and that people had careers working in them.

Q: Did you ever go down to the consulate general at Frankfurt?

WINDER: I don't think I ever had any reason to go there. I was very active in the Episcopal church in Frankfurt and of course there were people from the consulate general who were members of the parish. But, I don't think I ever had any reason to go to the consulate general.

Q: You graduated when?

WINDER: I graduated in 1964 and went right on to business school. Since I wanted to be involved in overseas activities I decided to hedge my bets in case I didn't get in the foreign service and I might want to do something in the international business arena. So, I went to Ann Arbor and got my MBA degree in December, 1965.

Q: Does one specialize when getting a MBA?

WINDER: You do these days, specializing in accounting, finance, or marketing, the traditional business areas. I took a more general course and took a couple of international business courses. Unfortunately, in those days international business was not a particularly strong subject, particularly in Ann Arbor. So, my degree was more general. It turned out to be very useful in my later foreign service work and gave me a perspective on the business world which put me certainly in good stead.

Q: Was there a lot of emphasis on the foreign affairs business?

WINDER: No, although you could obviously put time on that if you wanted to, but I didn't.

Q: When did you take the foreign service exam?

WINDER: I took the written exam it seems to me in late 1964 and the oral exam in the spring of 1965. I passed it and was going to quit graduate school on the spot because I was tired of it. I was married at the time and my wife persuaded me to go on and get my masters degree. The foreign service provided me an opportunity to take an appointment as of June 1965 and be on leave without pay basis until I finished my degree, which I did. I came in in February 1966.

Q: When you took the oral exam do you recall any of the questions?

WINDER: I really don't recall many of the questions on either the written or the oral. I do remember one question about if you were a baseball player, a big, strong, slow footer, left handed hitter, what position would you most likely play. Boys who played sports knew that one and girls who don't, don't.

Q: You came in when?

WINDER: February 1966. I drove out here on January 30, 1966 with my wife and there was 30 inches of snow. We had to spend a night in Breezewood before we got here. We sort of dug our way into town.

Q: How would you characterize your A-100 course?

WINDER: It was an eye-opening experience I must say, primarily to the bureaucracy. I thought we were entering some sort of an elite corps of people who had good education and were committed to an ideal of foreign service as well as the organization but we were rapidly exposed to the mundane bureaucracy of travel vouchers and the personnel system which I think was somewhat a rude awakening to those of us who thought the foreign service was a unique organization. It was a good experience. There was camaraderie building. Some of us still stay in touch with each other. It was a good introduction to Washington bureaucratic life.

Q: How about women and minorities in those days?

WINDER: In a case of 30 some odd there were eight women in it. I think we were all basically Anglo-Americans. I don't think there were any Hispanics or Africans in the class. Maybe one.

Q: Where did you want to go?

WINDER: I didn't have any particular preference at that point. In those days you had no input into the assignment process. I ended up being assigned to Santiago, Chile, and that was fine.

Q: Had you had any Spanish before?

WINDER: No, not a word. They gave me three months of Spanish, I was given a 3/3 and off I went.

Q: So, you went to Santiago, Chile from when to when?

WINDER: The summer of 1966 to November of 1968.

Q: What was the situation like in Chile at that time?

WINDER: The living situation wasn't real easy. The country was in some sort of financial difficulties. There was rationing and not much to buy in the stores. You could only buy meat on the weekends. Otherwise, Santiago was a pleasant place to live. Both my daughters were born there, so I have fond memories of the place. But, it wasn't a terribly easy assignment. There wasn't a lot of recreation, although you could play golf and tennis. It wasn't anything like Buenos Aires where we had a chance to visit from time to time. Argentina seemed like a rich cousin compared to the poor cousin of Chile.

Q: What type of work were you doing?

WINDER: I did the normal rotational work. Did six months consular and six months political. Then I went to the economic section which I really enjoyed. I was given the responsibility of following the agrarian reform program closely, which was a highly popular program in Washington. The Kennedy administration was a big supporter of land reforms.

Q: It was the Johnson administration by that time.

WINDER: Yes, I guess that's right, but it had been the Kennedy administration that had begun the interest in it. I followed it and wrote a lot of reports on it and got around the countryside.

Q: When you were doing political and economic work, how did you find the political situation in Chile?

WINDER: It was very polarized. The moderate Christian Democrats were in power and the conservatives on the right were attacking them, accusing them of being too liberal and the leftists were attacking them for being too conservative. Eventually the two poles of the country split which led to the tragic events under the Allende regime and the subsequent coup.

Q: That wasn't on the scene at all during your time was it?

WINDER: No, it wasn't when I was there, although Allende, the Socialists and Communists were very active and vocal critics of the Frei administration and U.S. policy towards Chile.

Q: Who was our ambassador at the time?

WINDER: Ralph Dungan was our ambassador when I arrived and Ed Korry was ambassador when I left.

Q: What was your impression of how they operated?

WINDER: They were both political appointees. Dungan had been very close to Kennedy and been selected by him. He was an activist, very much of a pro-Frei ambassador and there was absolutely no doubt in anybody else's mind that he was very supportive of the administration. Korry took a somewhat more distant view. He tried to be a bit more even handed in his approach towards the political scene in Chile. But, I thought both of them were very competent, able men.

Q: Were you as a young officer able to get out an talk with officials?

WINDER: I didn't see much in the way of officials. In those days we didn't have much in the way of diplomatic work that I had to do. It was mainly getting out and visiting the countryside. It was fine.

Q: Did you find the people receptive?

WINDER: Yes, although I must say in Santiago the younger students were very skeptical of contacts with American diplomats. It was clearly a leftist oriented student body and I think they felt that the American diplomats were serving conservative elements that they were not in harmony with. But, for the most part it was fine.

Q: Was Castro a factor in those days?

WINDER: No. Obviously he was an example that some of the leftists paid attention to, but Cuba is a long way from Chile.

Q: How were relations with Argentina at that time?

WINDER: Chile and Argentine relations were fine. There were no border incidents. Chile didn't really have any international relations problems except to the extent they were involved in leftist activity which gave us heartburn.

Q: Were you picking up the feeling that our policy was dominated by concern about the left?

WINDER: Clearly we had been very actively involved in the elections of 1964 involving Frei and Allende, and very open in our support of Frei. There was a big celebration in Washington when Frei won the election. It was sort of good versus evil. I think the U.S. administration was bound and determined to do everything it could to support this Christian Democrat leader.

Q: Was there any movement that you were able to pick up in the embassy saying we ought to keep our lines of communication more open to other sides?

WINDER: There was that. We did have lines of communication with the conservative elements and to some extent even with the more leftist elements. The Communists were a fairly hard core, ideological movement and not particularly interested in contact with the embassy or vice versa. There was more interchange, on the other hand, with the Socialists.

Q: Were we taking a hard look at the time at how the economy was being run in Chile?

WINDER: Sure. I was attached to the AID mission at the time. The economic section was combined with the AID mission and we had a huge AID program in Chile which involved large sums of money for program lending to try to support the Chilean government's efforts at stabilizing the economy. We provided additional support to the agricultural sector as well as to the overall economy in general.

Q: *Were you beginning to get the feeling that economics was your bag?*

WINDER: Yes. I had a masters in business and sort of tended in that direction anyway. My work in Chile led me naturally down that path which I was very comfortable with.

Q: Then, 1968 whither?

WINDER: I was assigned back to the Department. I was assigned first to Dusseldorf and then that assignment was broken and I was sent back to the Department. I gather this occurred in part because some of the people in the Department, where I eventually ended up working in the Latin American bureau, thought it was a waste of my talent to send me to Dusseldorf after spending two years in Chile. So, they suggested that I come back to Washington, which I did. This was fine because I had two small children and it was nice to get them back home and settled. I worked in regional economic affairs in the Latin American bureau for a couple of years.

Q: This would be 1968-70?

WINDER: Yes.

Q: What were your major concerns?

WINDER: I was basically responsible for following Latin American economic integration,

which was the Latin American Free Trade Association, Andean Development Corporation, Central American Common Market, etc. Following it, developing U.S. policy towards it. I went down to Venezuela and helped negotiate AID's loan to the Andean Development Corporation headquartered in Caracas. It was basically a staff analytical type job.

Q: What was our feeling towards Latin America and integration?

WINDER: We hardily embraced it. We thought the more you could break down economic barriers between Latin American countries the better chance they would have for developing industries that would complement the economies of the various countries. We supported it whole heartedly.

Q: Where were the problems?

WINDER: The problems there were the problems of any economic organization. It basically ran into sovereignty. Governments didn't want to give up control. They wanted to have control over their decision making process. There were vested interests in the country working to develop some sort of industrial capacity, and they didn't want to have it swamped by competition with other countries. So basically the integration movement foundered in those days, due to a combination of political unwillingness to move forward as fast as they needed to and vested economic interests.

Q: Was this pretty much across the board?

WINDER: Yes. We put a lot of time, money and effort into supporting the Central America Common Market and it went quite a ways in reducing trade barriers, but eventually it foundered.

Q: Who was the head of ARA?

WINDER: In those days, the assistant secretary was Charlie Meyer, a businessman who did a nice job. Jack Crimmins was his senior deputy and to a great degree ran the bureau. It was a good bureau.

Q: Were you keeping lines open to the economic bureau at this point?

