HONG KONG

READER
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CECIL B. LYON
Vice Consul
Hong Kong (1932-1933)

Cecil B. Lyon was born in New York in 1903. He graduated from Harvard University in 1927. He joined the Foreign Service in 1930, serving in Cuba, Hong Kong, Japan, China, Chile, Egypt, Poland, Germany, France, and Ceylon. Mr. Lyon was interviewed in 1988 by John Bovey.

Q: Now what about Hong Kong? Can you describe your duties in Hong Kong as a Vice Consul? It must have been very special.

LYON: I loved Hong Kong. Before going to Hong Kong, of course, I went back to the Department where they had what they called a training course for the junior Foreign Service Officers. It was run by Mr. Homer Byington, who was head of Personnel. And there was a wonderful lady there called Cornelia Bassell who was like the mother hen with all the little chicks. She would tell the wives of the young innocent Foreign Service Officers what they should do, how they should comport themselves, and we all adored her. And then as we went out to posts we used to correspond with her and, like a Mother Superior, she kept taking care of us. When the final day came at that school to announce where we were all going, it was announced that I was to go as Vice

Consul at Hong Kong; I have to confess that I was so ignorant: I knew that Hong Kong was somewhere in the Far East but I wasn't at all sure where. I went and looked it up on the map.

It was a very, very happy two years in Hong Kong. I was Vice Consul, which Norman Armour described as the lowest moving form of diplomatic life. I had shipping problems to handle and then later visa problems--immigration. That was a rather trying thing because it was very disillusioning. So many of these Chinese who had waited years and years for a visa to go to the United States would then be given a medical examination and very frequently it would be discovered that they had trachoma. You're not allowed to come to the United States with trachoma; its forbidden under the Immigration Act, and they'd be turned down which made for a great deal of misery.

I had a Chinese boy (we all had "boys", in other words servants, and they were very attentive, they took care of you very well and I had one that was very good). One day he came in and he said his eyes itched terribly. And I said, "Oh, you must see a doctor right away" because I was scared he might have trachoma. Sure enough, he did, and that scared the living daylights out of me because I thought he would be touching things and then I'd touch them, and I'd get the darn thing. I said, "You'd better go to the hospital right away." He said he'd get Flena to work for me, and I said, "Yes, but where will 'Flena' live because you have one room with your wife, the amah." He said, "Oh, I get 'Flena'. He move in with amah." And 'Flena' apparently moved in and it worked perfectly all right. Then after he got cured, my eyes started to itch and so I went to see this fellow--Dr. Chen I think was his name--who would tell us that these people had trachoma. I went to him and he said, "Oh, yes, you have trachoma." And I heaved a sign because you can go blind with it. He said he could fix it, though. So he put some silver nitrate in my eyes, and I thought that he was playing a dirty trick on me because it just felt like fire. My eyes hurt so, I couldn't see, I gushed tears but eventually my eyes turned out to be all right, and he said I was cured. I came home a few years later and went to my own doctor, and he looked at my eyes and said, "You couldn't possibly have had trachoma. It would have left scar tissues and you have none." I think the Chinese doctor was just getting even with me because we had to turn down so many people who had trachoma.

What else? You asked me about the work in Hong Kong.

Q: Yes. I mean it was such a special place, the British tone of things and relations with the Chinese and so on. Your consular work must have been rather different from work in other posts.

LYON: I'm sure it was, and as you say, its a very special place and it was a wonderful place for a young man, particularly one who liked golf and riding and tennis. I felt I was being very Edwardian. Of course, there were very sad things about it. You know its the second most beautiful harbor in the world, I guess Sydney is considered...or Rio. Sydney and Rio and Hong Kong are three of the most beautiful harbors in the world.

Q: And Hong Kong has the world's hairiest airport, I'm told.

LYON: ...it is. Kai Tak, I think its called. But the sad part about it is that after you get out of the quarter where the British lived--they mostly lived up on The Peak--which was a mountain rising on the island--and you walk into the Chinese part of the town, things were very different. There used to be people who lived on sampans; they were equivalent of shacks on the water. When a big ocean liner would come in the women would paddle out and as garbage was thrown overboard they'd scoop it up and they lived on that, which upset you a bit. One of these women, I remember distinctly, got put in prison for something she'd done and she was in prison about a week and gained about 15 pounds because the prison food was so much better than the food she was used to eating. So that was an unpleasant side of it.

One amusing feature about it was that if you lived on the mainland--the New Territories they called it--and you were going to dinner on The Peak where the Taipans, the British business leaders lived--you had to take five modes of transportation. You'd take a little car or a taxi to the ferry, you'd take the ferry across the harbor, you'd get into a rickshaw to be taken to the tram which climbed up the side of The Peak, and at the top of The Peak you'd get out and be carried in a sedan chair. I've never known anywhere in the world where they had so many means of transportation to go out for one evening.

Q: Was there an influx of people coming from the Mainland?

LYON: You mean the refugees from the Mainland? No, that was much later; we had no refugee problems when I was there. Of course, as you know, since I've retired I've been involved with refugees, in my work with the International Rescue Committee, and so I had to go back to Hong Kong any number of times. It is still a fascinating place. Of course, the British would say it was the Crown Colony par excellence, with a Governor General, and they had the usual pomp and ceremony when members of royalty came. There were a lot of tourists coming through; a number of friends turned up. One incident I recall. There was a man on a world cruise, who died just before getting to Hong Kong and his wife had him cremated. And it was his wish that his ashes should be tossed on the Seven Seas. Well, when the boat set forth from Hong Kong to go to Manila she got up on the deck to scatter the ashes in the Seven Seas but she couldn't bear to open the little box so she threw the box containing his ashes over instead of just the ashes. And to my horror, one day a man came from Customs and said this little box had floated back to Hong Kong, and what would I do with it? Well, of course, I couldn't tell her so I had it buried in the local cemetery. I didn't carry out his wishes completely.

I'd like to tell you a little about my transfer from Hong Kong; that played an important part in my life.

MERRITT N. COOTES
Consular Officer
Hong Kong (1933-1937)

Merritt N. Cootes was born in Virginia in 1909. Educated in France and Austria as well as at Princeton University. Mr. Cootes joined the Foreign Service in 1931 and served in the Haiti, Hong Kong, Italy, Portugal, the Soviet Union, Pakistan, Algeria, and Washington, DC. He retired in 1969. He was interviewed by Lillian Mullins in 1991-93.

COOTES: In the State Department, yes. In the building itself. We were there all day, beginning at 9:00 AM. Some of us finished early and were able to go to the ball game, while others stayed there and finished our work.

After this training course, I was assigned to Hong Kong. I remember vividly at that point going to the single transportation officer in the State Department. I think we now have a transportation section--I don't know how many people are employed there. But this was the single transportation officer. When I told him that I was going to Hong Kong, he looked up the schedule and said that if I left San Francisco on August 1, when a ship was scheduled to leave for that port, I would get to Hong Kong 28 days later. I thought, "Spend 28 days of my young life on a ship? I can't do that." But I did and served three years in the Consulate General in Hong Kong.

Q: *The State Department paid your transportation costs?*

COOTES: Oh, yes. They paid my transportation expenses back from Haiti to the State Department and then from the State Department to Hong Kong.

Q: *And when you got your salary, did you also get a housing allowance, or did that come out of your salary?*

COOTES: No, we did have a very modest housing allowance. But I remember that when I was in the course in the State Department, we would go down every two weeks and be paid in cash. The entering salary, when we were all commissioned as Vice Consuls and Third Secretaries, was $2,500 a year. But, shortly after I entered the service, President Hoover decreed a moratorium on salaries. All officers receiving salaries were required to take one month's leave without pay. The Accounting Office said that they weren't going to take one month at the end of the year. They were going to deduct a portion from our salaries as we went along. So when I first entered the Foreign Service, I was earning the magnificent sum of $2,500 a year, minus the eight percent that was deducted to cover a month without pay.

Q: *Of course, you didn't have to pay any income tax on that.*

COOTES: Oh, yes, we did. The income tax had hit us already. The income tax amendment to the Constitution was ratified in 1913. So we paid--well, it wasn't very much, obviously. So here I was in Hong Kong. I served there under Douglas Jenkins, the first of my Consuls General. He was a very respected member of the Foreign Service. He had had duty in China and then was

assigned to Hong Kong. Then he was transferred and Charles L. Hoover replaced him. He always claimed that he was responsible for the instruction from the Department saying that all officers would type their names under their signatures on letters and despatches because Mr. Hoover once got a letter back, in reply to one of his letters, addressed to "Elias P. Hoona." So the Department ordered that officers would type their names under their signatures.

Q: *So all despatches were sent on paper?*

COOTES: Oh, yes, because at that time there was no air service from Hong Kong, and cables were frightfully expensive. There was no telephone. A ship left every week, and it took 21 days from Hong Kong to San Francisco. So the mails were pretty slow. But all of our despatches went by mail--or pouch, rather. There were no couriers from the Consulate. We did have sealed bags that were dispatched. But all of the reports from the field were signed by, usually, the Consul General, unless it was something in the order of routine, administrative work. Then it could be signed by one of the Consuls.

Q: *But they were all typed?*

COOTES: Oh, Good Lord, yes.

Q: *They weren't written by hand?*

COOTES: No. Handwritten reports went out--I forget when. At one time I had to clear out the archives of the Consulate General in Hong Kong, and that involved a lot of handwritten correspondence, especially when the Consul General was the purchasing agent for Admiral Dewey, whose fleet was in the Philippines. At one point the Department instructed us to send back all of the despatches from before 1912. So I had to go through these reports and package them up. I found some perfectly fascinating things that were sent back. I don't know what happened to them, but...

Q: *If we could back up just a little bit. When you were in the Foreign Service School in Washington, were there any women in that class of 30? I think there were one or two women in the Foreign Service at that time.*

COOTES: Not at the time when I was there. That came later. I recall that a Ms. Wilkowski was one of the first women in the Foreign Service. When I entered the Foreign Service, there were no women then serving.

Q: *The first woman entered the Service in 1924, as I recall. I used to give a speech on that subject. [Laughter] I forget the details. But she was not in the Foreign Service when you came in. She married and left the Service before then--about 1932. I just wondered whether there were any other women...*

COOTES: There were no women in my class.

Q: *So when you went to Hong Kong, what was the makeup of the staff? There was the Consul General and how many others?*

COOTES: There was the Consul General, there was a Consul, and there were three Vice Consuls.

Q: *And these were all men, of course?*

COOTES: All men, yes.

Q: *And how about...*

COOTES: The local staff? I remember that the very dignified Consul General Jenkins called me in on a Friday and said, "On Monday I'll assign you to the shipping desk. You will be in the outer office there, where there are 10 Chinese employees. I have had to ask them not to smoke. I don't know what your smoking habits are, Mr. Cootes, but I hope that you will be able to conform." Well, he was such a wonderful, dignified person that there was no question in my mind. I never touched a cigarette in the office. Throughout my career that practice continued. I never smoked in the office. So there were no dirty ashtrays on my desk.

Q: *Did we have any American staff--or was it all local staff?*

COOTES: In Hong Kong?

Q: *Yes.*

COOTES: Well, as I've told you, there was the Consul General, a Consul, and three Vice Consuls.

Q: *I mean, beside the officers, were there any staff personnel?*

COOTES: Yes, we had two young American women--the secretary of the Consul General and one other secretary to handle the correspondence of the Consul and the three Vice Consuls. The routine work of the Shipping Desk, where I served, was handled by the Chinese members of the staff.

Q: *So the Chinese members also did what we could call the admin work?*

COOTES: Oh, yes.

Q: *And they all spoke English?*

COOTES: Yes, very well. I began to study Chinese. I thought it was ridiculous to go to a country without knowing something about it. So I started studying and eventually reached the point where I could read 700 characters. But I then realized that you had to be able to read 1,100 characters to read a newspaper easily. By that time I knew that no matter how long I studied

Chinese, the people in Hong Kong were going to speak better English than I could speak Chinese, so I gave it up. Also, of course, among the Chinese in Hong Kong there were many dialects: Fukkianese, Cantonese, Swatow...

Q: *And Mandarin?*

COOTES: Yes. The educated people spoke Mandarin, in addition to the local dialects. I decided that I would never be that fluent in Chinese, so I gave it up.

Q: *Tell us what was the major function of the Consulate General.*

COOTES: As I said, my first job at the Consulate General was on the Shipping Desk. The Shipping Desk was a lot more important in those days because, by law, the captain of an American vessel putting into a port had to come to the Consulate and deposit the ship's papers. Prior to sailing, he'd come to the Consulate again and pick up his papers. If any member of the crew had to be signed off, it had to be done before the Consul. If a new crew member was signed on, it also had to be done before the Consul. On the Shipping Desk the Vice Consul had enough authority to do this. The big ships of the Dollar Line were the PRESIDENT COOLIDGE and the PRESIDENT HOOVER. The Dollar Line had a staff of 106 personnel. Naturally, the Dollar Line signed on Chinese mess boys and others in Hong Kong. So, I would go on board the ship, and these people would be signed on in my presence. Then I would certify that I had signed them on. A large number of the cabin and diningroom personnel on these ships--but also including some of the crew in the engine room and so forth--were Chinese from Hong Kong.