WINDER: I worked fairly close with the economic and business affairs bureau. The fellow who had been the combined economic counselor and AID mission director in Chile, a man named Sidney Weintraub, came back to the Department and was deputy assistant secretary in the economic bureau (EB). He had been my boss and somewhat of a mentor when I was in Chile. I stayed in touch with him and eventually, after I left there, I ended up working for him.

Q: Did you come across Frances Wilson?

WINDER: Yes. Known affectionately as the mother superior, she was the head of the

administrative section in the economic bureau for many, many years and was responsible for bringing scores of us into the bureau and helping to guide our careers. All of us in the economic branch of the State Department owe her a debt of gratitude.

Q: She was a towering figure.

WINDER: She was. She wouldn't take any crap from the personnel system and the administrative system of the Department. She decided who was good and who wasn't and if they were good they could work for her and if they weren't, they wouldn't and that was the end of it.

Q: Her influence was remarkable.

WINDER: Yes. She was basically able to say no.

Q: Did you find while dealing with this integration you were looking at Central America as quite a different animal than...?

WINDER: Actually we were more interested in South America, particularly the Andean group that was the newest of the bunch and looked as if it had prospects for taking a group of countries running from Venezuela down initially through Chile but after the election of Allende we weren't interested in doing anything that supported Chile. It was basically five countries, Venezuela, Colombia, Ecuador, Peru and Bolivia. We thought that that grouping might have potential for good economic interaction that would have some benefits for all. Again, it petered out.

Q: Narcotics enter the picture at all?

WINDER: Not in those days. The one interesting thing that did enter the picture was the development of the Inter-American highway through Panama. An interesting story. The president of Colombia, Carlos Lleras Restrepo came to Washington in 1969. He and Nixon had a chat and agreed wouldn't it be nice to close the Inter-American highway from Alaska to Tierra del Fuego. There was only one little segment of the highway that was not paved and that was through Panama and known as the Darien Gap. Nixon sent a memo to Charlie Meyers saying, "The president of Colombia and I have agreed to do this. Please send me a memo in one week telling us how we will do it." That landed on my desk as the junior officer in the economic office of ARA. I immediately drafted a memo back saying, "Well, we can go to EXIM Bank (Export Import Bank), and IDB (Inter- American Development Bank) and fund it that way." Then we started the clearance process and it was a royal mess. Nobody wanted to touch it with a ten foot pole. Everybody wanted to tell Nixon that it was a dumb idea. It didn't make any economic sense. We were trying to say that he didn't ask whether it was a dumb idea but how we could do it. It took a couple of months to finally get a message to the seventh floor where somebody in S/P (Policy Planning) totally took it over, rewrote it and said it was a dumb idea and sent it over. This apparently infuriated Nixon. Interestingly enough, the one issue that surfaced that was the largest obstacle was one that we didn't really identify until the very end, was aftosa because the Darien Gap

provided a natural barrier against hoof and mouth disease flowing from South America into Central and North America. Quite frankly, I don't know that there has ever been much progress made on that road.

Q: The problem was terrain originally.

WINDER: Of course. It was a swamp and jungle, etc. It only made sense on a map. It didn't make much sense after studying the terrain.

Q: In 1970 whither?

WINDER: After two years in ARA I was assigned to take the economics course at FSI (Foreign Service Institute). I had some economic training and had a masters in business, but it seemed to make sense for me to go ahead and take the full economic course, so I did.

Q: How did you find the course?

WINDER: It was excellent. Stimulating, challenging, very rewarding, a good group of people with lots of camaraderie. It was very hard, but I enjoyed it.

Q: This was Jock Reinstein, wasn't it?

WINDER: Actually it was a fellow by the name of Warrick Elrod who ran the course when I was there. I'm not sure if Reinstein was before or after I was there. It was really a good experience.

Q: Then where?

WINDER: Then I went to EB and went to work for Sidney Weintraub in the office of development and finance where I was responsible for Latin America and for the Export/Import Bank for two years.

Q: That was 1971-73?

WINDER: Yes. There was a lot going on in Latin American economic issues, particularly with regard to the Inter-American Development Bank where our office represented the State Department and also with regard to the Export-Import Bank. So I was involved in traveling and attending meetings. Basically it was a good experience in dealing with export credit and development finance.

Q: What was your impression of how development finance was utilized by Latin America?

WINDER: The IDB was basically a log rolling operation, unfortunately. Some Latin American countries agreed that they would support each other in getting their hands on U.S. government money. There were some capable, effective people on the bank staff who were trying to use the bank for legitimate development purposes and a lot of the projects did

seem to make a lot of sense at the time. But, it was really hard to measure their impact and I think in retrospect a lot of the projects turned out to be not terribly successful. That is true of most aid projects, unfortunately.

Q: *Why is that?*

WINDER: Development is a very difficult process to understand and stimulate. There are so many different linkages in developing economies that impede rapid progress that nobody was ever able to come up with a magic solution that outside resources could do much to change the prospects in a given country. Partly it was just that the amount of resources we are talking about were so enormous that assistance available was only going to work at the margins.

Q: We had good guys and bad guys in Latin America at that time?

WINDER: I think clearly, Chile was a bad guy and Cuba was a bad guy and Stroessner of Paraguay was considered not necessarily a bad guy but not a good guy. Otherwise we had some people in Venezuela we liked, in Colombia we liked and Central America was pretty positive.

Q: How about Argentina?

WINDER: I don't recall much about Argentina in those days quite honestly. I don't think there was a problem in particular.

Q: How did Sidney Weintraub operate?

WINDER: He was really an extremely capable fellow and was very heavily involved in not only development finance but more importantly international monetary affairs. The Department came to rely on him very heavily, particularly Secretary Rogers. He was there during the time of the Nixon shock, the abandonment of the gold standard and played a major role in keeping the Department involved in that entire process of negotiation with the international system. He was really a giant in international economics and played a major role.

Q: What was your impression of your opposite numbers, people who were involved from particularly Latin America?

WINDER: Well, the people that we worked with when I was in the Department at the IDB were capable people. We didn't have any particular problems dealing with them as professionals. The main problems were the policies of their governments where they basically wanted to get their hands on money and didn't want to have to make too many changes.

Q: This would be during the Kissinger period and his influence of Nixon, did you feel that they didn't seem to have a great deal of interest in Latin America?

WINDER: Nixon came in in 1969 and Kissinger in those days was at the NSC (National Security Council) and didn't come over to the State Department until 1973. Kissinger's strategy was to get the State Department involved in long studies. Those studies were interminable. I remember one having to do with Latin American economic policy that went on for months, and months and months. I guess it was in those days that we had a particular problem with expropriation policies. The Treasury Department, in particular, was very interested in backing the interests of U.S. companies in Latin America, that were expropriated. South America in those days was a hotbed of expropriation sentiment and we in the Department was trying to provide a little balance to our policy, provide a foreign policy perspective as well as a business perspective. We were riding herd on sanctioning these countries for expropriating American funds. That was a source of some bureaucratic infighting in Washington. But, again, very little of that touched the Kissinger part of the White House.

Q: How did you find working in EB compared working with the ARA bureau?

WINDER: Oh, EB was a marvelous place to work because it was a really very professional organization and wasn't parochial as regional bureaus tend to be. It had a very professional approach towards economic issues. We brought a perspective of U.S. economic interests that sometimes clashed with narrow political interests. But, actually on the whole we had pretty good ties with ARA. They had some pretty good people there. There was a deputy assistant secretary named Dan Szabo who was pretty good. We didn't have any real fights.

Q: Were you seeing yourself as a Latin American hand by this time?

WINDER: I certainly put some time on it. I spent two years in Chile and two years back in ARA where I was working on Latin American economics stuff there, so it was truly my area of geographic expertise.

Q: In 1973 it was time to go out again?

WINDER: Yes. I was assigned to Bonn, which was a nice change of pace. The position came open and I jumped at the opportunity having served in Germany in the army. I studied some German before going to Bonn and enjoyed my tour there very much.

Q: *You were there from?*

WINDER: I was there from 1973-75, a little over a year and a half, because my tour was interrupted in mid-tour when I was given the opportunity to return to Washington as an office director in EB, in the office I had left. As a mid-career officer I jumped at the opportunity.

Q: While you were in Bonn, who was the ambassador?

WINDER: Martin Hillenbrand.

Q: How did you find him?

WINDER: A very stolid individual and marvelous to work for.

Q: You were in the economic section?

WINDER: Yes, dealing mainly with U.S.-German foreign economic relations. The energy crisis hit shortly after I arrived in Bonn and energy was my portfolio so I had a lot of interaction with the Germans on dealing with the energy crisis, setting up the International Energy Agency at the OECD (Organization for Economic and Cooperation Development), worrying about the international energy conference and trying to persuade the Germans to adopt our approach to dealing with energy producing countries that was a fairly aggressive approach. I also dealt with other aspects of U.S. relations with the oil producers in the development world. The Sixth Special Session of the general assembly took place then, which was very hostile, aggressive, anti-U.S. North/South confrontation. I was working on that. I had a lot of contact with the economic ministry and the foreign ministry in particular.

Q: What was the German attitude towards the oil crisis?

WINDER: They didn't want to do anything that would jeopardize their access to the Middle East oil markets, and yet on the other hand we were pressing them to have solidarity with us. We did everything we could to put pressure on OPEC (Organization of Petroleum Exporting Countries). After all, the OPEC cartel really had an enormous amount of strength after the 1973 oil crises and we were trying to do everything we could to if not break OPEC, at least to reduce their ability to exercise quite so much control over prices and supplies.

Q: Did you get any feel for the role of France vis-a-vis Germany as this developed?

WINDER: Sure. We had the international energy conference in January/February, 1974 that Kissinger called here in Washington and all the European countries came along with the Japanese and others. It was Kissinger's chance to exert U.S. leadership and try to develop a common developed country bloc to operate politically against OPEC. The French wouldn't have anything to do with it. The French foreign minister at that time, Jobert, was very much opposed to the U.S. position and made no bones about it. The one thing he objected to was the fact that U.S. leadership was involved. So, the International Energy Agency was set up in the OECD in 1974 and France refused to join.

Q: What about Germany in a North/South context? Were they doing more than we were?

WINDER: They had an aid program, of course, that was run by a fellow who was very much a pro-developing world, which was typical of the Europeans on those days. But, after all, this is the mid-'70s and Germany is very much dependent on the United States for military support and their foreign policy was pretty much keeping in lock step with the United States.

Q: How did you find the German bureaucracy that you were dealing with?

WINDER: Oh, they were professionals and capable. They were extremely narrow in a sense they were all lawyers and were cut out of the same cloth, but very capable. They were not terribly innovative, but good solid people.

Q: Was there a good infusion of expertise from oil supplied people, economists who understood the oil thing?

WINDER: Clearly their work was being read in the embassy. People who were formulating the response to the OPEC challenge were very much aware of it. But, the problem was as much political as economic.

Q: Were the Germans reluctant or going along with us?

WINDER: Both. They were reluctant and going along with us. They were very nervous. They got oil from Libya and didn't want to jeopardize that. They got some oil from the Middle East and didn't want to jeopardize that. They were very worried about their oil supplies being much more dependent on imported oil than we were. They were also very anxious not to do anything that would enrage the United States. They were skating a thin line. The French kept hammering at them, trying to get them to be more independent of the United States.

Q: Was the Soviet Union a factor?

WINDER: Not really except to the extent that there was concern about the possible vulnerability of German and U.S. military oil supplies to an invasion. I remember I was involved in some studies on the military's petroleum network and how vulnerable it was. The Soviet angle wasn't a big one.

Q: The embassy was huge. Was the economic section well integrated into it?

WINDER: Oh, yes. It was an integral part of the embassy. The economic minister had close relations with the ambassador. Economic relations were not front and center in terms of our relations with Germany. Clearly in those days we still had the question of Berlin and the Four Power Talks, and the NATO questions. Political and political/military relations were far more important in the overall scheme of things in terms of our relationship with Germany and particularly when Henry Kissinger was secretary of state. But, economic issues were important and Ambassador Hillenbrand took an interest in them. Clearly we had no difficulty in getting support from the front office in dealing with the Germans on economic issues. It just wasn't the central thrust of the policy in those days.

Q: Did Vietnam play any role?

WINDER: No. By the time I arrived there in 1973-75... I guess we left just about the time

of the fall of Saigon and the pull out was just a matter of time. It wasn't a major issue.

Q: You came back in 1975 and was office director for?

WINDER: The Office of Development Finance. I had worked in that office before I went to Germany. Weintraub was replaced by a fellow by the name of Paul Boeker, who was deputy assistant secretary in EB. He was actually the fellow I had worked for in Bonn and had recognized the work I had done when I was in that office before and thought I would make a good office director. In those days you didn't have as much of a problem placing an FSO-4 in a FSO-1 position. It wasn't common, but it wasn't rare or difficult.

Q: What was the office you worked for again?

WINDER: The Office of Development Finance. This office, when I got there, was in charge of a lot of the economic aspects of north/south economic relations as well as dealing with the World Bank and regional development banks and AID.

Q: During this 1975-77 period, did you find a diminution of interest in development?

WINDER: No, not really. The Treasury Department, of course, was the principal agency of the U.S. government responsible for dealing with the multilateral development banks, the World Bank and the regional development banks. They were very active in trying to get the banks to be more efficient, more effective, more involved in private sector activities. I worked very closely with them as the State Department liaison in effect. I traveled with them to different conferences around the world, wrote papers for them and, in fact, Treasury then asked me to come over and run the office at Treasury covering multilateral development banks for a couple of years, which I did between 1978-80. So, I had very close ties with them and this became an integral part of my work.

Q: Did you find while you were in State that there was a traditional division between Treasury and State as far as outlook?

WINDER: Yes. We had fierce rivalries. In particular during the early years of the Republican administration until the Carter administration came in in 1976. In the last years of the Republican administration there was a lot of fighting between State and Treasury on how to deal with the banks. Treasury wanted to reduce funding of the banks, while State wanted to continue to have them be what they considered an effective instrument of U.S. economic policy. One of my jobs was to represent the State Department in the interagency process the Treasury chaired and I developed close ties with my Treasury colleagues. Even though we were fighting we were doing it from a position of mutual respect and it was a very good relationship.

Q: Did you have the feeling that the international organizations, the cadre of these banks, understood the Treasury/State conflict and try to get in between in an attempt to use it for their own advantage?

WINDER: There was a little of that, mainly with the office of the U.S. executive director to the bank, the World Bank and the Inter-American Bank. They knew that if Treasury was giving them some instructions that they thought didn't make a lot of sense, they could come to us and say, "Look at this, what is Treasury up to?" and try and get our support in turning the U.S. position around a bit. But, for the most part the institutions, themselves, never came to us directly. They may have gone to the U.S. executive director and have him come to us. There was some of that, but not a lot.

Q: What was your impression of the staffing competence and expertise of the World Bank at this time?

WINDER: Oh, very good. They had the best people from around the world. Occasionally they would get some people stuck there who weren't really very good seconded by governments, but in the most part they really had excellent and very professional staff.

Q: What would they do with these sort of political type appointees? Just bypass them?

WINDER: Actually there wasn't much of that with the staff. They had to have a certain amount of diversity in their hiring because of international membership. They had to have a certain number of staff from developing countries and they would just weave them into their bureaucratic structure. We didn't have much dealings with them, quite frankly. The people we did deal with were very good.

Q: During this 1975-77 period were there any major developments, breakthroughs, etc.?

WINDER: We had a couple of things. One of the things I was most involved in at that time was something called the Conference on International Economic Cooperation, which was set up in 1975. This was designed by Kissinger to try and be a venue for putting pressure on the OPEC countries primarily. It was his notion that we get the developed countries and some of the developing countries that were not members of OPEC together and put international pressure on OPEC. So, there was this conference of 19 different countries set up in Paris where we met virtually every month until the end of the Nixon administration and into the first six months of the Carter administration. It was a grueling process. There were four different commissions that met every month. There was development, energy, finance and raw materials. We would go to Paris and meet for three or four days at a time, have papers and discussions. This was all designed to try and pressure OPEC and make them look like the bad guys in the international arena. And, of course, the OPEC countries were trying to make the developed world look like the bad guys and responsible for all these problems. It was a very heated, very difficult process, the end result of which didn't amount to a whole lot, but it did keep pressure on OPEC in an attempt to keep them on the defensive.

Q: I wouldn't have thought that Kissinger or Nixon would have been very receptive to the idea of we owe it to the poor countries to do more.

WINDER: They weren't. They were trying to get the poor countries to join with us to beat

up on OPEC, trying to get them to stop gouging us through their oil prices as we saw it in those days.

Q: But they were also gouging the poorer countries.

WINDER: That is exactly right and so we thought we could have some natural allies there but the OPEC countries were strong enough politically to basically keep all of the developing countries out of the process. It was U.S. and developed countries versus for the most part OPEC countries.

Q: Why wouldn't the developing countries feel that they had a stake in this?

WINDER: In those days the world was very much polarized between north and south and a lot of the people who made foreign policy in the developing countries had sort of a leftist leaning and wanted to associate themselves with another group of non-western countries that were sort of sticking their thumb in our eyes, as OPEC was doing. In addition, they were depending on OPEC countries for their oil and OPEC looked them straight in the eye and told them if they wanted to continue getting oil from them they had better play ball. So, they were vulnerable to that kind of pressure.

Q: Did you feel that the meetings we had were adequate for dealing with the problem?

WINDER: We did what we could. We had a very effective Assistant Secretary of State, Tom Enders, with a direct line to Kissinger. He and his colleagues organized and ran the show.

Q: In 1977 the Carter administration came in and you moved?

WINDER: Actually I stayed. The summer of 1977 I moved down to the Office for Monetary Affairs for a year. There was a vacancy there and they needed someone to step in. Since I was dealing in development finance and in that area they asked me if I wouldn't mind moving over and taking that job. So I did.

Q: What were you doing there?

WINDER: That office was basically the counterpart office of the office of development finance, but it dealt with developed countries. So, it dealt with Japan, Western Europe. I was involved in an attempt to assist Turkey. The office was trying to put together an assistance program for Portugal when they were in the midst of their crises in that period. That office had responsibility for debt rescheduling and we were involved in doing some debt rescheduling of organizations in Paris. The office was also responsible for following the IMF, the International Monetary Fund, and I was involved in monetary policy issues. Again, Treasury had the lead, but we had responsibility for providing foreign policy input.

Q: Was the Soviet Union able to mettle in any of this?

WINDER: No. It was basically, U.S., Western Europe and Japan.

Q: How did you find Japan?