Another function of the Shipping Desk was the signing of Consular Invoices. In those days any goods imported into the United States had to be covered by a Consular Invoice. Hong Kong was a great port for exporting foodstuffs to the United States.

Q: *What kind of foodstuffs?*

COOTES: Vegetables, fruits...

Q: *Fruits?*

COOTES: That would stand 21 days at sea. And then, of course, dried fruits and rice. Of course, a lot of the rice came from Indochina, but much of it came from the area in South China near Hong Kong. I remember that on one of my first days on the Shipping Desk they brought me an invoice that was 100 pages long, with the details of what was included in that shipment, because Hong Kong was a big port for export to the United States. So shipping and signing on the crewmen and consular invoices were the major portion of that particular vice consul's job.

The number two man in the Consulate General, the Consul, usually was the economic officer. He did most of the economic reporting, and one of the vice consul's did whatever political reporting was required, under the supervision of the Consul General.

After I'd been there for a while, in 1935 the Commonwealth of the Philippines was scheduled to be established. The U. S. Government sent over a delegation composed of the Speaker of the House of Representatives and the Vice President, John Nance Garner. This delegation of 16 from Congress came over to Hong Kong. In those days the Dollar Line used to stay over in Hong Kong for two days, ostensibly to favor the tourists who could go up to Canton or other places in China. Actually, the reason the ships stayed there was that they could get all of their maintenance work done with cheap Chinese labor in local shipyards. We had this delegation on our necks for two days. It was quite a job, entertaining them. Of course, we had very limited funds--I think the Consul General had the large sum of $300 per year for entertainment. You can imagine how far that would go with a Congressional delegation. Of course, we had to have a reception to which the Governor, the senior military commander, the various Consuls and Consuls General, and important shipping people were invited. I remember that one of my sailing pals, a man who later became the head of Jardine Matheson, one of the big shipping firms on the China coast, attended the reception for our delegation.

The Commonwealth of the Philippines had just been inaugurated, and it was given an immigration quota, covering Filipinos who wished to emigrate to the United States. Well, in those days the Oriental Exclusion Act was still in effect, and the quota for the whole of China was 100. That was the minimum quota granted to any country. It had been decided that the Philippine quota would be 50. But we needed a vice consul down in Manila to administer this immigration. The first man who held this position was Henry Day, who had been Vice Consul in Hong Kong with me. They sent him down to Manila from Hong Kong. As he was a very energetic officer, he added political reporting to his immigration duties, which previously had only been done through the Governor General's office or through the military. He wanted to take some leave, so he asked if I would come down to Manila. Well, I was coming down anyhow--my mother was going to visit there. So I was assigned to the Philippine Islands for one month, while Henry Day went off on leave.

I was just about to go back to Hong Kong when a cable came in on January 1, 1936. I said to Henry, "Oh, you can decode this thing tomorrow. Don't bother about it today." Henry said, "No, I think we'd better go down there right now." It's a good thing that we did, because the telegram covered my transfer to Saigon, to fill in for the Consul, Quincy Roberts, who had not been back to the U.S. for 17 years! In those days, if you took home leave, you paid your own way back to the U.S. and then to your post. Roberts decided that, rather than pay his way home from his previous posts in Fiji or Indonesia, he'd stay where he was. So he hadn't been home for 17 years. He wrote to the Department and asked that somebody be assigned to replace him. He received no answer and, three months later, he sent a telegram. That was unheard of in those days. So the answer was a telegram to me in Manila, ordering me to Saigon to take over while the Consul went on home leave. Finally, his home leave was paid, as a special consideration. So I spent seven months in Saigon. It was a one-man post. There were such posts in those days--they don't any more, as we all know.

JOSEPH A. YAGER
Consul

Hong Kong (1950-1951)

Mr. Yager was born in Indiana and raised in Ohio. After earning a degree at the University of Michigan, he joined the US Army, where he served in China until joining the State Department in 1946. Mr. Yager became one of the Department's China specialists, serving in Canton, Hong Kong (Peiping) and Taipai, as well as Washington, where he continued to be involved in Chinese economic and political matters. Mr. Yager was interviewed by Charles Stuart Kennedy in 1999.

Q: Did the fact that our people in China... Did you have anything to do with our "stay behind" policy, where we had Angus Ward and Harbin in Mukden and there were people in Shanghai and all trying to maintain our consulates there? How was that viewed?

YAGER: I viewed it as derailing recognition. A book on Acheson which came out recently makes clear that Acheson wanted to recognize... But this mistreatment and the troubles of the consulate in Shanghai were taken seriously and were a pretty black mark on this record of the communists. If they wanted to get along with us, that was not the way to behave. I took a second advantage of the exchange program in 1950-1951. I thought at that time (I think that was really after the Ward problem.) that recognition was coming and that after I got myself set up in Hong Kong, I could then get transferred to Peking, as we then called it (We had to call it Peiping in writing, but we always said "Peking."). I had an interesting tour working on China. I thought recognition was coming.

Q: This, of course, was before the Korean War?

YAGER: Yes. When I got there, the Korean War had just started.

Q: June 25, 1950.

YAGER: My family and I arrived in Hong Kong sometime in the summer of 1950, so it wasn't very long after the war had started. My family was evacuated at the turn of the year when the Chinese had come in. If I had been back in my job in Washington and had been asked whether the Chinese would intervene, I would have come up with the wrong answer. I would have said, "No, they just won a very difficult war. They haven't consolidated their power in all parts of China. Their military must be in pretty bad shape. They are just not going to take on the United States," but they did. How wrong can you be?

Q: You were in Hong Kong this next time from when to when?

YAGER: The summer of 1950 to the summer of 1951. It was roughly a year. Maybe I bring bad luck, but this post was in not very good shape either. When I arrived there, Carl Rankin, an excellent man, had been the consul general, but he had just been made ambassador in Taipei. His number two, a strange man named James R. Wilkinson, was in charge but was beyond his depth. He was told that Walter McConaughy, the consul general in Shanghai, was going to be consul general lin Hong Kong. There was very little difference in rank between the two. McConaughy was a lot younger than Wilkinson. Wilkinson felt, "Well, I came out

here to work for Carl Rankin, a very senior man, and here I'm supposed to work for this young guy, McConaughy." He was churning around unhappily about that while a great scandal was unfolding in the consulate. It was a mixture of homosexuality, which in those days was grounds for dismissal, and visa and passport fraud.

Q: The pressures there were just a mess.

YAGER: Oh, it was a terrible mess. A special inspector, Julian Harrington, come out to deal with this scandal. Garity from SY also came out to prepare the case against Vice Consul John Williams, who was charged with visa fraud.
Harrington, expanding his mandate a bit, thought he could settle the Wilkinson problem. He got Wilkinson made an inspector in charge of the Consular Section. That was the solution. Because Wilkinson was backing out of his assigned job, I was made the acting number two. In those days, the number two in a consulate was called executive officer, a term we got from the Navy. So, I had eight months under quite a good boss, Walter McConaughy. I was way beyond my age and grade. I was in my mid-30s and here I was the number two in a big consulate general. I learned a lot. I had large general responsibilities. I reviewed everything that went out. I got into a lot of contacts. I had Macao as my personal sideline. Except for when my family moved out from under me, I was happy.

Q: Walter McConaughy was a major figure in Far Eastern affairs. He also was in Pakistan, too, wasn't he? He was a major figure in this period and beyond that. How did he operate and what was his view towards China at the time?

YAGER: He was the classic FSO, very capable, very organized, very much "What is United States policy? I'll carry it out." I don't think that he had any doubts about our policy. By that time, the Korean War had caused us to shift back to supporting the Chinese nationalists when we were had been in the process of dumping them. We just turned on a dime and went back to supporting them. He liked that. He wanted to run a good shop and he did. I learned a lot from him on how to do things. I wouldn't say that Walter was a deep thinker. That didn't mean he doesn't have deep thoughts, but he was more of a superb manager. He did that very, very well. So, I viewed him very favorably.

Q: I am an old consular hand and I know that visa and passport problems in Hong Kong were endemic. Did you get involved in this at all?

YAGER: I had to be aware of them because the tail end of the investigation was still going on. Vice Consul John Williams was still in Hong Kong, although he had been told not to come to work. I don't think I ever met him. This was his first post, strangely enough. Lindsey Grant, an excellent junior officer, had had some hand in uncovering the fraud. He had been in the Consular Section. I learned quite a bit from him and Magarity told me a lot more. It was a nasty mess.

Q: Was it money or sex?

YAGER: For Williams, it was mostly money, but not entirely. His first official act as a vice

consul of the United States was to issue a visa for which he received $50. So, the idea that this boy from the Carolinas was corrupted by the evil Orient just was not so. He was a corrupt fellow when he arrived, ready to get any money he could. Of course, he raised his prices. His main Chinese accomplice was named Humi Chu. There was another one whose name was, of all things, Peter Pan.

Q: Was the Hong Kong consulate at that period running a big intelligence operation in its classic sense (not espionage), but gathering intelligence about China?

YAGER: It was the listening post. There was a lot of information and misinformation available in Hong Kong. It was just a big gossip center. I remember that the Political Section and the CIA jointly had a source that they thought was really something. He really got the goods. But then they finally decided that he was making it all up. One fellow who worked on the case, said, "I wish we could hire that guy. He's so good. We could use him as an analyst." But he had been making it up just having general knowledge of what was going on.

Q: Obviously, you had been spending quite a bit of time prior to this analyzing what was going on in China? Were you seeing the corruption of power that was taking place in China as far as Mao Zedong and his crazy ideas which were going to destroy millions of people later on in his own country?

YAGER: You're right, it was later on. I think in the 1950-1951 period, we were concerned about what China was going to do about the Korean War. I think they were doing pretty well, all things considered. They didn't have any image of kookiness at all and I don't think that the corruption was coming out yet. It looked like a pretty efficient communist machine.

Q: Also, I would think it would be almost impossible to avoid the contrast to the corruption and the disorganization and personality problems of Chiang Kai-shek and the Kuomintang, as compared to how in its very earliest days the Chinese communists were dealing with China.

YAGER: In Hong Kong, we weren't really looking at Taiwan. If we had been, I think that we would have seen a somewhat different picture. I saw it later. I was assigned there in 1957-1961. I think we would have seen it already in 1950-1951. Some very good people didn't stay in the mainland. There was a basis for doing much better there than was done on the mainland. Indeed, that was what happened. You might say it was a matter of scale. They had good people concentrating on a small area, rather than a mix of people trying to deal with a huge empire.

Q: Were we looking at the Soviet communist-Chinese connection at that time?

YAGER: Yes.

Q: Was it still a lips and teeth relationship or were we seeing problems?

YAGER: Well, I think back in Washington in the research area, we were seeing problems.

The problems didn't get really acute until the very late 1950s. 1960 was probably the point of the big break when the Soviets pulled back all their advisors and stopped their projects. Even then, there were some people who said, "They're just putting on a big act." That position, however, became less and less credible.

Q: There were true believers on both sides.

YAGER: Yes. I think the people who were seeing what was going on were the ones that were right. It really was going on. There really was a split. That didn't mean that Mao was no longer a communist. It didn't mean that suddenly they were our friends. They weren't.

Q: What was the feeling in Hong Kong in this 1950-1951 period that you were there about a move on Hong Kong by the communists?

YAGER: We were quite wrong abut that. That is why the dependents were evacuated. We had various intelligence that seemed to indicate that an attack was coming. It turned out to be wrong. But the CIA station chief at the time, a man named Schultheis, was convinced that it was coming. He was very alarmist. He said, "This time, it won't be Stanley. It will be Belsen." Stanley was Stanley Peninsula, where the Japanese had interned the foreigners. That was pretty bad. They had nearly starved them to death. Of course, Belsen was one of the death camps of the Germans.

Q: How about your dealings with the British when you were there?

YAGER: They were pretty good, particularly at senior levels. Our evacuation caused a lot of resentment in the British community, but the senior levels were quite understanding. I remember, the police chief, a Scot, as many officers were... You recall how Boswell went on about the beautiful prospects of the Scottish highlands and Johnson said, "The best prospect a Scotsman ever saw was the high road to England." The Scots did make a good thing of the empire. The police chief called on McConaughy and McConaughy, as he often did, had me sit in. The police chief said that we shouldn't take the criticism so seriously. He said, "I would like to quote the words that are on the arch at the entrance to my little college in Scotland. It says, 'They say what they say. Let them say.'" That was typical of the senior British attitude. They realized the position we were in, that we had this intelligence, and we had our dependents there... The governor's wife was American. The political advisor was a very sophisticated man. I saw a fair amount of him. I dealt with the police at all levels, including the chief. So, I would say we actually got on pretty well. The British down the line by the hundreds or thousands thought we were just giving up the game.