WINDER: Japan wasn't really central to our focus in those days as it became later. Japan was doing very, very well economically, obviously. They were still in the throes of a miracle. The U.S.-Japan foreign exchange relationship was one that put stresses and strains on the system but for the most part they weren't a major factor of our attention. I dealt mainly with Turkey and Portugal which had particular crises problems and the United Kingdom, too, for that matter, and then dealt with particular debt rescheduling problems.

Q: Did you have problems with France or Germany?

WINDER: Germany pretty much supported the United States and France was being difficult.

Q: Did you have the feeling that France was doing this for nationalist reasons or did it have rational economic reasons?

WINDER: It was a truly nationalist perspective. They wanted to differentiate themselves from the United States. They resented U.S. leadership, viewing themselves as the way they were a hundred years before and wanted to continue to be that way.

Q: How did you find French officials?

WINDER: Actually I dealt with them a bit when I was in the office of development finance in dealing with international development banks, and they were very capable and not a problem. On debt rescheduling they were a little more difficult. They wanted to run it in their way.

Q: Were we getting involved in their home ground, the francophone African countries and all that?

WINDER: Not really. We would lecture them from time to time about how they were being paternalistic and they would come back and lecture us about what would you rather do, turn them lose and let them founder themselves? But, we didn't intervene much.

Q: Did you find the Carter administration had a different approach?

WINDER: In many ways it was a much more collegial approach in dealing with these issues in that there was not the same kind of intense rivalry between the State Department and the Treasury Department that there had been in the Nixon and Ford administrations. The two under secretaries, under secretary of Treasury for international affairs and under secretary of State for international economic affairs, and two assistant secretaries had a weekly lunch and got together all the time. They were really a team and came up with common recommendations for policies and programs. It was a joy to work for them. I

worked on both sides.

Q: When did you move to Treasury?

WINDER: In the summer of 1978 until the summer of 1980 I ran the Office of Multilateral Development banks for two years.

Q: Did you find a different spirit at Treasury?

WINDER: No. It was an office filled with bright, capable people. So much of what we did was much more micro than the State Department which is more macro, big picture stuff. Treasury basically was trying to run the organizations, find out what was going on in all the banks, and was responsible for managing the U.S. government's involvement in these organizations. Therefore, we had to look at everything they were doing and micro manage it, criticize it and critique it. Most of my time and a lot of the office's time was spent dealing with the Hill in the process of obtaining support for U.S. appropriations to these organizations. That was a year round activity.

Q: Who were the key players on the Hill at that time?

WINDER: Well, there was Clarence Long, who was the chairman of the House Appropriations Subcommittee on Foreign Operations and his counterpart on the Senate side was Senator Daniel Inouye and their staff. Inouye had a fellow named Bill Jordan, who was chief of staff for him to work on this. Those guys just made us jump through hoops in trying to give them whatever they wanted and whenever they wanted it. We were always writing floor speeches for people and talking points. It was a very, very stressful period. There was a tremendous amount of time pressure to produce high quality material on sometimes very technical issues.

Q: Was the problem one of gaining support in congress? Was there a natural constituency in congress?

WINDER: The support for our foreign aid effort - in which the multilateral development banks are part - has always been very difficult. There has been no real strong national constituency for it. It has always been sort of the east coast intellectual foreign policy community who has supported it and it has always been opposed by people who oppose foreign aid. It was always a struggle to get appropriations. It was a very easy target for critics of our foreign aid program to criticize these multilateral organizations as being outside the U.S. control. We had a heck of a time with both Democratic and Republican administrations.

Q: How about the United Nations? Did it get involved at all?

WINDER: I didn't have any responsibility for the UN and its work. Earlier, when I was back in the office of development finance, I was responsible for negotiating U.S. membership in something called the International Fund for Agricultural Development

(IFAD). A fellow in AID and I were in charge of running the U.S. delegation. We had a lot of different meetings in which we eventually set up the organization itself and obtained U.S. money for it. That was attached to the UN. It was a UN entity. But, that was really the only UN related activity I was involved in.

Q: In 1979 we had both the hostage business and the Soviet invasion of Afghanistan. Did those events have any impact on your work?

WINDER: No. In fact, at that time we also had the second oil crises due to the Iranian situation. Oil spiked up to $30 a barrel. But, again, my area of responsibility was very narrowly focused. One of the things we did try to do was to get more money out of the OPEC countries in view of the fact that they had more money. Our attempt to rope them into the International Fund for Agricultural Development was basically a political devise to try to force them to cough up some of their money for that. That was successful.

Q: What was your concern at this time about where the OPEC countries were getting this money? There was a tremendous tax.

WINDER: It eventually became recycled. It was a tax, there is no doubt about that. But, they had to do something with it and they put it back into the international banking system. In those days, the big concern was would the money be recycled. It turns out the international financial system was very effective in recycling the money. So, they took it from us and put it in the banks and the banks relent it to us. But, it didn't cause the extreme contraction many people feared. They just couldn't put the money in the ground somewhere.

Q: In both these jobs, in State and Treasury, were you looking at developments in Latin America, the Far East, as far as how money was being used?

WINDER: That was one of our responsibilities at the Treasury Department. Our office had basically three main responsibilities. We were supposed to get the money from congress, renegotiate replenishment for these organizations, agree among the membership when they needed more money, and who was going to give how much, then, oversee the work of the organizations. To see what they were doing and if they were doing it efficiently. One part of that was looking at how they were using the money. But, quite frankly we had very little time and no staff resources to devote to that, so you relied on the organizations to conduct internal audits.

Q: Where to in 1980?

WINDER: In 1980 I was assigned as economic counselor to Jakarta, Indonesia. This was one of a number of positions that came open at that time, economic counselor jobs. The notion of going to Indonesia was somewhat intriguing. I had been working on developing countries the past five years and Indonesia was a major developing country. So, I thought it might be kind of fun to go off to Asia, and I did.

Q: You were there from when to when?

WINDER: From 1980 to 1983.

Q: What was the situation in Indonesia at the time?

WINDER: Oil prices hit $35 a barrel in 1983 and they were rolling in money. It was basically just a question of how effectively were they going to use it. They were making remarkable progress in development. Indonesia was one of the amazing success stories of developing Asia, both in increasing the size of the pie and in distributing the pie to the population and in pulling the people out of poverty. They had a very effective education program. They had a very effective family planning program. The government was very corrupt and a lot of the money was stolen and wasted, but nonetheless they had so much of it that a lot of it was also put to good use. We were involved in dealing with particular problems American companies had. Our job was to help create a more attractive environment for the American business community and we worked with Indonesian officials to do that. We had an AID program there and we tried to make sure that the AID program was more effective. We had very close ties with the Indonesians. Indonesian economic leaders had been educated for the most part in the United States and had an understanding of who we were and how we worked. So, we had a very good relationship. I worked very closely with the IMF and World Bank, both of whom had resident missions there.

Q: Why would we have an AID program in a country that had so much money?

WINDER: They were getting a lot of oil money but they were still poor. We didn't provide much in the way of financial resources. We provided just enough to give us some leverage to provide some policy advise. The bureaucrats, the economic technocrats, very much welcomed our policy advise and our support in trying to improve the economic structure of the country.

Q: Was your office involved in looking at Suharto and the Suharto family and how things were going there?

WINDER: We didn't do a lot of that. There was some analytical work done on the economic linkages of Suharto and his family, but we all knew that a lot of that was going on. Most of my time in Indonesia was as DCM (deputy chief of mission) because there was a long interregnum between the departure of Ambassador Masters and the arrival of Ambassador Holdridge. It was close to 20 months.

Q: Who was acting as chargé

WINDER: John Monjo. He and I basically ran the embassy.

Q: Were there any particular problems in this period with the Suharto government, political or economic?

WINDER: No, we didn't really have major difficulties. We were always trying to expand the military relationship which was difficult because Indonesians were very sensitive to the third world status. We did have one nasty expropriation case that caused trouble and agony, but for the most part our relationship was very good.

Q: You were there when the Reagan administration came in. Did you feel any change in attitude in Asian affairs?.

WINDER: No. Indonesia was an important part of our overall Asian relationship, although not in the sense of China, Japan and Korea. The people in Washington recognized the importance of Indonesia and that continued after the change of administrations.

Q: Were a lot of Indonesian students going to the United States?

WINDER: As many as could afford it. We were always encouraging it. There was a good number of Indonesian students in the United States. The United States was truly a model that the Indonesian elite emulated. Even though it was a Muslim country, there was not much anti-American sentiment of feeling, but a lot of admiration for the United States.

Q: *I interviewed somebody who was an Indonesian expert, Dick Howland, and he was saying he had a hard time with Newsom who kept thinking of Indonesia as a Muslim country when the real impetus there was nationalism. Did you find that?*

WINDER: I knew Dick, of course. I was there when he was DCM and we worked closely together. Nationalism was the more powerful force than Islam in the sense of foreign policy, there is no question about that. But, Islam still played an important role in the lives of the people, although it wasn't the same kind of fundamental Islam as one saw in Pakistan and the Middle East. Islam in Indonesia was much more a layer on top of Hindu, Buddhism, on top of animism. So, it hasn't penetrated very deeply in most Indonesians, although there are some who feel very strongly about Islam.

Q: What about East Timor?

WINDER: East Timor wasn't a major foreign policy problem when I was there. I visited there a couple of times as DCM to see what was going on and report on it. But, East Timor was clearly run by the army. It was almost a colony so to speak. There was isolated occasional violence, but nothing major.