Q: Of course, we were also suffering from what had happened in Mukden and in Shanghai. That was within a year before.

YAGER: McConaughy had been consul general in Shanghai.

Q: We had seen what had happened before. People got out alive, but it wasn't a very pleasant experience.

YAGER: There is a saying that all evacuations are too early or too late.

Q: Yes, absolutely.

YAGER: When World War II started, the American consul general, whose name I can't recall, came back from leave in the United States. He told everybody, "We are about to make a deal with the Japanese. There is not going to be a war." There were even Americans on ships in the harbor who were leaving who got off the ships and stayed and then were caught. There was a memory of that and there was a memory of how the Japanese had treated foreigners, very, very badly. The communists were not known for their merciful behavior with anybody. So, I think McConaughy felt it was his duty to save these dependents. He knew that it might not happen, but there was enough reason to think it might.

Q: By the way, at the consulate general in Hong Kong in this 1950-1951 period, had there developed a rather sophisticated apparatus that was eventually at our consulates general translating papers, analyzing, interviewing, and all. Had that started?

YAGER: It had very definitely started. We had some very good political officers and we had some very good Chinese employees. We were translating things and we were interviewing people, and we were reaching out, trying to make contacts. I don't know to what extent the CIA station was sending agents into China, but I suspect they were. I wasn't privy to that.

Q: You just mentioned the CIA. During this early period, the CIA was just getting started, taking over...

YAGER: Well, they were formed in 1947, so they were pretty much of an organization there. I mentioned the station chief, Fred Schultheis. I am pretty sure that he came from a missionary background. He was an old China hand and spoke Chinese. He had some good people under him and we had some good political people. The economic side was not quite as strong. This gave me a little bit of an opening as an economist. I thought the CIA was quite respectable. There was a little bit of tension with them because they weren't too candid with the consul general, as they were supposed to be, and they sometimes would not let us know things that they had reported that there was no reason why they couldn't have informed us at the time they sent the report in, but they were not very good about that. But the personal relations with the station were quite good. We socialized some. When you came in the main door to the consul general, you would encounter his office, his secretary, his deputy, his secretary. Then you would get the economic section and the political section and after that, the CIA station. They were all in one big, open suite. We got along well with them personally.

Q: I thought this might be a good place to stop, when you left Hong Kong in 1951. We'll pick it up at that point when you came back to Washington. We were just talking about the CIA. During this next phase, I would like to examine the outlook of the CIA vis a vis the Department of State and their research towards China.

YAGER: I think you're raising a good question and one that I am very happy to talk about. It was very much on my mind after I got back to Washington. I had an ambivalent view towards CIA. I had friends there and they were competent. I liked dealing with them, but I felt that State Department intelligence was losing ground more than we should have to the CIA.

Q: Let's talk about that.

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Today is December 6, 1999. We want to go back to Hong Kong. You wanted to expand a bit. You were talking about Macao.

YAGER: I don't think that I said enough about my main contact in Macao, who was a gentleman named Pedro Jose Lobo, usually referred to as "P.J." Lobo. His official title was director of economic services. Actually, he was in charge of practically everything going on in Macao, particularly anything illegal. He lived in a house that was known as Villa Verde or Green House. Back of this house were six small green houses, in which his children resided when they were in Macao. There was also a radio tower there and a broadcasting studio. He broadcast mostly music that he claimed to have composed himself. He once told me how he composed the music. He would pick out a tune on the piano and the he would say to a musician whom he had hired, "Now orchestrate that." The musician would do it, and it would appear shortly over his radio station. Of course, I wasn't interested in that aspect of his activity, but in the illegal trade with communist China.

My routine when I went to Macao was to call him at his office and he would always invite me to lunch, which I would accept. Lunch began as a ceremonial affair. Lobo sat at the end of a very long table, and his three main henchmen, all Chinese, sat near him at that end of the table. I was given a seat also at that end of the table. His relatives in residence would come in one by one, hug and kiss him, and then take seats at the far end of the table. We would have discussions of various things, always in English for my benefit. Some of the discussions were designed to mislead me or even to frighten me. I remember on one occasion his intelligence chief said, "There is someone coming to Macao who is a very bad intelligence man and he is going to get into trouble." That, of course, was me. After lunch, I would say to Mr. Lobo, "On this visit, I would like to go here, there, and somewhere else." In some cases, he would give me an English-speaking assistant to go with me and a car. So, this was very good. I was being given facilities by the main culprit that I was investigating.

On one visit, I told Lobo that I wanted to check out a report of illicit POL dumps on Green Island. Driving around with Lobo's man, I confirmed the report. Emboldened, I next went to the office of an oil wholesaler. Using my status as a U.S. consul, I copied records of oil shipments to China. I then boarded a river boat and bluffed my way into copying its manifest. Armed with my material, I returned and told Lobo what I had learned. He threw up his hands and said, "I am helpless before the corruption of the harbor police."

Q: You were mentioning your relationship with another gentleman in Hong Kong.

YAGER: Right. Before I went to Hong Kong, I had been following Communist China in the research part of the State Department. I had acquired an interest in Chang Kuo-Tao, who was a member of the Politburo. He had a quarrel with Mao Zedong, broke with him, and fled because he knew Mao in one way or another would bring charges against him and he would probably be executed. One of the things that I hoped to do in Hong Kong was to find Chang, who supposedly lived there. The consulate general had made some effort in this direction but had not been successful.

I had a piece of luck. Bob North, a friend of mine on the faculty of Stanford University, came through Hong Kong from a meeting in India. I told him of my interest in Chang. He said, "Oh, I know how to get to him. I have a contact here that knows where he lives. I will tell this contact that you want to meet Mr. Chang." Bob left. Several weeks later, there was a knock at my apartment door and a gentleman introduced himself as "Wang Ju-chin." He said, "Mr. K.T. Chang would like to meet you." K.T. Chang? I realized that was Chang Kuo-Tao. So, I very readily accepted that invitation. That led to a serious of interviews in Chang's apartment. I of course reported these interviews to the Department. The Department responded with questions for me to pursue. It became quite an exercise, a good way to learn more about the history of the Chinese Communist Party. I remember particularly one inquiry from the Department, "Ask Chang what happened to the 26 young bolsheviks." Well, these were well-known to students of the history of the Party as a group that went to the Soviet Union for training and then returned to China to help the Chinese communists in their efforts to gain control over China.

Q: When was this, in the 1930s?

YAGER: I can't put a date on it now. I could have at the time I was interviewing Chang. In any case, I posed this question. He said, "Let me think about it. I'll also ask my wife." I knew that his wife had also been a communist activist. About a week later, he came back with answers concerning all but two of the young bolsheviks. This group did not fare very well. Some were expelled from the Party. Some were caught by the Kuomintang and executed. None rose to high positions in the Party. All in all, it was a very unsuccessful effort on the part of the Soviet Union.

Q: We were working both to get obviously current information, but also to build up our background, to understand where these people were coming from.

YAGER: Yes. That was part of the problem. I remember asking Chang, "To what extent were discussions in the Politburo framed in ideological terms?" His answer was, "Not at all." They were always in practical terms: What is the problem, what are our alternatives, what are the advantages and disadvantages of each? It actually sounded like an approach that Americans might take. This rather undercut the idea that the policies of the Chinese Communist Party were strongly influenced by ideology.

Q: What was the reading you were getting from him as far as what was driving Mao Zedong? In the first place, there is ideology or how he thought about things. The other side

was, was personal power and personal influence the driving force?

YAGER: That is a good question. He, of course, hated Mao Zedong. As best as I recall, he thought Mao was a self-centered seeker of power and was very ruthless in that search. Of course, somewhere in the Archives, there may be the reports that I wrote, which would be better than my memory so long after the event. I believe, however, that what I have said is generally accurate.

Q: How about Zhou En-lai?

YAGER: We must have discussed Zhou En-lai, but I don't remember what Chang said about him.

Q: You left Hong Kong when?

YAGER: I think it must have been July of 1951.

EDWARD C. INGRAHAM
Consular Officer
Hong Kong (1950-1951)

Edward C. Ingraham was born in New York state in 1922. He received his undergraduate degree from Dartmouth College in 1942 and subsequently joined the war effort and served in the U.S. Army overseas between 1943-45. He entered the Foreign Service in 1947. In addition to Islamabad, his posts included Cochabamba, La Paz, Hong Kong, Perth, Madras, Djakarta, and Rangoon. He was interview on April 8, 1991 by Charles Stuart Kennedy.

Q: *Moving on, you were transferred to Hong Kong in 1950.*

INGRAHAM: Yes, 1950 to Hong Kong. In those days--I wonder if you can still do it?--you were able to specify three choices for your next post.

Q: *We used to call it our April Fools report.*

INGRAHAM: Well, everybody would normally put down London, Paris and Rome. To get your choice you would have to put down posts no one else would list. After seeing Bolivia, I had had enough of South America so I thought, "Where can one go?" and put down Sri Lanka, Hong Kong and one other far-off post. Lo and behold they sent me to Hong Kong. When we got off the plane in Hong Kong, within ten minutes I was saying, "Well, this is certainly better than South America."

Q: *What were you doing in Hong Kong?*

INGRAHAM: That was a weird one. This was 1950 and the Korean War had just broken out. The Chinese Communists had taken over the Mainland and the children of Chinese-Americans and thousands and thousands of Chinese who had bought slots as the false children of Chinese-Americans were trying to get to the United States. First we had one consular officer, then we had two (this is before I got there), then we had ten, then twenty, and by the time I got there we had about fifty trying to process the citizenship claims of Chinese.

I soon found that ever since the various oriental exclusion acts of the 19th century and early 20th, the Chinese had built up a system to get around these blatantly racist laws and we consular officers were there to stop them. And we did our best to carry out the law, although we all had a certain sympathy for the Chinese, thinking first of all that the law was wrong and secondly these people would make damn good citizens if they did get to the States.

We were assigned to spend entire days interviewing Chinese who claimed American citizenship. Our job was to try to trip them up and prove that their claim was false. Now they knew the claim was false, we knew that they knew the claim was false, and they knew that we knew the claim was false. So it was the sort of game that went on and on and on. Sometimes you won and sometimes they won. I did this for a year and a half.

Q: *I dealt with something similar in the Refugee Relief Program in Germany. When you get into these massive programs there is a little disrespect for the law. You are doing it but you don't take it too seriously.*

INGRAHAM: Exactly that. You have the feeling that, "Okay, a lot of them are getting through, and I have a case here that I can fight to the hilt or just say `Oh, what the hell.' So he gets to the States. It is not going to hurt the country. I am not breaking the law, I am just giving up a little early."

My job was to interview 16-year-olds. The law at the time said that the foreign-born children of an American parent had to live in the States for five years before they became 21, so they would have to get to the U.S. by the time they were 16. They were all male. We would get an affidavit from the alleged father in the States saying, "I left San Francisco on such and such a date, I arrived--there is a little area in China near Canton, Toishan district, where they virtually all came from--at my home village on such and such date. Nine months later my wife gave birth to twin boys. Nine months after that she again gave birth to twin boys. I left the following morning and she was pregnant again." So 16 years later, the oldest of 6 male children would come into the consulate and say, "I am so-and-so, the son of so-and-so. Here is my affidavit, please give me a passport."

It was a racket, of course. We all knew it, but as I said, we had sympathy for the victim. Our job was to prove that, say, two little boys who presented affidavit claiming they were brothers had never actually seen each other until they met on the ferry to Hong Kong from Canton. We would ask them questions. "You lived in this village? Was your house the 4th or 5th one from the road? Was it made of brick or mud? Where was the village well?" We would ask one of the boys these questions and then lock him up in the closet and ask the other the same series of questions. I did that for a year and a half.

Q: *Of course they had a book which they were studying beforehand about the lay-out of the village, so it was really a matter of how good there memory was.*

INGRAHAM: Yes. And the lay-out of the village was also in the files of the Immigration and Nationalization Service in Hawaii, because their false father had gone through the same process when he came to the States, 30, 40 years ago.

While all that was going on--while we were interviewing 16- year-old kids--the Korean War was happening all around us. So Hong Kong was an utterly fascinating place to be. But there was one unhappy development though...we arrived there in the late summer of 1950 and early in 1951 all the Consulate General wives and children were evacuated. This followed the Chinese entry into the Korean War in November, 1950. There was no certainty the Chinese wouldn't keep on marching down to the end of the Korean peninsula and possibly move into Hong Kong. So our Consul General, Walter McConaughy, decided to evacuate wives and children. So my wife and, at that time, one child, went back to the States and spent a year there.

RALPH N. CLOUGH
Political Officer
Hong Kong (1950-1954)

Ralph N. Clough was born in 1917 in Washington. He attended Lingnan University in China from 1936-1937. He graduated from the University of Washington in 1939 with a B.A. He received his M.A. from the Fletcher School of Law and Diplomacy in 1940. In 1941, he joined the Foreign Service. His postings included Toronto, Tegucigalpa, Puerto Cortes, Kunming, Peiping, Nanking, Hong Kong, London, Bern, Taipei, and Washington D.C. He was interviewed by Charles Stuart Kennedy in 1990.