Q: Were we at all concerned at that time about any resurgence of the communists or were they wiped out?

WINDER: They were brutally wiped out.

Q: How about the Chinese?

WINDER: Very limited. In fact, I am not sure that Indonesia had diplomatic relations with Communist China. The Indonesians still had strong negative feelings about the Chinese in part because of their support of the communists.

Q: What about Papua New Guinea?

WINDER: I visited the western half of the island of New Guinea which was part of Indonesia. There was somewhat of an independence movement there, but Javanese colony. Javanese from the mainland pretty much ran the place. It was a big sprawling province with a very thinly populated area. There wasn't much going on there other than mineral development and a big copper mine run by an American company. Otherwise it was a quiet backwater.

Q: Did you get any visits while you were there?

WINDER: Not very many, we had some. We had a congressman now and then and a couple people from Washington. Actually, former President Ford visited while I was there. He was treated almost as a state visitor. They had a lot of affection for him.

Q: What was our evaluation of Suharto at that time?

WINDER: We thought he was making a major effort at stimulating the development of the country and development was clearly his number one priority. In those days his children were not old enough to be so heavily involved in his reflection, so he didn't have pressures to allow his family to be agents in such blatant acts of corruption as they later did. So, he was considered a man who had taken over in a very difficult situation, taken on development of the economy and put it on to a path of sustained development.

Q: Were there any indicators of the type of problems that were going to hit Indonesia as well as Thailand, China, Japan and everywhere else during the mid-'90s?

WINDER: You mean the economic crisis?

Q: Yes.

WINDER: No, none of that was on the horizon in the early 1980s. As I mentioned oil was $35 a barrel. People thought they had died and gone to heaven. There were no economic crisis concerns.

Q: We will stop at this point and pick it up in 1983.

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Today is October 8, 1999. We are in 1983 and where did you go?

WINDER: In 1983 I came back from Jakarta and took over the responsibility of the desk

for Indonesia, Malaysia, Singapore and Brunei affairs. I did that until November, 1985. During my time on the desk it was a very active period. We had a state visit by President Suharto that must have been just after I arrived so I wasn't heavily involved in it. But, then we had big visits involving each of the other countries. Malaysian Prime Minister Mahathir came for a working visit in early 1984 in which we were actively involved. Prime Minister Lee Kuan Yew of Singapore came more than once and we were involved arranging his programs. I remember one time we had a session with Secretary Shultz calling on him at his hotel. Those two were very close confidants and Shultz asked him about our policies and Lee Kuan Yew asked him and there really was an exchange of views between two statesmen on how are we doing. In addition, Brunei celebrated regaining their sovereignty for all aspects of their affairs. I guess they already had control over internal affairs but not external. So, there was a big to do in Brunei and Ken Dam led a delegation of basically private citizens to go out and represent the U.S. at that event, and I went along and did the staff work.

We had a lot of different activities there. A lot of policy problems with Indonesia. Questions about whether we should sell them F-16s. Human rights problems with mysterious killings. The East Timor question wasn't as hot then. It was sort of a low simmering problem but it hadn't really surfaced.

Q: When had the Indonesians gone into East Timor?

WINDER: In the mid-'70s. At the time when the Portuguese empire collapsed brought about by a change in Portugal. The situation in East Timor changed and there were movements favoring independence and union with Indonesia and the army went in and supported the union.

Q: Were we monitoring East Timor?

WINDER: Yes, sure. When I was in the embassy I visited East Timor as acting DCM and looked around and talked to people. Then I filed a report on what I heard and saw. We were trying to stay on top of the situation there.

Q: When you were on the desk was there any sort of East Timor movement?

WINDER: Nothing significant. It wasn't a major issue.

Q: Was Suharto still persona grata as far as we were concerned?

WINDER: Oh, very much so. This was the early '80s. He had only been in power about 15 years. The impact of his policies on the Indonesian development process were apparent to everyone. The economy was booming. The benefits of the development were being dispersed widely throughout the society. Everybody was aware that some of the money was being siphoned off, and there certainly were some serious structural problems in the economy - the indigenous business sector was basically rent collectors, and had a favored position depending on their political ties. But, on the whole, the economy was growing fast

and benefits were being broadly distributed throughout the country.

Q: Which is all a great plus.

WINDER: That's right.

Q: Were we working on American businesses to go there?

WINDER: We had always been actively involved in promoting American business in Indonesia. It was an essential part of my job as economic counselor when I was at the embassy in Jakarta in the early 1980s and that remained a focus of interest and attention. But, we didn't beat the drums looking for individual companies to go into Indonesia. We didn't really feel that was our mission. We wanted to change the environment. I took the initiative for a Memorandum of Understanding on investment between the United States and Indonesia that Secretary Shultz signed, I think on one of his trips to Jakarta. Again, it was more symbolic to demonstrate to the American business community that Indonesia was interested in foreign investment, welcomed foreign investment and to provide a basic framework of the rules of the game that were appropriate. It wasn't anything binding. The investment environment was always difficult in Indonesia primarily because if foreign investors wanted to invest in Indonesia to serve the domestic market, they would be running head on into private interests that already were serving investment in the domestic market and the politics of that were very bad. The investors who wanted to go into Indonesia for export didn't have so much of a problem – energy, mining, or even manufacturing for export.

Q: Sometimes in congress you find not necessarily the congressmen but the members of congressional staff who have their own ideology or own hobby horse. Did you find any opposition to Suharto among congressional staff?

WINDER: I don't recall that in any of the countries that I was responsible for. One of the problems we had in that area, and Southeast Asia, quite frankly was increasing the recognition in the United States, in the congress, in the American public, in the business community, about the importance of southeast Asia and the value of enhanced relationships in the area. It was an important region with a lot of economic potential, but it tended to be overlooked by the American public opinion and the political circles which were dominated by Japan and China.

Q: In a way just the fact that you had on your tray, Indonesia, Brunei, Malaysia and Singapore. You think about Indonesia being a major country in resources, population, strategic importance, etc. and yet it was kind of one of those countries.

WINDER: It clearly was the dominant country in the four. I had Indonesian background and we had a separate Indonesian desk officer. In fact, we had a young fellow who covered economic issues in both Indonesia and Singapore. We put more time and human resources on the Indonesian relationship. It wasn't as if the other countries weren't important, but Indonesia was the dominant player.

Q: Did we realize that Australia had economic interests in Indonesia and make allowances for that?

WINDER: Australia had foreign policy interests in Indonesia and we consulted with them. We didn't see the situation as being a conflict, really. Clearly it was in the interest of the West, generally, developed countries, including Australia, to have Indonesia part of the global economic system of which the West was the center. That involved opening to trade and investment and integrating the Indonesian economy with the global economy. And, on the defense side having a cooperative relationship with military authorities that involved up-grading their skills and trying to inculcate some kind of human rights into their activities as well. We had a common interest in dealing with Indonesia. I guess I was never involved in any discussions with Australians on policy toward Indonesia, however.

Q: What was happening in Malaysia at this time?

WINDER: Well, Mahathir was very much in control in Malaysia and they were following a development strategy that embraced again the Western economic model and included a lot of American companies. Mahathir, himself, had sort of a love/hate relationship with the American economic model and kept making speeches about looking toward Japan as the model for Asia with a bit more state directed development. His development policies were sort of bifurcated between emulation of Japan on the one hand and a more open policy to be integrated into the international economy on the other. But, we didn't have any major problems in that area. Our companies were in Penang, particularly electronic companies. There were companies invested in the northeast and that was of interest to them. We had growing contacts on the bilateral military side with them even though they weren't given much high visibility or publicity. So, the relationship with Malaysia, I think, was reasonably good. The main problem was that Mahathir thought the United States, particularly in the press, didn't pay enough attention to Malaysia. He bristled when he came across some map somewhere that didn't even show Malaysia on it. So, he was very sensitive to perceived slights, etc.

We had one incident that revolved around the visit of the New York Philharmonic. The New York Philharmonic had scheduled a tour of Asia with a stop in Kuala Lumpur. In their scheduling they had planned to perform a work called "Shlomo" and Mahathir thought that for some reason the performance of that work would provide the Muslim fundamentalists an opportunity to criticize the government as being soft on forces that might be inimical to Islam. He was always worried about protecting his flank from Muslim fundamentalist forces. Therefore, he told the New York Philharmonic that they would be welcome to come to Kuala Lumpur but they couldn't play that song. They would have to play something else. Before the New York Philharmonic could even make a judgment about that, it hit the press. The New York Times had a front page article. So, we had quite a brouhaha about that. People were calling up the assistant secretary asking what was going on out there. Mahathir got on his high horse saying we tell people what to play here or they don't play here. Then the New York Philharmonic, the union and influential Jewish groups in New York said we couldn't let them dictate what is to be played. In the end the New York Philharmonic

dropped Kuala Lumpur from its schedule and added Bangkok. I don't know if they played "Shlomo" or not, they may have, but it demonstrated the difficulty and prickliness of dealing with Malaysia and the frictions that could arise over seemingly small incidents.

Q: What about Singapore?

WINDER: At that time Lee Kuan Yew was in control. There was a lot of mutual respect between George Shultz and Lee Kuan Yew. When they visited each other's country they always had in depth consultations and conversations. I went out on a trip one time and Allen Wallis, the under secretary for economic at State was there and he had a good meeting with Lee Kuan Yew. We really had excellent high level contact between the two countries. And we had basically no serious frictions or issues of any kind that I recall.