Q: In Hong Kong, you were doing political reporting.

CLOUGH: Primarily, on the mainland. It was our only remaining nearby post where you could get information about China. We also had the Korean War. The Korean War had just started in June, and I arrived in Hong Kong about July or August.

Q: How did you view the Korean War? China didn't come in until later, in the winter, late fall. How did you view the Korean War, with just the Koreans fighting the Koreans? Did you all at the post in Hong Kong see this as an expansion of Communism and that Chung might be the next...

CLOUGH: The most immediate question was whether the Communists would stop at the border of Hong Kong. They took Guangzhou in, I guess it was late '49, and they were moving south in May 1950. They took Hainan Island. They were at the border of Hong Kong, and nobody knew whether or when they might cross the border, because there was no way of defending Hong

Kong militarily. The British couldn't defend it. So we had a rather tense period there in which American dependents were advised to leave. The British did not advise their people to leave, but the American Consul General, Walter McConaughy, made that decision.

Then the next question, of course, was: What would happen in Korea? Would the Chinese get involved? We had reports of the Chinese moving troops from south to north, toward Manchuria. These were rather persistent and rather well-established. So that was the main question coming at us from Washington. They wanted any information that we could get on what the Chinese attitude toward Korea was. We scrambled around to pick up every scrap of information we could, bearing on that issue. That was our prime directive at that time.

You may recall that in late September, Zhou En-lai made a speech in which he warned that they couldn't tolerate the destruction of a neighboring country, or something to that effect. At about the same time, we got a warning through Ambassador Pannikkar, the Indian Ambassador in Beijing, from Zhou En-lai, to the effect that we should take this seriously. And there began to be reports then of an occasional Chinese being captured in northern Korea.

The question then was: Were the Chinese serious? Were they going to come in, in force, or were they just trying to intimidate us or deter us? MacArthur decided, on the basis of his intelligence, that it was the latter, and he issued his famous statement about getting the boys out of the trenches by Christmas. Went ploughing full steam ahead.

Q: Over the 38th Parallel and all that. Well, they were already over the 38th Parallel by that time.

CLOUGH: The Inchon landing was September 15th, and they moved north quite rapidly over the 38th Parallel. The question was whether they should go all the way to the Yalu. I was getting reports. I remember I had one White Russian informant in Hong Kong, who had connections in Manchuria. He had lived in Manchuria, and he would get messages from time to time. I remember once he told me that the Chinese were having people put tapes on their windows in the event of bombing, a suggestion that perhaps they were expecting to get involved in the war in Korea.

The most notable incident was when we had a Chinese, who came down from Beijing. He was known to the consulate general there, particularly to Howard Borman, who was in my section in charge of translating Chinese materials, the Chinese press and magazines. He had known this man, and the man had given them some information about developments in Beijing before the consulate general closed down and pulled out. He turned up one day in Hong Kong, and I had him, with Howie, up to my house (didn't have him come in the office). He told us that there had just been a very important meeting in Beijing at which all of the members of the Democratic League and the other so-called democratic parties had been called in, and they had been told that there was a new slogan: "Resist America. Help Korea." And that there was going to be a full-scale campaign on this all over China. This was the first word we had of it. So we reported this. We didn't know that this man was a hundred percent reliable, but we had some confidence in him, and we reported it on that basis. Turned out to be accurate. He went back into China and was never heard from again.

I should say that that message from Pannikkar, the Indian Ambassador, was not taken as seriously in Washington as it turned out it should have been, largely because of Pannikkar's own views. He was known in Nanjing as being very pro-Communist, and he wasn't regarded as an entirely reliable intermediary. I've often thought afterwards that if Zhou En-lai had given that message to, say, the Norwegian Ambassador in Beijing, instead of the Indian Ambassador, it might have been taken more seriously.

Q: In Asian relations, we've always looked on the Indians with a certain amount of suspicion, I think.

CLOUGH: Particularly in relation to China, because we always felt they were pro-PRC in most issues.

Q: With Vietnam and all we never... so that as an intermediary they didn't carry the weight. In your reading the papers and all this, were you seeing anything about getting ready to go into Korea?

CLOUGH: We saw the usual attacks on the United States, of course, but it was very hard to interpret those as to what they would actually do. I remember (you could probably find this telegram in the file somewhere) from time to time we sort of added up the pros and cons as to whether the Chinese were planning to come on a large scale. And we came down on the side that they probably weren't.

I think that was based on a misreading of the Chinese. A feeling that, after all, their country was less than a year old (their government was established just about a year earlier). They still were in the process of consolidating their rule in China. They were poor. They had a long road ahead of them. Was this the time to get involved in a full-scale war with a country like the United States, which was the most powerful military state in the world?

There is an article, which will be coming out in the latest issue of the *China Quarterly*, written by a couple of students who were here at SAIS, Chinese from the PRC, based on interviews that they had with senior Chinese officials and some materials that have been written since then, about the decision to enter the Korean War on the part of the Chinese. Apparently there was a big debate in senior circles in China about whether it was wise to do this. And finally, Mao Zedong made the decision. He had been convinced, ever since '48 or '49, that sooner or later they would have to fight a war with the United States, because it was such an implacable, imperialist enemy. And that if they were going to fight such a war, Korea was the best place to do it. [Hao Yufan and Zhai Zhihai, "China's Decision to Enter the Korean War: History Revisited," China Quarterly, 121 (March 1990), 94-115]

Q: When you look at this, so that's Mao Zedong, and on the other side you have MacArthur, who also had very firm and fixed ideas, too. So no matter what was being fed into both sides as far as rationale, an awful lot depends on, at the top, the ideas of whoever's leading.

CLOUGH: That's right. Presuppositions.

Q: Was there a difference, or were you sharing views from those who were watching China, say, from Japan and MacArthur's headquarters?

CLOUGH: We got very little of that traffic. We didn't really know what was going on between MacArthur and Washington.

Q: Washington at the time was relying on you to give everything you had, but there was no real sense of direction that you were supposed to go this way or that way or anything, was there?

CLOUGH: No, I don't think so. Of course, we heard the rumblings of all the McCarthy attacks on Foreign Service officers. We were concerned, but I never found that that affected our reporting particularly. Perhaps we were in a more fortunate position, because we were in the period of war with China, and everybody was hostile to China.

Q: So there wasn't the matter of looking at them as peaceful, peasant agrarian reformers. How about Walter McConaughy, who was the Consul General part of the time you were there, what was your impression of him and how he saw the situation?

CLOUGH: I found him a very good boss, perhaps partly because he gave me a free hand. He very rarely made any changes in the things that I wrote for reporting to Washington. He was not a China specialist himself. He was trained in Japan, initially. But he was a very good officer, I thought, good instincts and good reasoning. He wasn't afraid to make difficult decisions when he had to, as when he advised Americans to withdraw dependents from Hong Kong. It wasn't entirely popular, as you can imagine.

Q: You were one of a growing corps of new China hands, as opposed to old China hands. Old China hands were more from missionary families and all. Normally, when you become a specialist in something, you have orientations towards different groups in the country. And here you are with the Communists being as nasty as they could be and yet a thoroughly discredited Kuomintang sitting there. It would be very hard for an American Foreign Service officer to identify with and root for one or the other of them. How did you feel about this situation there?

CLOUGH: I felt that China was a huge country we were going to have deal with one way or another, whether we liked it or not. My job was to find out as much as I could about what was going on, what were the trends internally, as well as in their foreign policy.

This is for our later interview, I guess, when I was in the Office of Chinese Affairs, but I felt that the economic policies followed by the Communists in the late '50s were going to be disastrous for them. If you looked at their demography, if you looked at the very small proportion of budget they were putting in on agriculture, it was clear they were going to have food problems. And, of course, within a few years, they did.

Q: So while we were looking at the immediate and, you might say, almost tactical, intelligence-type information, we were also looking at the long-term picture. Were you able to get fairly good ideas of what was going on, from the various newspapers and the people who came in?

CLOUGH: Not really very good. It was spotty. For one thing, they were reluctant, particularly in those early years, to put out any reliable statistics that an economist could use to put together what was really going on. So it was rather impressionistic, what we learned in Hong Kong. And there were also a large number of peddlers of information, who wanted to sell it, who wanted to gain access to American visas or something. They were very troublesome, because there were so many phonies. And it wasn't always easy to spot the phoney.

The CIA was very new in those years. We had a small unit of CIA people in the consulate general, whose job was to gather covert intelligence. They had money to pay people for intelligence. We didn't. As political officers, people would come to us wanting something, and we were never able to offer them anything. Which was probably just as well, because what you got for money was less likely to be genuine.

I recall one case of an individual who had come to me and offered information about what was going on in Guangxi Province (the second province back beyond Guangdong), and this was of some interest to us. The main rail line to Vietnam went through Guangxi. I listened to what this fellow had to say, then, by accident, I was able to get hold of a newspaper that came from Guangxi that told about a severe accident, burning of a bunch of railway cars, that had occurred in the city of Wuzhou. I read about this and the dates and so on. And so the next time this guy came in (he claimed to be able to go back and forth to Guangxi Province), I began to question him rather closely about the dates when he was in Wuzhou. He claimed to have been in Wuzhou when this happened, but he never said a word about it, which pretty well convinced me that he wasn't there. It was too juicy a morsel not to have reported if he had been there.

Q: A lot of information has come out, obviously. Now, in 1990, looking back on it, how do you feel our reporting was at that time?

CLOUGH: I'd say it was pretty spotty. It would be interesting to go back now and make a careful survey of what was being said. I think we were fairly cautious. We weren't inclined to be taken in by the more extreme claims of the Communists.

I was there mostly during the Korean War and for about a year after the war ended. I think one of the things we were concerned about, of course, was Soviet-Chinese relations. Those relations, as far as we could see, were getting stronger and stronger, because of the close military relationship, the supply of large amounts of tanks and planes and all kinds of military equipment, which continued after the war.

I recall one occasion, it must have been '54, it was after the Korean War, and I left Hong Kong about July '54, so maybe the spring of '54, Joe Alsop came through.

Q: He was a newspaper columnist.

CLOUGH: Yes, but he had also written a big article for the *Saturday Evening Post*, in which he had a new theory. He had been in touch with people in the Pentagon, and he had gathered up some military terms like "division slice," which had to do with the supporting units you needed

in order to support a division, and he was following the Soviet resupply of the Chinese military. He had concocted a thesis that at the rate that the Soviets were building up the Chinese military forces, that by a certain date, about a year from then, a year, maybe two years, they would have enough force on the southern border of China so that they could just overwhelm Thailand, Indochina, it would all become part of China.

Q: There's a little problem of terrain.

CLOUGH: I took issue with him, I argued with him. I said, "You know, if the Chinese wanted to do that, they wouldn't have to have all this Russian equipment. They've got manpower to burn compared with these countries. They could go down there and take them over. You're building up a house of cards here, based upon a lot of calculations, which really don't... It's the intention of the Chinese that's important, not what they happen to have in the way of military equipment." But he brushed that aside. He'd made up his mind and wasn't going to listen to anybody out there.

Q: One last question on this, and then we'll have an interview another time. Were you getting anything from the State Department, or by word-of-mouth corridor talk or anything about: Boy, watch this McCarthyism business, I mean, for the China hands?

CLOUGH: Oh, yes. We were getting quite a lot of that. Not formally, but through the back door.

Q: What was the thrust? What was the problem? How did you see it?

CLOUGH: It worried us, because, after all, we were China specialists, we were China language people. But we were not caught up in it, because we were not in responsible positions at the time that China was lost. All of us, who were trained after the war, were the new generation, and we were, I think, reasonably confident that nothing serious would happen to us, because the whole attitude of the United States toward China had changed.

We had had the Korean War, which had created a kind of semi-permanent state of hostility between the United States and China. For at least several years after that, we were concerned about the next move on the part of the Sino-Soviet bloc; it was still a bloc in '54. And it was evident that they were already beginning to strengthen the Viet Minh. The Chinese were giving help to the Viet Minh. They had been extending their railroads down to the border so they could get equipment down more easily. That was our main concern, this and a lot of the propaganda that was coming out. In '54, I think the Huk movement was still quite active in the Philippines. The various Burmese civil wars were going full tilt.

Q: The Red Flag, White, Black Flag or whatever it was.

CLOUGH: Yes, and the Communists in Malaysia were still fighting very vigorously. Northeast Thailand had its own Communist rebellion. There were Communist rebellions all around. So we were very much concerned with what seemed to us to be a Sino-Soviet advance into Southeast Asia, the next move by Communism.

Q: How did you feel, from, you might say, the corps of China hands, about the permanence of Chiang Kai-shek and the KMT on Formosa or Taiwan?

CLOUGH: We didn't have a lot of confidence in the future of the KMT on Taiwan. Of course, once Truman had made the decision to put the Seventh Fleet in the Taiwan Strait, then it was obvious that the Communists didn't have the military capability of overcoming that kind of obstacle. So, in that sense, the KMT was safe. But I don't think those of us who had been associated with the KMT in China had any confidence that they could turn things around the way they actually did. It was quite a remarkable feat.

RICHARD M. MCCARTHY
Information Officer/Deputy Public Affairs Officer/Public Affairs Officer, USIS Hong Kong (1950-1956)

Richard M. McCarthy grew up in Iowa and received a bachelor's degree from Iowa State University. He enlisted in the U.S. Marine Corps and U.S. Navy during World War II. Mr. McCarthy joined the Foreign Service in 1946 and later became part of USIS. He served in China, Hong Kong, Thailand, Vietnam, and Washington, DC. This interview was conducted by Jack O'Brien in 1988.

Q: Did you go directly back to the States then?

MCCARTHY: I went back to Washington, was assigned to Hong Kong as information officer, and spent six of the best years in my life in Hong Kong, where I was successively information officer, deputy PAO, and then when Art Hummel left, became PAO. Those were the days of the CRP, the China Reporting Program, one of my principal efforts, where we were producing material in English and other languages for worldwide consumption about what was happening on the China mainland. We also started a very successful Chinese language publication for Taiwan and Chinese and Southeast Asia called World Today magazine, which lasted for over 25 years before somebody put it to sleep.

Q: I remember that very well. So six years in all, in Hong Kong. Can you remember a few highlights of that part of your career?

MCCARTHY: I think I mentioned the China Reporting Program, which was our major excuse for being in Hong Kong. We did run, of course, a fairly extensive local program, a very extensive book translation program. I think at one point we did around 60 titles in a single year. We did achieve some publishing success in English. We discovered Eileen Chang, who many people regard as probably one of the two or three top Chinese writers of the second half of the 20th century. She wrote a couple of books for us called Rice Sprout Song, and I frankly forget the title of the other one, but they were both published in the United States and had some critical acclaim.

We also did a fair amount of work supporting film makers who were producing anti-Communist

pictures in Hong Kong, and Chinese language pictures in Southeast Asia. So we were very much involved in the Chinese motion picture industry.

Q: Was Raymond Chow one of your employees?

MCCARTHY: I'm glad you mentioned Raymond. Raymond, who is now one of the principal movie tycoons of Asia, runs an outfit called Golden Harvest, is the man who is largely responsible for the craze in Kung Fu movies. He was the one who discovered Bruce Lee. Raymond was our VOA reporter until the bright lights and a lot of money beckoned. Very, very capable guy.

Other local employees worth noting, I think, are Richard Lee, who ran our book translation program, and Tommy Dunn, our principal Chinese employee who had both attractive attributes and some that weren't quite so attractive. Tommy is still alive and kicking and writing a twice-weekly column for Taiwan's English-language newspaper, published in the United States.

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Again, I'd like to say a word about the loyalty of our Chinese employees. Richard Lee, whom I thought a lot of and a lot of other people thought very highly of, came to me and told me that he was under pressure to report on our activities to the Chinese Communists in Hong Kong. They put considerable pressure on him because his wife and family were back in China. He told us and was told what to tell them; he was taking a considerable chance. His family eventually got out of China, but even after so many years, I have to honor Richard Lee for his loyalty. Another employee was approached. He finally came and told us after we'd found out from other sources already.

A footnote on Richard. Much later, during some of its periodic economy drives, the agency was going to drop off some of our old-time employees in Hong Kong, including Richard Lee. Ed Martin happened to be the consul general there. Ed had served as consul in Hankow during the Chinese civil war. It was necessary to evacuate Hankow. Richard got them down the river at considerable personal risk. Their ship was shelled. He talked them past gunboats from both sides. When Ed learned, as consul general, that Richard was going to be one of the people terminated, he announced firmly that Richard Lee would have a job in Hong Kong as long as he was consul general, or, in fact, in the Foreign Service. This happened. Richard Lee eventually retired in due course, with full honor and served out his career.

LINDSEY GRANT
Consular Officer
Hong Kong (1950-1952)

Economic Officer
Hong Kong (1955-1958)

Lindsey Grant was born in North Carolina in 1926. He joined the Foreign Service in 1950 and served in Hong Kong, Taipei, India, and Cyprus. He was interviewed in 1990 by Charles Stuart Kennedy.

GRANT: I was in the Navy briefly at the end of World War II, and joined the Foreign Service, took the exams in '48. I came in -- you had to wait those days -- in 1949. I had been at Cornell for my undergraduate degree, specializing in history, specifically Chinese history.

Q: What had attracted you towards a career in foreign affairs?

GRANT: I was particularly interested in China, and this seemed a good way of working on China.

Q: Had you had any China experience in the Navy at all?

GRANT: No, my experience was in destroyer gunfire control in the Navy.

Q: You didn't shoot at anything around China?

GRANT: No. And there's very little application for that specialty in peacetime. [Laughter]

Q: You entered the Foreign Service in 1949. What was the situation at that point, as far as training to be a Foreign Service officer?

GRANT: I guess the best comment on that is that I had already picked up some Chinese before I joined, while I was at Cornell. I had to come in as a staff officer because of the wait to be an FSO, and I served in Washington on the Board of Examiners, as a matter of fact. Then when I went to Hong Kong, I had to pay for my own lessons, because they didn't have any money to pay for Chinese lessons, even as desperately as they needed Chinese speakers.

Q: You went to Hong Kong in 1950.

GRANT: March of 1950.

Q: You were there until 1952.

GRANT: I was there until 1952, went to Singapore, came back, and was there from 1955 to 1958, and in Taipei from 1958 to '61. All that period I was working on China.

Q: What were you doing in Hong Kong?

GRANT: I started out, actually, as a consular, as a staff officer, then got into political. I did economic reporting the second tour.

Q: How did you view China? If you were looking at the situation in China in 1950, this was the

time of great turmoil and all. From the Hong Kong vantage point, how did we see the situation?

GRANT: Do you want me to talk about how we felt then, or how I see that period now?

Q: The main thing is I want to know how you felt at the time. Not what happened, but how you felt at the time.

GRANT: How I felt probably is somewhat irrelevant. I was very junior, just came out.

Q: What were you picking up?

GRANT: I came out, remember, of the environment of American universities in the 1940s. So I assumed that the communists -- I don't think I was under any misapprehension as to whether they were communists or not -- but I assumed that they were the wave of the future, and that's what most people did. I didn't have much respect for the Kuomintang when I got to Hong Kong. I slowly educated myself about both.

Q: How did this education take place? What were you absorbing and where were you absorbing this information?

GRANT: I was dealing with the Americans coming out mostly during that first tour, after I got into political, doing reporting on what they knew about the situation on the mainland. Also, incidentally, trying to figure out on behalf of the consular people who was still left up there. So my primary source of information was the departing Americans in that first tour, plus other nationalities that wanted to talk, and some Chinese who were knowledgeable and willing to talk to Americans. That was basically our source of information.

Q: What was the picture that was emerging for you there? We're talking about the education of a young officer seeing the situation, looking at the communist side and how you felt about them and how this perception changed.

GRANT: The situation we were in, in Hong Kong, was pretty dicey from a number of standpoints. One, you had this great unknown beast on the mainland that might or might not want to do what it talked about. That is, forcibly communize the world as fast as it could. You had, in the United States back in 1950, the beginnings of the 1952 election, in which the Republicans were running in part on the charge that the Democrats were soft on communism, had lost China to the communists. This assumes, of course, we ever had it. You had [Joseph] McCarthy, Senator McCarthy, the first McCarthy, accusing the State Department of being full of communists. I discovered recently that a lot of young folks don't know that there was one before Eugene.

Q: You think of Eugene, who was completely the other side of the spectrum.

GRANT: Yes. We were listening to missionaries and other Americans, White Russians, foreigners, generally, who were coming out of the mainland, leaking out. We had tried to get the Americans to depart long before the communists took over, but a number of them insisted on

staying there. Our information was coming largely from these people, who were now being chased out of China by these so-called work teams, teams of young fanatics that the communists were sending in to consolidate their control of the countryside. China, remember, is 80% rural. They were getting rid of everybody that represented an alternative source of authority, including the old landlords, any natural alternative leadership. The technique was to mobilize the most radical poor peasants, to radicalize them, and to get them to accuse these people at huge accusation meetings.

One of the sources of authority, obviously, in a rural Chinese scene might very well be the missionaries. So they were setting them up, charging them with all manner of things, organizing the peasants to go by, and show themselves sufficiently pro-communist by spitting on the poor missionaries and so on. It was a rough experience, and they were coming out very shaken. But we were beginning to learn both of the roughness of the regime and also to recognize how totally they were extirpating any source of challenge.

The result was that those of us reporting -- I can remember feeling this very acutely -- figured it was our obligation to tell Washington that what we were seeing was a regime that was establishing itself very effectively in power, even though it was not a very attractive one in many ways. At the same time, you wondered whether your dispatch might suddenly turn up on the Senate floor being quoted or misquoted, quoted out of context by Senator [Joseph] McCarthy. Although I don't think any of us trimmed -- I certainly don't remember any trimming -- we wrote our dispatches with great care, and what we were saying was: "We feel this crowd is very rough -- I think I overestimated the degree to which they were communist, and underestimated that they were also Chinese -- but they are going to stay there."

Q: This is something that I think one should understand. I don't want to put words in your mouth, but our general thinking at the time was that there was such a thing as "a communist," almost all communists were alike and they were a menace, rather than thinking in terms of nationalities and then communism.

GRANT: This was certainly true, and this was, in a sense, the thing that legitimized the extreme anti-communist positions in the United States. They really did talk as though they wanted to take over the world. They had all that rhetoric -- I could quote it chapter and verse -- saying that they were going to get rid of us. This does encourage an adversarial relationship. Even after I should have recognized it -- it was much later -- it must have been about 1959 or '60 that I finally said to myself, "These guys, the Russians and the Chinese, really hate each other." And yet the schism really came when Mao went to Moscow -- it must have been 1956 -- '55, even -- and said to Khrushchev, "We can't afford your liberalization. We've got to keep the whip, got to keep discipline." And Khrushchev went ahead and did it his way.

I think that this triggered the schism, but in a sense, aside from a deep sense of cultural antipathy, the Chinese looked down on the Russians, as they looked down on other people, and felt themselves the civilized people on earth. At the same time, the Russians had the techniques and the Chinese had to use them. Even their economic organizational techniques were very much in the Russian mode.

It was only when that schism became evident, even to the slowest reader, that there was any real chance of American policy moving. This was long before that.

Q: You were mentioning that you were getting some glimmers of statistics and all coming out of Hong Kong. Could you talk a little about how you saw the reporting? Before the tape recorder was turned off, you mentioned cotton production.

GRANT: That was, actually, in the mid-1950s when I went back to Hong Kong from Singapore, 1955 to '58.

Q: As an economic officer.

GRANT: That's right. The first tour, there were really no data on China. The Chinese communists themselves had, I think, only the crudest of data. Later on, we learned that in spades. We didn't know how little they knew at the time. When I went back and was doing economic reporting, I guess the two things that one quickly learned is that the Chinese use statistics for political purposes. They admit it. They say, "Statistics must serve politics." They have a propaganda output that says, "We're doing this, this, and this," which you do well to take very much askance.

Things were, however, beginning to change by the mid-1950s, the Chinese -- I think it was December of 1955 -- put out the first tiny, slim volume of economic statistics. I remember it. It was like stout Cortez espying the Pacific, when all of a sudden this little book came into the office, right after Christmas, in Chinese.

I put all hands to work translating it and getting it to Washington. We began to get some data. We were also getting enough Chinese materials, like provincial newspapers for domestic consumption, not the propaganda stuff, which would give you an idea as to what the rations were in the market towns for pork, cotton, things like that. From this we began to construct some idea as to how the Chinese were doing. They were doing better than our official estimates admitted.

We had, I think, been too much misled by hope and by some old anti-communist reporting people, including our Chinese locals, who hated the communists, into thinking that the Chinese were doing much worse than we finally concluded. I remember this cotton report to which you refer, in which I finally put a covering memorandum on his long annual cotton report, and said, "Feng, the employee, is a loyal and capable fellow. I don't take him on lightly, but I really believe that the Chinese are producing a lot more cotton than his estimates show -- out of which you get the point that they may not be quite as cold and bare as his data would suggest." That was about 1956.

But the other thing we were also beginning to learn was that the official data did not necessarily mean what they claimed. Just after I left in 1958, the great leap forward started. I got back to Washington and found a lot of people believing their claims. I remember saying at the time -- I was horrified -- "They can't do it that way -- that simplistic effort to mobilize labor -- these people are putting out these data because they're trying to create a bandwagon." They claimed

that they doubled wheat production in a year and things like that. I think we understood this in Hong Kong earlier than a lot of people in Washington did.

RICHARD E. JOHNSON
Economic Officer
Hong Kong (1951-1954)

Richard E. Johnson was born and raised in Winnetka, Illinois. He attended Harvard University and served in the U.S. Navy. Mr. Johnson joined the State Department in 1947 and entered the Foreign Service in 1951. He served in Hong Kong, Canada, Poland, Yugoslavia, Bulgaria, and Brazil. Mr. Johnson was interviewed by Charles Stuart Kennedy in 1991.