Q: You didn't have any students getting whipped and things like that?

WINDER: No. I can't recall when that incident was, but it wasn't on my watch.

Q: Brunei?

WINDER: Brunei was just entering the international arena. I guess they had been independent to a degree, but certainly the Brits had handled their foreign and defense relations. So, when Brunei gained full independence we established an embassy there and dealt with the embassy in Washington. It was basically a start up operation. I suppose most of our concerns related to starting an embassy. The logistics, physical structure, etc. We dealt with Brunei in the context of ASEAN (Association of Southeast Asian Nations) as well. They were a member. In fact, I think they may have chaired the bilateral relationship with the U.S. ASEAN divided the work up as to who was going to handle U.S. relations and who was going to handle Japanese relations. We didn't have any major friction with Brunei.

Q: A little later on, I guess, Brunei became a place you went to to get some money for various things.

WINDER: I don't remember tapping Brunei for one of our major projects. You are absolutely right, we tended to go to them and ask them to put some money in this pot or that pot and sometimes they would and sometimes they wouldn't.

Q: Looking back at the whole group, were we trying to build up a defense perimeter using these countries at that time?

WINDER: No. That is a little too strong a phrase. We were trying to continue to strengthen our defense ties with the military establishment of each country. We historically had very good military ties with Singapore which included ship visits. In fact, there was a U.S. Navy office in Singapore that did logistics and things of that kind. We were also trying to expand our ties with the Indonesian and Malaysian military that would provide for ship visits and perhaps even for repairs. There was some discussion of a repairs facility in Surabaya.

Former foreign minister Ghazali Shafi, I recall, came once to Washington and we had a discussion of perhaps a repairs facility in Labuan, a Malaysian island off the coast of Borneo. There was a general discussion of threat perception, etc. A defense perimeter is far too strong a word.

Another aspect of the work of the office I might touch on briefly, had to do with the ASEAN. We at that time were the office that backstopped U.S. participation in ASEAN and the annual consultations with ASEAN that the secretaries of state had been going to for a number of years. So, I accompanied Secretary Shultz a couple of times on his trips to ASEAN. Shultz thought these trips were very important feeling that one aspect of foreign relations was tending the gardens, so to speak, and ASEAN was a garden that needed tending. So, he made time in his schedule to go out there and participate actively in the discussions. He was quite demanding in the preparation of speeches and briefing books. We had to work quite hard, actually, to satisfy his rather rigorous requirements. But it was a very rewarding part of the job because it was high level attention to countries that were important to us.

Q: On the defense side. At that time did you and your colleagues have any concern or feelings about either Vietnam or China being an expanded power in that area?

WINDER: Well, of course, Vietnam at that time was in Cambodia and we had huge foreign policy friction as a result of the invasion of Cambodia. I think the Chinese much less so. I can't recall when Indonesia normalized relations with China, it may have been after that. But, it was clear that the hostilities that had existed between China and Indonesia manifested at the time of the coup in the mid-'60s in Indonesia, because so many members of the PKI, the Indonesian Communist party, were of Chinese origin. Those sorts of tensions at the government level had abated and it seemed to be only a matter of time before Indonesia was prepared to acknowledge China's role in the region and to move forward with diplomatic relations. There were still problems and tensions between the Indonesian minority and majority populations, but as far as the Chinese government on the mainland was concerned, the major frictions that had existed 20 years previously really had abated.

Q: Were the Spratlys at all a problem?

WINDER: People were aware of the South China Sea and the fact that there were overlapping claims and potential frictions, but nothing more than that.

Q: How about the Philippines at this time? Were they beginning to cause problems for countries within your area?

WINDER: Not really. There was a problem between Malaysia and the Philippines over Sabah, and in the southern Philippines there were some Muslim insurgents that Malaysians had a certain ethnic affinity for and the Philippines resented that. There was some piracy going on that caused some friction between the Philippines and Malaysia. But basically, ASEAN has been very successful in providing the opportunity to forge stronger bilateral

ties between these countries which really had never had them before. The relations between all these countries in the region, except Thailand, had been with a colonial power and links between these countries really didn't exist. ASEAN provided an opportunity for foreign ministry officials, energy ministry officials, businessmen, private citizens to meet, to talk and get to know each other. That really helped in establishing some linkages that ameliorated a lot of the frictions.

Q: Working at the country level, one of the observations often is that some of the foreign embassies in the United States are much more effective than others. Some sort of relied on just going to the Department of State, which doesn't get you too far, while others know how to work congress, the media, the National Security Council, etc. How was the Malaysian embassy?

WINDER: They were fine. Actually the Malaysian ambassador when I arrived was a very, very popular fellow in the diplomatic circuit. He entertained very effectively. He left shortly after I took over the desk with flashy news stories about him. His successor was less flashy, but not ineffective. He got out and around but certainly didn't have the same level of visibility and public prestige as his predecessor.

Q: Indonesia?

WINDER: It was very effectively represented. They had a couple of very good ambassadors during my tenure. Indonesia was one of those countries that had a little difficulty in working the Hill because I think they thought it wasn't dignified to spend as much time and attention dealing with the Hill and the Hill staff.

Q: I'm told India has the same problem.

WINDER: Probably. It tends to be a big country syndrome, I think. Singapore, at the opposite extreme, had far more influence in Washington than its size and importance in the world merits, just because of the skill of its diplomatic ability. I always felt Sweden was another such country. On the other side, I think, Indonesia might have done a better job of getting out and about, but the ambassadors were very effective. They had very good policy ties at the highest level of the State Department. They worked the administration very well. They were very well liked. Anytime we had a policy issue we could rely on the Indonesian embassy. But, I think they could have done more on the Hill.

Q: How about Brunei?

WINDER: The ambassador they sent was a very sophisticated ambassador with experience at other embassies. He knew how to operate and was effective. It was a small country and he didn't have a big budget so it took him awhile to get going. But, they were fine.

Q: I would have thought they could have made quite a splash because of their money.

WINDER: Well, they didn't really throw their money around a lot. They had a small

embassy here and had nice receptions. They just didn't have quite the same political strategic interests. They really hadn't had an opportunity to develop those interests and ways to effectively move them forward.

Q: You left this particular job in 1985. Where did you go?

WINDER: In November, 1985, my old friend and colleague, Marion Creekmore was the economic deputy in the policy planning staff. He was leaving and asked if I wanted to replace him. I thought that might be a fun job, so I took it, working for Peter Rodman. I was one of two deputies in policy planning and I handled the economic sphere. There were three or four of us there. Our job was to provide memoranda to the Secretary of State primarily and to keep him abreast of specific issues that we thought he needed to be concerned about. I remember doing a study on oil prices when oil prices collapsed at that time. He was particularly concerned about Indonesia, so we did a study about what might be the impact on Indonesia if the oil fell to $20 a barrel. We said they could handle it, and it turned out that we were right.

I was responsible for hiring a young woman named Sandra O'Leary to come and work in policy planning on trade. We didn't have anybody on trade issues at that time and I thought we needed someone, so I persuaded Dick Solomon, who had taken over at that point, that such a position was worth filling and he agreed. So, we focused on budget issues, an AID budget, and basically tried to provide an alternative source of inside information to the secretary to the economic parts of the department.

Another thing we did was bilateral consultations with various countries consisting of an exchange of views on policies. I participated in one on Korea where their policy planning people came over and I dealt with the economic issues on Korea. We had a trilateral one with Japan and Great Britain in Tokyo and I went along to talk about the economic issues.

So, there were a number of different aspects to the job. I, quite frankly, was just getting used to it when Bill Brown offered me the opportunity to go to Bangkok as DCM. I hesitated because I had only been in the policy planning job a few months, but in the end it was an opportunity I couldn't pass up. Dick Solomon very graciously recognized that for me Bangkok was a very good career move and didn't hold any objection to my going there.

Q: What was your impression about the role of policy planning? Sometimes it is a speech writing place. Sometimes it is this and sometimes it is that, depending on how the Secretary wants to use it.

WINDER: You are absolutely right. It is totally a function of what the secretary wants. It did have a speech writing function and there were a couple of professional speech writers. First with Peter Rodman and then with Dick Solomon, the secretary relied on them to give him alternative perspectives and insights on issues that they or he thought were important. The bureaus are very often involved in the day-to-day management of relations with countries in their region. Any senior official of any large organization, whether the State Department or a multinational cooperation, needs somebody at the staff level that doesn't

have the day-to-day line responsibility to be looking around and saying this is coming up and that is coming up and this is an area you should take a look at. In part it is a kibitzing role that line bureaus can resent. On the other hand, it is an opportunity for line bureaus to get views to the secretary in a long term, broader perspective that very often they don't have time for and can't get through a coordinated bureaucratic process. So, it is a very important function for any organization. I thought that Secretary Shultz used it very effectively.

Q: What was your impression of Secretary Shultz?

WINDER: He was a great man, I think. He had a good understanding of U.S. strategic interests. He particularly, of course, was interested in economic aspects of foreign policy. I thought he had a good strategic vision and, of course, during the time I was there, he was a very strong force in the administration. He certainly was first among equals in regards to the Defense Department and the National Security Council. He was a real giant.

Q: When did you go to Bangkok?

WINDER: I was there from 1986 to 1989.

Q: How did Bill use you?