Q: Well, then, you moved to Hong Kong in 1951 and you were there until '54. Was this still with the Civil Service?

JOHNSON: No, I joined the Foreign Service.

Q: Why did you do that?

JOHNSON: That's a good question, and I've often wondered. I was having a fascinating time in Chinese Affairs and enjoyed it. And I had the feeling, which persisted throughout much of my Foreign Service career, that it's in Washington where the decisions were made, and that was a fun place to be, it's where the action was. I took the Foreign Service exams while I was in the Office of Chinese Affairs, partly just to see how I'd do, without much intention then of going into the service. And I was deferred on the orals because my knowledge of U.S. history wasn't very good. Even before that, I was deferred because my German was not up to date. So I repaired my German, took the language exam again, then I spent a year studying U.S. history, because it was just a challenge to me to get through this thing. And I passed the oral exam easily the second time. Thereafter, I think I just felt I'd put so much effort into this thing that I ought to give the Service a try. And my people in Chinese Affairs wanted me to go to Hong Kong to help in the commercial section with the trade controls that we had then, if you remember, very intensive controls to prevent goods from Communist China getting into the United States, and, conversely, to prevent U.S. exports from getting into Communist China.

Q: It's interesting from a historical point of view to think how much effort has been put into the United States commercial controls, not spreading trade.

JOHNSON: Absolutely.

Q: During World War II, an awful lot of our officers were doing nothing but trying to stick it to the, particularly the Germans, to keep them from getting stuff out of Latin America. And we sort of went right back into that mode again.

JOHNSON: You're so right, we did. And we expended a tremendous amount of money and effort. And I was in the middle of that when I was in Hong Kong.

It even got kind of amusing, the depth of our concerns. For example, in trying to prevent Chinese Communist products from arriving in the United States, we got into some very detailed definitions of what is a Chinese product. There are a lot of Chinese products based on egg and chicken, food products that were exported to the U.S. traditionally. And, of course, exports from Hong Kong we were happy to let in, because this was a friendly British colony, but nothing from Communist China. Well, the border between Hong Kong and Communist China runs through a swamp, and there were a lot of Chinese vegetable goods produced in that swamp, on both sides of the border, and there was no way of detecting, for example, a litchi nut produced in Hong Kong from one produced in China. And it got even more technical when you got into egg products. It was clear that if the egg had been hatched in Communist China, even though the egg was brought into Hong Kong for processing, it was a Communist product. But how about if the chicken comes from Communist China and is brought across the border into Hong Kong live and lays the egg on the Hong Kong side, is that then a Communist product?

Q: These were matters of debate?

JOHNSON: These were matters that had to be answered, defined, because we were policing this sort of thing.

And, looking the other way, there was a tremendous effort to keep U.S. goods from getting into Communist China. And in the commercial section I did a lot of export checking. You know the old export checks, where you try to decide what will happen to this particular product -- if it's brought in, will it be reexported?

That is really a battle of wits in Hong Kong, because a Chinese company that is importing and perhaps does intend to send it to Communist China, would find all sorts of ways of evading these eager-beaver American vice consuls. As you came up the steps, with the sign of the U Fong Company on somebody's desk, and they saw you coming, the sign would be quickly removed and another sign would be put up there. You'd ask, "Is Mr. Chin around?" And they'd say, "He is not here right now, maybe he'll be back later."

But I remember particularly one export check that I was asked to make on, of all things, prophylactic rubbers. And the question was: What are Hong Kong's requirements for prophylactic rubbers? And I had to go all around Hong Kong, talking to importers of prophylactic rubbers and asking: How many do you think Hong Kong uses? And how many are reexported to China? And I wrote about a ten-or twelve-page airgram, which received commendations from Washington. Then I got a further communication saying, "Please update this carefully. We have heard that the Chinese Communists are using prophylactic rubbers to protect the muzzles of their guns from moisture."

Q: We did in Korea.

JOHNSON: That's what Washington said. They said this is being done in Korea.

Q: I remember it distinctly.

JOHNSON: And so I was double checking, and then I got another telegram from the Pentagon that said, "Forget all about it. Our experts have said that if you do try to protect your gun muzzles that way, it will simply rust and pit-out the muzzles themselves because moisture will collect, there is no air in the muzzle. So any prophylactic rubbers that want to go to Communist China, okay."

Q: So you didn't look at the strategic value of trying to keep the Chinese population down.

JOHNSON: No, that wasn't part of that check. So that was challenging, but a tremendous expense of time and effort, as you said. We had a commercial section of, I would guess, four or five officers. And they didn't do any trade development work, it was all this kind of control.

I think at that time we had some concern that maybe the British patrols, patrols that were designed to prevent smuggling from Hong Kong to China, were not sufficiently efficient. To reassure us, they said I could ride on British patrols at night and watch them intercepting junks smuggling -- steel plate was a big item and tires -- to Canton. And I spent several very exciting nights patrolling Hong Kong waters. They'd pull junks over and go aboard and search for contraband. And a few of these junks tried to evade the patrols. It was exciting and interesting.

Q: I was wondering really how the Consulate General observed things in China. Did you have the feeling they were getting much information from talking to others there, or was it a group of Cold Warriors really hunkered down at that time?

JOHNSON: No, Stu, they had some really good China hands. These were people who had served in China before and knew the country, State Department Foreign Service people. Of course, there were CIA people there, too, who were very good. And there was a great deal of interviewing of people coming across the line -- university professors from China and business people. And there was a great deal of reading of anything that was published that came out of China. It was the principal listening post for China. It was one of the very largest American posts in the world at that time, larger than most embassies. We had forty-two vice consuls, just vice consuls alone. It was known as a marrying post -- I met my wife there -- and we counted a total of six weddings that developed from contacts in the consulate there.

Q: My God. Was Pat, your wife, was she...?

JOHNSON: She was there as a consular assistant, having joined the Foreign Service before I did.

I spent about two years in the commercial section, and then a couple of years in the consular section, which was also very colorful and also involved a great deal of detailed effort that produced little in terms of the interests of the U.S. citizenry.

Here the effort was to keep Chinese from entering the U.S. illegally. And the base of the problem is that, in China, at least then, they didn't have civil documents. There was no such thing as an

official birth certificate or an official marriage certificate. So you had to rely on informal evidence if you were a Chinese and you wanted, for example, to prove that you were the son of a Chinese and therefore entitled to nonquota entry. And very often the Chinese father would be in the States and he would be asking that this young man come in as his son. Well, there was a great deal of illegal importation of Chinese young men into the U.S. for various labor purposes, so in the visa section we had to be extremely careful. And the "son" would come in with what was called informal evidence. This would be, oh, say, badly worn letters from "Dad," sent to this kid supposedly when he was such and such an age -- but sometimes the ink wouldn't be too dry on them. Or they would unroll a beautiful certificate, and you'd say, "What is that thing?"

And he'd say, "That is the announcement of the marriage of Mom and Dad, and it's signed down here by the Chinese gentleman who presided at the wedding."

And you'd feel it and say, "This paper feels pretty new. This doesn't look like the certificate that was used when your father was married."

And then he'd pull out a photograph of him with old "Dad" alongside, to prove the relationship.

And you'd say, "Why is it that the left-hand side of this photograph is light, whereas the right-hand side is so dark? Looks almost as though something had been pasted together here. Why don't you try again and come back in a few weeks."

I felt for the poor Chinese.

Then they developed blood testing as a means of tripping things up. Because, of course, a blood test can prove that by anything known to medical science you cannot be the result of the union of these two people. "Mother," of course, was often a part of this. She would come in with this alleged son, to testify that yes, I remember well when Jimmy here was born, and his father is, sure enough, this guy in San Francisco. And you'd take a blood test on all three, and it would come out that Jimmy just couldn't be the son of this union. And you'd not only have to turn him down, but you'd...this was the hardest, really the hardest thing I had to do in all my consular work, you'd have to turn down this poor, aging woman because she had lied under oath. And you'd have to tell her that under no circumstances could she rejoin her husband. And that is just a real, real hard thing. A lot of human interest stories in that work.

I remember...I'll get off this subject soon, but it is colorful. The citizenship section worked on somewhat the same problems, although here the young man was trying to prove that he was entitled to U.S. citizenship. There the effort was based principally on his trying to prove that he was born in a certain village at a certain time. He would come into the consulate with a "witness," a friend from the same village. And both of them had been very carefully coached at a school set up in Hong Kong to brief guys who were appearing before the U.S. consul so they would know what to say. The examination consisted of getting a piece of paper and drawing a sort of an informal map of the village. And the examiner would say, "Now in your village where was the, let's say, the place where the gentlemen bathed themselves?" And you'd ask them separately. The witness would come in and say it was over here; and the applicant would put it over here. And you'd say, "Well, you two don't seem to be from the same town really." And then

you'd check out with them the place where the small market was in the village -- tremendous detail. If you passed this oral quizzing, there was a place in Hong Kong where you could buy healthy, warm stools before you came in for your physical exam. Colorful assignment.

Q: Yes. You then left there for a much more mundane world, didn't you?

JOHNSON: Yes, I went to Toronto after that.

CHARLES T. CROSS
USIS
Hong Kong (1951-1954)

Consul General
Hong Kong (1974-1977)

Ambassador Charles T. Cross was born in China in 1922. He attended Carleton College and Yale University ,and served as a lieutenant overseas in the U.S. Marine Corps from 1942-1946. His assignments abroad included Taipei, Jakarta, Hong Kong, Kuala Lumpur, Alexandria, Nicosia, London and Danang, with an ambassadorship to Singapore. Ambassador Cross was interviewed by Charles Stuart Kennedy in 2001.

Q: *When you left Indonesia in November, 1951, what was your next assignment?*

CROSS: We went to Hong Kong; we arrived there February or March, 1952. We stayed there until April 1954. I was still in USIS. I worked with Chinese refugees who had just escaped the PRC. We had a book translation program which had been started by Dick McCarthy - he was also an FSO. He thought that much could be done to strengthen the Chinese refugees by a) providing them with reading material and b) providing them jobs as translators. We built up a network and managed to translate and publish a lot of good books - all anti communist - e.g. Koestler's "Darkness at Noon."

I was also editor for a while of a magazine called *World Today* which had enough attractions in it to develop a good readership. It also had an anti-communist bent. It was distributed to Overseas Chinese as well as residents of Hong Kong. This magazine soon reached a circulation of approximately 125,000 people.

I also participated in "China watching" by working on the weekly summary of Chinese propaganda. The theory was that a good "China watcher" could predict what might happen in the PRC by reading carefully the instructions that were issued to the Chinese propaganda cadres - e.g. "This is the way this subject should be discussed now", etc. I remember the instructions concerning land reform which gave a clear sign of communist intentions and what should be said at each stage of the land reform process. The same steps were followed for all the mass propaganda programs and you could tell what the final objectives were by

how the propagandists were instructed to "spin" them and the slogans to use.

Q*: Please explain what "China watching" was.*

CROSS: I compare "China watching" to an ornithologist at the edge of a woods. We were looking into China from the outside. We depended heavily on those countries that had missions in Beijing as well as Chinese media output. Part of our task was to acquire - against the rules - material from inside China. We would read it and translate or summarize that which we considered important. We surveyed the PRC's press on a daily basis and submitted digests of that. The articles to be highlighted were chosen by the Chinese language officers in Hong Kong and then translated by our superb Chinese staff. In those days, these translations and summaries had to be sent back to Washington, but we would also make them available to selected newspaper reporters and scholars. But the principal use of these efforts was for analytical purposes, to see whether we could divine what was going on inside the PRC. "China watching" was a full-scale occupation for a large number of people, not only for the U.S. but for members of other countries' consulates in Hong Kong. We would occasionally discuss the available information with other diplomats.

On the economic front, we had a rather sizeable staff doing analysis of China's economy. When I joined the Hong Kong consulate, this whole "China watching" exercise was relatively new. But we were able to watch developments over a period of years. For example, the land reform movement that I mentioned earlier came to a conclusion while I was still in Hong Kong.

Q: *Tell us a little about this land reform movement*.

CROSS: Simply put, the communists appropriated the land owned by the landlords and gave it to the landless. They shot many of the landlords and divided up their holdings. The communists would first hold meetings during which accusations would be made against the landlords and their "brutal treatment" of the peasants. Then meetings would be held on how the property would be split. The first step of the Chinese communist policy was to redistribute land; the next step was to form cooperatives which eventually led to the formation of communes. The commune program was part of the Great Leap Forward. It was poorly developed and miserably implemented, resulting in the late 1950s and early 1960s, in one of the greatest famines in history.

Q: *During your tour, 1952-54, what was the consulate's impression of Communist China?*

CROSS: We had a very clear idea of how ruthless and cruel the Chinese were. However, we still felt that the country was not falling apart and that people were working on problems. This was a period when it appeared that China was using all of its people and charging ahead.