WINDER: He used me as his deputy. The DCM job in Bangkok at that time had a number of specific elements to it that Washington sort of dictated. Two in particular had to do with refugees and narcotics. They were huge issues in our bilateral relationship with Thailand and a number of different agencies had staff assigned to Thailand, both at the embassy and at the consulate in Chiang Mai or in Songkhla. It was my job as DCM to pull them all together, to make sure we were all pulling in the same direction and singing from the same sheet of music. That was not an easy task. The intelligence community had their own interests. The law enforcement community had their own interests. There were NGOs (non-government organizations) that had their own perspective. So I had the task of coordinating those people which meant I had to be involved in the development and direction of policy. That took a lot of my time. Bangkok was the largest embassy in Asia and one of the largest in the world and so it was in good part a management job and Bill relied on me to run the embassy. I had to know what everyone was doing and make sure that it made sense and that I was on top of everything and brought things to his attention ahead of time. It was kind of a standard deputy role.

Q: I would think it would be particularly difficult because you had both the non-governmental organizations, which in many ways were adjuncts of the government, particularly the refugee process, and then DEA and the drug thing. These are not groups that take supervision well.

WINDER: Yes, it was fascinating. I enjoyed it. The refugee program in Thailand had two separate aspects. One had to do with the refugees that were in Thailand in camps, a program that was run by an NGO, the international rescue committee, that had a contract

with the State Department to provide personnel to help run those camps. And we had an operation in Vietnam, which was the orderly departure program, which was involved in taking people through an orderly process out of Vietnam. That was run by a separate NGO and they both jealously guarded their turf and I tried to combine the two functions for management efficiency and ran into all kinds of problems. I was able to combine at least the State Department personnel part of that operation under one officer in Bangkok with some difficulty. But, it was a very rewarding task. There were refugee camps all over and I went to visit them regularly. I took congressmen and senators to visit them. We put a lot of time and effort into working with the Thais and the NSC (National Security Council), in particular, which had overall supervisory responsibility in trying to persuade them that they should treat these people well and not send them back and basically provide the sorts of assistance we felt the refugees deserved.

Q: There must have been a concern on the Thai part and also our own part, that some of the refugees had been there long enough and were beginning to settle in.

WINDER: The Thais had made it very clear that they were a country of first asylum and that they were only going to be a country of first asylum if there was a second asylum country, somewhere else where these people were going to go. They didn't want to be overwhelmed with refugees. The camps provided them with a lot of problems. First of all, there were security problems such as stealing, having such large numbers of people around. And secondly, there was a problem in terms of comparison of standard of living with people inside camps getting an enormous amount of assistance from the international community, and the small villages outside the camps basically had dirt poor people scratching out a living. That caused political difficulties for the government. In addition, the government was providing assistance to a couple of non-communist resistance troops in Cambodia who had camps along the border and there was some concerns about linkages between the refugee camps on the one hand and the resistance camps on the other.

So, it was a very complex situation and we dealt with the Thais on all levels on it and tried to support the non-communist resistance to provide an alternative to both the Khmer Rouge (Cambodian Communists) in Cambodia and the Vietnamese communist supported government of Cambodia, to try to persuade the Thais to keep the refugees there, not close their doors to new refugees, to have an effective anti-piracy program to stop pirate attacks on refugees coming by sea, and to basically cooperate with the international community until such time as the situation in Cambodia was settled and the Vietnamese boat people stopped coming. This is where we are today.

Q: This was early days in non-governmental organization and Department of State cooperation with this group. There must have been quite a learning curve on both sides.

WINDER: Actually by the time I got there it was pretty much in place. There had been some frictions in previous years. Ambassador Abramowitz in particular had some difficulty with the Thais on the asylum policies, but by the time I arrived the relationship between the State Department, the Bureau of Refugees, Immigration and Naturalization Service (INS) and the NGOs was pretty good. We still had frictions. The Immigration and

Naturalization Service really made the determination of refugee status and there was one incident where the Thais agreed to allow a certain category of refugees into a camp in northern Thailand to be interviewed for refugee status. So, the Immigration and Naturalization Service went in there and found a lot of them weren't eligible. They didn't meet the legal definition of refugee. The NGO community was up in arms because in their view they had put some of the best candidates forward early on and they had been rejected by INS. So we had to go through a process to see if they couldn't be reviewed. There was a natural tension between the NGOs on the one hand, who considered everyone in Thailand as a refugee and ought to be quartered in the United States and INS who had to interpret law which was rather strict on the definition of refugees having to have a well founded fear of persecution for a certain group of reasons. So, the bureaucratic friction and tension was one of the aspects that made my job lively and interesting.

Q: I got involved in that during my first job in the foreign service. I was with the refugee relief program in Germany. We worked jointly with the INS and the groups that fed the refugees and had the same battles. This was 1955-57.

WINDER: The same set of circumstances.

Q: *Did you have the feeling that there was a category of people who really weren't political refugees?*

WINDER: Oh, sure. A lot of them were purely economic migrants. They saw a chance for a better life outside of Cambodia or Vietnam and they wanted to come to the United States. So, they fled not because of persecution, race, religion or ethnic background, but because they were looking for a better life. A lot of them came out without reason and that was the tension because INS would say that some of these people were not legitimate refugees but economic migrants and the NGOs would say that most of them were refugees. So, it was a natural tension that existed in the bureaucratic environment.

Q: How did you resolve that? You still had the overriding pressure to get rid of these people.

WINDER: That's right and that was a problem because the Thais said the people who were rejected were not going to stay in Thailand and U.S. authorities said they were not going to come to the United States. So, in many cases we had third countries who would step in and take some of the people. Eventually, these people were to be repatriated, but, of course, that was not something that could be done at that time. I am not quite sure how it resolved itself over the past decade. Some of them may have flown home, some of them may have been provided asylum elsewhere and some of them may have even settled in Thailand, although I think the Thais were very anxious to not have much of that happen.

Q: Did you or your officers deal with the Vietnamese authorities re this orderly departure program?

WINDER: We had an ODP office in the embassy that dealt with Vietnamese authorities in

Vietnam. We had no diplomatic relations with Vietnam and I, of course, was prohibited from contact with the Vietnamese. I wanted to go and inspect our facilities in Saigon just so I would know what was going on over there and the Department would not let me do it because I was too senior and they didn't want to have a senior diplomat going there. But, the working level people, we had a counselor for refugee affairs, did talk to working level people in Saigon.

Q: And it seemed to be working?

WINDER: Yes, it worked pretty well. I don't think they ever got approval to have an office in Saigon. I think they just went in and out.

Q: Who was counselor for refugee affairs?

WINDER: Bruce Beardsley.

Q: Where is he now?

WINDER: I don't know where he went. Allen Jury was the head of the bilateral refugee office. The two of them were really very, very good.

Q: How about the DEA, Drug Enforcement Agency?

WINDER: DEA was a good office there. Again we had very good relations with DEA. Their people in the field, both in Chiang Mai and Songkhla, were in the front lines and obviously they had close ties with the Thai police. But, we didn't have any serious problems with them. We kept very close relations with the DEA. There tended to be friction in the field between DEA and the intelligence people about dealing with narcotics and evidence of continued trafficking or growing narcotics, but we coordinated it quite well I thought. We also had a program of coordination with our counterpart embassy in Rangoon where we would meet once a year, rotating between Bangkok and Rangoon, to share notes. Rangoon was the source of narcotics that went through Thailand. We worked closely with the Thai narcotic authorities providing them some funding for eradication programs. It was tough to make much of a dent because the flow was so enormous and there were refineries all over the place across the border in Burma. But, we had pretty good cooperation with the Thais even though obviously the Thais up on the border often had an interest in working with the narcotics people because they could bribe them. We always had accusations of that which we could never substantiate one way or the other. It was clear that stuff was going through Thailand that the authorities weren't catching. Every once in a while they would make a big haul. They really worked hard to try to keep the problem under control because they recognized the expansion in drug traffic with the huge amount of money involved could really undermine their entire democratic process.

Q: Did you get involved at all in the prisoner of war issue?

WINDER: We did indeed. We had an office there run by a colonel who was involved in

POW/MIA (prisoner of war/missing in action) search and rescue operations. I think they went to Vietnam from time to time, as I recall. It was a very professional group of military people. We stayed on top of what they were doing but weren't directly involved in it. They got guidance from the Defense Department. Again, we had occasionally NGO groups saying they were not doing enough, that there were live POWs over their and sightings and we ought to be doing something about it. We could never substantiate any of those claims, but our office pursued them and was very vigorous in attempting to provide a way to obtain remains from Vietnam and any evidence they could that there may be live prisoners.

Q: Now we are up to about 25 years or more and not a single substantiated case has come forward. But, it is a very live issue in the United States and political.

WINDER: Yes, it always was in our Vietnam policy. It was the single most important issue that delayed our recognition and normalization of relations with Vietnam because we didn't think they were cooperating enough on that. Eventually the level of cooperation reached the point where the administration and congress could agree that it was time to move forward.

Q: How did you find relations with Thailand?

WINDER: They were very good. We had good relations with Thailand all through World War II and a lot of those people were still in government. They had extremely close ties with our military and intelligence people. But, we on the civilian side were also able to interact well with the NSC, the military, the foreign ministry and the economic ministry as well. We had agreements with them during that period covering civil aviation, investment, trade, textiles, etc. We had a number of normal bilateral frictions but the Thais were very capable, very professional, excellent bureaucrats with excellent skills and we had a good time there. U.S.-Thai relations were very good throughout my entire time there.

My one sort of whimsical regret in Thailand was that when I was DCM there was no coup. There had been coups before I was DCM and coups after and I sort of felt cheated in a way. In one sense I thought it was a good thing that maybe we were over the era of the coups, but it turned out that we weren't. But, our relations with the Thais were very good and I was thankful for that.

Q: Did you get involved in the tobacco problem?

WINDER: I don't recall it. I don't think so in Bangkok. I know in one of my embassy experiences, and it may have been Japan, we had quite a bit of friction between the commercial section, which was pushing sales of tobacco to the country and the regional medical officer who was wondering why we were pushing those "coffin nails."

Q: When did you leave Bangkok?

WINDER: I left in 1989 having arrived there in 1986 in time to prepare for the visit of Nancy Reagan, the first lady at that time. The Thais treated her like royalty putting her up

in the royal palace. She gave a very respectable speech, quite frankly, on narcotics and the "just say no" message. She was quite an effective spokesperson for the anti-narcotic campaign.

I left in 1989 and came back to Washington and was assigned as the sort of deputy to the coordinator for refugees, a woman named Jewel La Fontant, a very gracious woman who had been a lawyer in Chicago and really a path breaker for African Americans. She came from a prominent Chicago family, but had quite a struggle getting a legal education and being accepted as a legitimate figure in law. She had done so and had worked in the attorney general's office in an earlier administration and now was a refugee coordinator for the U.S. government. Now that position was somewhat awkward in that the refugee bureau of the State Department pretty much ran the programs, and yet the refugee coordinator's office in theory was suppose to report to the White House, coordinate between the State Department and INS and OMB (Office of Management and Budget) in getting the money and all the agencies in the U.S. government that had an interest in refugee programs. But, we didn't have any operational responsibility and so it was a small staff to coordinate and without operational responsibility. The ability to coordinate really relied solely on the skills of the coordinator and the support that he or she would have from either the secretary of state or the president, if necessary. Jewel La Fontant was such a respected person that she was able to exercise a good deal of influence over both the State Department's program and more importantly, INS and OMB. Through her efforts we got INS more money than they had asked for. It was a good experience working with a woman of that skill and prestige. It was a small office and eventually was abolished. The congress, I think, had decided that there ought to be such an office but eventually they decided it really wasn't necessary.

Q: You were there how long?

WINDER: I was only there for one year. I was supposed to be there two years, but Ambassador Armacost in Japan asked me if I would come to be economic minister and I jumped at the opportunity because I had done economic work most of my career, Japan was the center of the Asian economy and U.S.-Japan economic relations were really one of the most important in our entire foreign relations. I thought it would be a wonderful way to cap my career and so took the job.

Q: And, you did that from when to when?

WINDER: I did that from 1990 to 1993. I that three years in Tokyo and enjoyed it very, very much. It was a good period in our relationship, although we had some frictions. We made the transition between the Bush and Clinton administrations which wasn't easy because the Clinton administration team came in saying that the Reagan and Bush teams were all wrong and they were going to do it their way. Changes were more style than substance. We had a lot of activity going on with Japan. A lot of interaction in a whole range of various trade issues primarily. I was sort of the ambassador's deputy on the economic side and viewed my position that way as did he and the DCM, Bill Breer. So, I was able to get out and about in the business community. I put a lot of time and effort in

cultivating the Japanese business community because I thought it was important that they knew Washington's perspective and conversely that Washington knew their perspective. I think I was reasonably effective in broadening our ties with that group.

There had been some friction between the economic and commercial section when I arrived and the commercial minister and I quickly sorted that out. We represented USTR's (U.S. Trade Representative) interest in Thailand, and I think very effectively. There had been some moves in USTR before I arrived and there was some notion that perhaps they ought to send a USTR official from their own office out there. I think they were satisfied with the way we handled their affairs. We worked with the Commerce Department. It was good. There was a lot of interagency coordination. A lot of working with the different Japanese ministries - MITI, telecommunications, fair trade, etc. It was very rewarding.

Q: Japan has the reputation of being an absolutely closed market, but it had been changing. How did you find the market when you went there and what were we doing?

WINDER: Japan is always difficult to assess in that regard. Looking at it closely, it looks like there are huge obstacles to market access. And looking at it through a longer time frame, there is change, but it is very slow and frustrating to people. By the time I had left, the conclusion I had come to was that the market for American products that were sold directly to consumers was relatively open. Clothing, toys, consumer goods of one kind or another, things that people bought that were recognizably foreign could get in the country. The big problem was with American products that companies bought as components for other operations. In the case of automobile parts, machine tools, things that companies bought as part of their investment program or for working capital, the traditional links between the purchasing agent on the one hand and the sellers on the other were extremely difficult to penetrate. That was true in a number of different sectors including automobiles, glass, paper, telecommunications, government procurement, etc. It was a source of great frustration to us to be unable to make more progress, quite frankly in breaking down those barriers. The business-to-business ties were long standing and very, very difficult to penetrate.

Q: What was the instrument that one dealt with on these ties?

WINDER: We had a number of mechanisms in dealing with the Japanese. In the '80s we tended to focus on sectors in particular and engaged in a lot of sectoral negotiations, whether it was construction or automobiles or pharmaceutical equipment. We took problems a sector at a time. In the late '80s the administration decided that the talks ought to be much broader. To look at structural impediments, there was something set up called the SII (structural impediments initiative). A process was established whereby on the Japanese side, the finance ministry, foreign ministry, and MITI all participated and on the U.S. side there was a broad range of people from State, Commerce, Treasury, USTR, etc. The hope was that it would bring some of the economic ministries in Japan into the process and perhaps put some pressure on them to make some of the necessary changes.

When I arrived the SII was in full swing and we actually made quite a bit of headway, I

think, in getting them to make some changes in some of their procedures. Unfortunately, dealing with the Japanese is to change one procedure but not another. So, it is sort of like peeling an onion where you never quite seem to get at the core, although you make a little headway. At the same time we were doing SII, we were still continuing an emphasis on sectors. A double whammy approach.

The Clinton administration didn't like the SII stuff and came up with a different process called the "framework." The "framework" was a process that looked at economic issues and structural issues at the same time. Of course, that is what the Republicans had done, too, but had just called it by a different name. The main difference was the Democrats thought they ought to focus more on results than on process, so if the Japanese agree to a specific result you would have more success. The Japanese said they were not going to do quotas and not going to agree to that. So, they were able to somehow fudge it over in such a way that the United States could call it results and the Japanese would say it isn't. The end result was the continued series of negotiations in sectors as well as more broad negotiations in the framework process.

Q: As economic minister, were you involved entirely in trade? There must have been a major portion that wasn't.

WINDER: That was my main area of interest. We had long standing financial ties between the Japanese finance ministry and the U.S. treasury department and those contacts stayed pretty much in their own framework. I chaired regularly a meeting with the financial attaché and the commercial minister and the agricultural attaché in an attempt to make sure that we all knew what each other was doing. I represented that group in the daily senior staff meetings that the ambassador held and I kept them informed about what was going on in the senior staff meetings. But, basically the Treasury and Finance Ministry talks had their own momentum. Even though I was economic minister, I was head of the State Department part of the embassy, so my job on the other areas, both agriculture and finance, and to some extent commerce, pretty much handled the trade promotion aspects of U.S. business interests. We, in the economic section, took care of the policy side whether it had to do with civil aviation, or trade. Civil aviation was a big deal. We had a lot civil aviation negotiations with the Japanese. Market access basically, trying to get more slots at the airport for our planes. We had a variety of different areas that we worked with. But, I think, the frictions were mainly in the trade area.

Q: Was there any disquiet when we were looking at the Japanese situation about investment, borrowing type of organizations which not too long thereafter caused real problems?

WINDER: I am not sure what you mean.

Q: Weren't there too many loans or too much money on real estate?

WINDER: We were concerned about the Japanese economy, that is true. The real estate bubble burst while I was there. The time I arrived in Japan was interesting. At the time in

early 1990s, Japan was king of the hill. Books were out saying that the United States was never able to keep up with Japan and had sort of turned everything over to them. They are eating our lunch everywhere all across the board and it is all our fault. And, we shouldn't let it continue. By the time I left, the Japanese economy was in the doldrums and no body was talking anymore about poor American manufacturing and good Japanese manufacturing. The American manufacturing sector had reinvented itself. It had re-structured, downsized, focused on core competence and focused on the kinds of things it needed to do and was again very competitive. The Japanese industry was just entering that period and they still haven't worked their way through it. So, when I arrived, if anyone had said the Japanese were going to have negative growth, you would have been laughed out of the room. And, now, if you think you are going to have positive growth of one percent you are laughed out of the room. It is an amazing turn around.

Q: We have to stop now. In 1993 where did you go?

WINDER: Back to the Department and took over the office of economic affairs in INR (Intelligence and Research). We primarily kept the secretary, who INR was writing for, abreast of economic issues. We also worked very closely with the under secretary for economic affairs and the assistant secretary trying to provide them memoranda, sort of separate insights on different areas of expertise that we had, in my case strictly Japan, but also China. I think we provided them a sort of an additional source of staff support.

Q: Then you retired?

WINDER: Yes.

Q: Well, thank you very much.

WINDER: You are welcome.

End of interview