On the other hand, the Chinese we knew in Hong Kong were giving us a different perspective. I think, in some cases, we didn't consider their views seriously enough. We viewed these Chinese as refugees who were bound to have serious misgivings about the Communist regime. In the final analysis, I am not sure that our neglect had any serious

impact on our conclusions about the PRC. We did report what we were told, although as I suggested, we might well have indicated some skepticism.

Q*: Were you at all affected that by this time, our troops were in combat with the Chinese in Korea?*

CROSS: That was just one more interesting aspect of the Far East situation. We were living in Hong Kong, a bastion of a free society - totally free economy - right next door to the most communist country in the world. Great Britain had troops in Korea, while running a part of China - Hong Kong - which it had wrested a century earlier - and which could be wrested away from it by the PRC without a moment's notice. Yet we did not think that the PRC would take any precipitous steps or, on the other hand, that Hong Kong would become the economic gem of the Far East that it did.

There is one important fact about Great Britain's participation in the Korean war. It had considerable impact on the economic well being of Hong Kong. Before WWII, Hong Kong was just a "godown" on the China coast. Its only claim to fame was that it was under British rule. The British used Shanghai as their main trading post. The trade used to flow between Shanghai and Tianjin and other treaty ports. These trade routes were protected by foreign troops. The trade was primarily intra-China led by large foreign companies.

Then came WWII; the West lost its extra-territorial privileges in the Chinese treaty ports. Nevertheless, the intra-China trading policy still prevailed, and Hong Kong was looked at as part of this old trading pattern; i.e. part of the intra-China trade, not as an entry point for trade between China and the rest of the world.

Then came the Korean war and the UN embargo. That barred Hong Kong from exporting goods that were made on the mainland; they had to be manufactured in Hong Kong itself. So it lost some connection with the PRC; but at the same time, it became a major exporter of its own wares to the rest of the world. Manufacturing increased sharply as Hong Kong discovered that its goods were in high demand, and that was really the birth of Hong Kong's economic boom.

Q: *What was your impression of British rule in Hong Kong?*

CROSS: I don't think the Chinese in Hong Kong liked British rule very much, but on the other hand, they didn't want to join the PRC either. Most of them had already voted on that choice with their feet; they had fled Mainland China. The British gave them the rule of law, which was consistent and transparent. The Chinese may have chafed at British rule, but I think they appreciated the security and confidence the British brought them, not to mention that it brought a rising standard of living for most of them.

Q: *Who was the consul general during your tour?*

CROSS: Walter McConaughy.

Q: *Wasn't he an "old China hand?"*

CROSS: He was and he wasn't. He had been stationed in China but, for example, didn't speak any Chinese. He was a good consul general; he was a "cool cat." He had been kicked out of Shanghai where he had been the deputy to Consul General Cabot - of the well known Boston family. Cabot was a tall, stuffy man; he got out of Shanghai in time, leaving a skeleton staff to watch the communist takeover. The Chinese immediately made everything difficult for the consulate general; the Chinese employees began to be very demanding.

Walter was a good consul general. I liked him a lot. He had an old fashioned Foreign Service ability of not taking notes but remembering all conversations almost *verbatim*. He would then commit them to paper.

The staff of the consulate general was very good, especially the "China watchers." We had a fellow by the name of Howie Borman, who left the service long ago. He was a protégé of Edmund Clubb, a legendary linguist who served several years in Beijing before and after the war. Howie knew about Chinese leaders thoroughly, even though he was a relatively junior officer. His main stock in trade, and one that he worked on very hard, was to know the biography of every Communist leader. He was the father of this esoteric program which subsequently became a major stock in trade for the Foreign Service. He also established the press monitoring system. Ralph Clough, now a teacher at SAIS, was there; he was the head of the political section. Doak Barnett was there as well as Art Hummel. On the economic side, we had John Heidemann.

The Chinese language speakers were Hummel and to a lesser extent, me. We had people who were quite fluent in the language; they also were skilled in dealing with the Chinese. I think this was a period in Hong Kong when we were best staffed for reporting on events in the PRC.

Q: *Did the "China watchers" work well with you on your publications?*

CROSS: Yes indeed, although I think I would have put the question in reverse. It is we who had to work well with them. We had a superb Chinese staff who produced these publications; the role of the American supervisors was essentially to determine which products would be included in the publications. But I think we all worked together as a team. For example, working with USIS was a "Union Press" group called the "Third Force" people. They kept looking for a third power center, somewhere between Chiang Kai-shek and the communists. They were mainly graduates of Peking University who had fled China one way or another. They formed teaching groups, drama groups, a research group which is now known as the "University Research Center" in Hong Kong. It provided raw material - clippings and other written information - on what was going on in China. This group was supported by USIS and other elements of the consulate general.

Q: *Do you remember any particular occasions that took place during your tour?*

CROSS: There were a lot of developments in the PRC. The Korean war came to an end in

this time frame. There were a number of foolish things that the PRC was doing - e.g. accusing the U.S. of conducting germ warfare. They would show things that looked like large canisters with flies crawling over them. That was what we intended to drop on the Chinese people. People who should have known better believed this propaganda - international scientists like Joseph Needham who had written a history of Chinese science. He maintained to a group of fellow travelers that we were dropping those canisters.

Q: *Did the end of the Korean war make any difference to our operations?*

CROSS: I don't think so, because even with the end of the war, there was no improvement in the Sino-U.S. relationship. I left in 1954 when Dulles was just finishing his "ring of containment" - Korea, Japan, Taiwan, the Phillippines, SEATO, etc. So by that year, we were fully committed to the independence of Taiwan.

Q: *Was there any concern in Hong Kong in the early 1950s that the PRC might just occupy the territory?*

CROSS: There always was that feeling of uncertainty. The British were very cautious; they went out of their way not to antagonize the PRC but were at the same time quite firm about their rights in Hong Kong. They tried to make sure that no aspect of the Chinese civil war would take place in Hong Kong. They were not entirely successful. The KMT organized thousands and thousands refugees who would demonstrate whenever called upon. The communists organized the labor units who would periodically take to the streets for demonstrations. The British would squelch all demonstrations as quickly as possible.

Q: *Did we share information with the British?*

CROSS: I worked with the British Information Service. I think others worked even more closely with the British than I. But I am not sure how much we shared with the British. They did consider Hong Kong as part of their empire; the governor was part of the British Colonial Service. By my second tour, the governor was a member of the British Foreign Service, perhaps representing some change in the British view of Hong Kong.

The British were very security conscious. They were very tough on anything that might have weakened security, including even, for example, our relationships with the KMT in Hong Kong.

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Q: *You were in Hong Kong from 1974 to 1977?*

CROSS: I was there three years and nine months. That was about as long as one could hold on to that job, in light of the long list of others who wanted it.

Q: *It must have been an interesting time since we had just opened relations with Beijing. What was there to do in Hong Kong during this period?*

CROSS: We had a Liaison Office in Beijing, headed first by David Bruce and then George Bush. At the beginning, they were highly restricted in their activities. The Office was not allowed, for example, to get newspapers. They would sit at dinner parties in Beijing with the PLO representative. They were not really being as active as they might wish to have been. So we in Hong Kong still had the main responsibility for "China watching." We had some very good Chinese language officers - Wever Gim and Don Anderson headed the section, for example - and a great Chinese staff. Beijing did not have a local staff - or at least a very small one - and all Chinese were PRC employees. Therefore, it was very limited in what it could do.

So we still had a major reporting requirement which covered all aspects of Chinese life. We still had a lot of resources in Hong Kong, but over a period of time, we began slowly to assist the Liaison Office as best we could. We had a very good relationship; most of us were old friends.

Q: *What was happening in China at the time?*

CROSS: It was the "Gang of Four" time - for the first part of our time. The Gang of Four and the residual effects of the Cultural Revolution created problems for our Liaison Office. We interpreted this weird phenomenon of the Gang of Four as symbolic of the last years of the Mao regime. We really had no idea of what was happening within the Chinese leadership. Deng Xiaoping had emerged again and in 1974 (I think) was returning to a leadership role. Zhou En-lai died in January, 1976. By April, Deng had been dismissed again. That was followed by a hysterical period in China. When Mao died in September 1976, the "Gang of Four" was dismissed and Deng took over once again.

Q: *Was our intelligence pretty good about all of these events?*

CROSS: I don't think so. We based our analyses mostly on Chinese directives, which were policy oriented. But Kissinger would always complain that we would provide good reports on what had already been decided, but very little on how and when it was decided or by whom for sure. That intelligence was only developed as the Liaison Office expanded its contacts and then later when full diplomatic relations were established and our embassy could get around.

As for the "Gang of Four," it was clear to us that they were hated, although the depth of that hate did not become clear until later.

Q*: Did we foresee a new day dawning?*

CROSS: There was no question that the "Gang of Four" were the worst of the Mao period. We assumed that sooner or later that leadership would fall apart and that one would come out on top. But as long as Mao was alive, the four had to depend on each other - despite the fact that Mao by this time was senile. Eventually, Hua Guofeng became the figurehead leader. In fact, he was such a surprise that our political section did not recognize the name. He arrested the "Gang of Four" after Mao's death. But Hua did not immediately have any base and was

soon replaced by Deng. But in the intervening time, Hua criticized the Cultural Revolution and all of it excesses.

Q: *Your relations with the Liaison Office were good?*

CROSS: Yes. We could hardly be seen as rivals. We were separated geographically and as far as work was concerned, as I said before, the Liaison Office was pretty well circumscribed. I don't think Kissinger really cared much about USLO; he just wanted to be sure that some well known American name like Bush be there so that he could fly out and talk to Zhou En-lai.

Q: *While you were in Hong Kong, we withdrew from Vietnam. How did that impact on your work?*

CROSS: The fall of South Vietnam was a real blow to many Americans in Hong Kong. Almost all of the American operations, private as well as public, employed a lot of people. Our Hong Kong staff was loaded with people such as myself who had worked in Vietnam. So our withdrawal was a real blow to the many who had been involved at one time or another during their lives. The event didn't come as a surprise. Ambassador Martin, traveling to and from Washington, used to stop in Hong Kong. He kept reassuring us that all would be well, but there were lots of other visitors from Vietnam who were involved in actual operations and who painted a different picture. Just before we withdrew, we received a long list of those people who were to be evacuated. The list was so long that it took the machine two hours to run it off. We used to send stuff to Saigon until the embassy asked us to stop; it couldn't even handle what it already had.

On the day Saigon finally fell, I got many calls from American businessmen asking whether I could get Mr. So and So (one of their friends) out. I told them that we were not in communication with Saigon at all. They found that hard to believe even though I told them that we were evacuating all Americans on that day. We also immediately began to put the word out that regardless of what was happening in Vietnam, the U.S. was in no way retreating from Asia and that we were going to try to do what we could for our Vietnamese allies - several thousands had been picked up at sea by one Danish ship. Ship after ship docked in Hong Kong with these refugees on board. They landed in Hong Kong and then were sent by plane to Guam. Shirley and I would go to the docks every evening to shake hands with these refugees and sort of welcome them to the U.S.

Q: *How did the British authorities respond to this deluge?*

CROSS: The governor had been the British ambassador in Vietnam, so he was very sympathetic to these refugees. But the British insisted they had no facilities to take care of the refugees and so they were very happy when we took them off to Guam. The British eventually had to establish a huge refugee operation when the "boat people" began to come.

In closing, our job was to report on what was going in Hong Kong as well as on the mainland. The governor and I would talk frequently; he would insist that the major actors in

Hong Kong were the Chinese and the Americans. He didn't mean that the U.S. had any policy role in the governance of the colony, but that the security of Hong Kong depended on our willingness to stay engaged in East Asia. He also felt that if China had confidence in its future and if the U.S. tried to help develop the country (e.g., by joint enterprises), that would reduce pressure on Hong Kong. He used Korea and Japan as models of good U.S. policy.

ARTHUR W. HUMMEL, JR.
Public Affairs Officer, USIS
Hong Kong (1952)

Ambassador Arthur W. Hummel, Jr. was born to American parents in China in 1920. He received his master's degree from the University of Chicago. His career with USIS included assignments in Hong Kong, Japan, Burma, and Taiwan. He served as the ambassador to Burma, Ethiopia, and Pakistan. Ambassador Hummel was interviewed by Dorothy Robins-Mowry on July 13, 1989.

HUMMEL: In '52, we were assigned to Hong Kong.

Q: That's a good place to go on the first assignment in a family. What did you do in Hong Kong?

HUMMEL: I was sent out originally to replace Doak Barnett, who had been called the Evaluation Officer, trying to organize evaluations of USIS programs, not only in Hong Kong but on a regional basis; that is, polling, surveys of various kinds, as assets for our USIS planning. Not much of that got off the ground. Doak Barnett, I think, got bored with it and left and so I was sent out to replace him.

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Very shortly thereafter, a few months after we arrived in Hong Kong, Paul Frillman, the PAO, left, resigned, I believe, and they made me PAO. We had such bright lights as Dick McCarthy and Charles Cross, who became Ambassador to Singapore. There were some good men.

Q: Was Hong Kong a pretty big post, given the situation in China at that time?

HUMMEL: It was, very big. One of the innovations that I am proud of -- I didn't invent the idea, but I helped to get it started -- was the establishment of a Chinese language magazine called "World Today" which circulated throughout Southeast Asia for the overseas Chinese, in Chinese, and circulated also in Taiwan.

It was so good in its content and format that it was sold through the regular news networks. It was not a give-away.

Q: Was this in English or in Chinese?

HUMMEL: Chinese.

Q: What kind of Chinese?

HUMMEL: Mandarin, the written language.

Q: Was this the first of these magazines that USIA published overseas? Subsequently, there were any number of them.

HUMMEL: I can't be sure it was the first. I honestly don't know. It was an early one, and the key to its success was that it managed to meet newsstand standards and compete with all other magazines.

Q: What kind of material would you carry in it?

HUMMEL: News, commentary, anti-Communist stuff about the mainland, things about the United States. It was sort of a generalized magazine, fairly popular, quite a bit of stuff on movie stars, Chinese movie stars.

I remember having the pleasure of getting the absolute top Chinese movie star, a beautiful girl named Li Li-hua, in Hong Kong, getting her together with Clark Gable for a picture for this magazine.

Q: That's quite a combination, isn't it?

HUMMEL: They had their picture taken on a boat with the Hong Kong Island in the background. That was on the cover; that was a great issue.

Also, I took the opportunity to travel throughout Southeast Asia to all of the major places.

Q: But you couldn't get into China then.

HUMMEL: No, I couldn't get into China. I did surveys of the overseas Chinese, just simply to survey places, and I can't name them all, but Vietnam, including Hanoi and Saigon, at that time still in French hands, Thailand, Indonesia, Malaysia, Singapore, Indonesia, and I didn't get to Brunei, but the Philippines, Burma, doing comprehensive reports of local Chinese populations.

We, in Hong Kong, were publishing materials in Chinese for the whole area, and, of course, visiting Taiwan, too. All that was personally very pleasant.

Q: This was your first real encounter in these areas.

HUMMEL: With overseas Chinese, yes.

FRANKLIN J. CRAWFORD
Consular Officer and General Services Officer
Hong Kong (1952-1954)

Franklin J. Crawford was born in Ohio in 1927. After earning both his bachelor's and master's degree from Ohio State University in 1949 and 1950, respectively, he received his law degree from George Washington University in 1974. He also served in the US Navy from 1945 to 1946. His career has included positions in Hong Kong, Izmir, Isfahan, Teheran, and Colombo. Mr. Crawford was interviewed by Thomas Dunnigan in January 2002.

Q: You got your first assignment out of the Institute, then.

CRAWFORD: That's right, I went to Hong Kong in January of 1952.

Q: How did you go, by ship?

CRAWFORD: No, I flew: Washington [DC] to Columbus, Ohio to San Francisco and then those old Pan American clippers. There was some famous movie star on the clipper…Caesar Romero. He was chatting everybody up.

Q: In Hong Kong, you were assigned to do consular work?

CRAWFORD: Yes. I was assigned to the citizenship unit. We had hundreds, if not thousands, of applicants, most of the frauds. So we processed these cases. We didn't exactly have a quota, but the object was to get the thing done because there was an enormous backlog of these cases and there was a lot of pressure from Washington, a lot of Congressional pressure from Senators and Representatives who had large Chinese constituencies. There was a man named Hiram Fong.

Q: I remember, Fong was famous even in my day. He was in Honolulu, as I recall.

CRAWFORD: I remember that name. He had lots of clients. He wrote letters to us and to Congress. We had one case in the morning and one case in the afternoon, and there must have been 12 or 15 of us doing this. We all sat in some great big bullpen.

Q: And as I recall, they had to do most of the interviewing through interpreters because these people spoke the Toi Shan dialect.

Who was the chief of the consular section?

CRAWFORD: Harold Montamat was the chief of the consular section. Later, a fellow named Buck Backe took his place. Monty was a great guy, really a wonderful person. He didn't have a very good reputation in the Department [of State], he was too much of an iconoclast.

Q: Who was the consul general at the time?

CRAWFORD: When I got there, Walter McConaughy was consul general, and Dave McKillop was the number two. And then, Julian Harrington came and took McCarnegie's place.

Q: What problems did you face, besides the usual fraud issues?

CRAWFORD: We didn't have any problems, except that all of us thought it was a great joke, the way we processed these people. We had this system with a list of questions that we asked, and we had these two interpreters who had applicants drawing pictures of their village; they'd say, "This is the village, and these are the houses, and there are seven houses," and so on, and then one of the standard questions was, "Where were the toilets?" I remember one of my applicants had done this, and I said, "Which toilet did you use?" And she said, "Whichever was unoccupied."

Q: Did the fact that we were, at that time, fighting the Chinese communists in Korea have any impact on your work at all?

CRAWFORD: Certainly, in the background. We didn't have any direct connection with these affairs, we weren't following affairs on the Mainland. It was a part of the ambience, part of the whole atmosphere that these people were portrayed, or were portraying themselves, as anti-Communists, and they were fleeing from Communist China, and that was supposed to ring a lot of bells. You couldn't really deny that claim. But, it was obvious that they were fleeing for economic purposes.
Q: I didn't want to ask you about the refugee situation, but I knew at that time thousands came out from China, mainly for economic reasons, but some for political reasons.

CRAWFORD: Yes, there were a lot of political people [refugees] in Hong Kong, and we knew some of them, because the political section had a big effort to meet these people and interview them. And we heard a lot about it because we did a lot of socializing. I think there were some very good people there in the political section who did this, followed refugees. Sometimes we had to deal with them, that's later on; I switched from the Chinese fraud applicants to the regular citizenship office. Gil Duly was running it, but she went on home leave and so they put me into the passport/citizenship operation. I used to see a fair number of people who had come out from China and came in to have their passports renewed. We'd talk to them, and I knew from people like Chuck Cross, who was in the political section, and Art Hummel, and some others, something about these people's stories, the situations they came out of. There was a lot of interest.

Q: Yes, in my time a few years later, we had a refugee relief program, and this brought out a flock of investigators from Washington, to look into the credentials of people applying for these visas, but we won't get into that.

CRAWFORD: In 1953, there was a big RIF. Monty, the chief of the consular section, was hit by this RIF, and so he was selected out. He left to the great disappointment of everybody who had worked for him because he was a terrific man. His place was taken by Buck Backe.

He wasn't so popular with the staff, because there was such affection for Monty, and they felt that Monty got kicked out unjustly, and this other man had come in to take his place.

There was an American woman whose name was Valerie Breingan, who was the General Services Officer. She was married to a Brit who was with some business in Hong Kong. As a local hire, she was also RIFed. So, there was this sudden vacancy in the General Services Office. So, I was assigned to be General Services Officer, which was such a relief to get out of that citizenship section. I had been there for the better part of a year, maybe eight or ten months. I had a Chinese woman who worked for me. She became a very good friend. She had worked for the Consulate General in Shanghai before. She said, after we got acquainted, "When you took this job, you sat in your office for a month and read the regulations, and you didn't do anything else. After that, it was impossible to find you."

Q: Were you there for the Kowloon riots in 1952? Those were very tense days, I'm sure.

CRAWFORD: Well, I guess so, but I really wasn't aware of the tension. I know there were a couple of people, Bob Ballentine was one, and some guy who worked for USIS, were somehow involved. They weren't hurt, but they encountered these rioters. Several of us had been...Actually, I was living in Kowloon at the time, but I had gone over to the Island. I had spent part of the day at the consulate and went back in the evening. People on the Island, people I ran into, didn't seem to know anything about it, it all came as a big surprise when we took the Star Ferry back.

Q: Were there any plans to replace the Garden Road Building when you were there?

CRAWFORD: If there were, I wasn't really aware of it. I think there might have been something, because it was sort of a shambles, that building. I did go back to Hong Kong once sometime in the '60s, and saw the new building, what had changed.

Q: Lastly, about Hong Kong, was not one of the consular people there put in the Leavenwood?

CRAWFORD: No, that happened before. It happened sometime in 1950 or 51. This was the man who was selling visas or citizenship papers. I remember, after I had taken the Foreign Service exam, there was a story in the [*New York*] *Times* about this man who was arrested and then indicted, convicted finally, and somebody, probably my father, said, "Why do you want to get into a business like that?"

Q: Any other comments about your days in Hong Kong?

CRAWFORD: It was a wonderful place to live, but it was terribly confining. We used to party a lot. Someone asked some group that I was with, "Why do you people drink so much?" And somebody said, "It's the quickest way out of Hong Kong."

Anyway, the time came, after that I was reassigned to Turkey. I was delighted, because I was going to go to the Middle East. I had been thinking about maybe trying to specialize in

Chinese, because people like Cross and others, John Heideman was one of them, they do China, and there's a lot of intellectual and political interest in that.

JEROME K. HOLLOWAY
Political Officer
Hong Kong (1952-1957)

Jerome K. Holloway was born in Pennsylvania in 1923. He received his bachelor's degree from Catholic University in 1947 and his master's from the University of Michigan in 1959. He served in the US Navy during World War II. He joined the Foreign Service in 1947. His overseas posts include Rangoon, Shanghai, Bremen, Hong Kong, Tokyo, Stockholm, and Osaka-Kobe. Mr. Holloway was interviewed by Charles Stuart Kennedy on June 16, 1989.

Q: *You went to Hong Kong in 1952?*

HOLLOWAY: Yes.

Q: *What were you doing and what was the situation?*

HOLLOWAY: The situation was that you had a China reporting unit in the consulate general in Hong Kong. It was, for the most part, made up of people who had served in China and in Communist China. I had the highest respect for the fellows who were in it. They were great fellows. It was about my best post. We played tennis, golf, squash, hiking. Beer was cheap. It was just -- everything was cheap. Hong Kong was a bit confining, but not all that confining. And everyone seemed to me to have a real interest in China and what was going on in China. And it was a very professional group.

Q: *Who was the consul general then?*

HOLLOWAY: When I first went, it was Julian Harrington. And he was succeeded by Everett Drumright. We talked about Drumright. As I said, the China reporting, I remember a fellow named Dick McCarthy started the translations of the China press, which had become an essential tool for anyone doing scholarship or research on Communist China. We had certain jobs to do. We were running the export control program on China. One officer, Bob Eller, was following the Americans who were trapped in China, were trying to get out. There were certain sub-specialties, but by and large, we were focused on -- we were the eyes and ears of the government for China.

Q: *What were you doing?*

HOLLOWAY: I was doing economic work, which I had been doing in Shanghai. It was during that period that the security apparatus seemed to me to be operating.

Q: *You're speaking about the American concern about anybody having dealt with China,*

whether they were a security risk?

HOLLOWAY: That's right. I'll show you the sort of clumsy thing they did. The security officer would come around and start asking me about a fellow I'd served with in Shanghai, and what did he do in Shanghai and all that sort of thing. And then the next day, he'd go to that fellow, who was working in say the political section, and say, "Now, you served with Jerry Holloway in Shanghai. What did he do there? What was his ideology? Did he have any Chinese girlfriends or anything like that?" It was very clumsy, but enough to make things uneasy. And there were some incidents that were not very pretty.

Q: *Can you describe any?*

HOLLOWAY: Well, one fellow was asked to take a lie-detector test when he went back on leave, although I think that was the military that insisted on that. There seemed to be -- I wouldn't say an attempt to set us against each other, but Big Brother was looking over your shoulder in a way that he didn't used to. See, I was there in '52 to '57, and that was a bad period.

In the end, we were all cleared, no problem or anything like that, but it left a sour taste.

Q: *You were obviously all part of the reporting unit, both on the economic side, which is yours, but on the political side. Did you have any feeling that you'd better make these reports, you had to be very careful about how you wrote these reports so it didn't sound like "Gee, they've come up with a good new idea in economics"? This wouldn't sit very well in Washington.*

HOLLOWAY: Don't say that they're doing too well.

Q: *I mean this was part of the ethos, or whatever it is.*

HOLLOWAY: And for instance, there was this organization called ECAFA, the Economic Commission for Asia and the Far East, which was a U.N. subsidiary. It puts out an annual economic report on Asia. The State Department arranged so that we had a veto. We went over it in draft, to take out anything too favorable to the People's Republic. As you know, our policy was, as Walter Robertson, the assistant secretary expressed it, to keep pressure on the mainland in the hope that a revolt would ensue there, which we or the Nationalists could take advantage. Dulles spoke quite openly. You can read it in Ridgeway's memoirs, of how to invade China through Hainan, up thorough Korea. This was part of the keeping the Li Mi and the Chinese Nationalist Divisions in Burma resupplied.

It was our aim -- we were hoping for the overthrow of the Chinese Communist government, and to suggest that this government was fairly permanent was to fly in the face of policy.

Q: *So although it wasn't explicit -- it was implicit -- you had the feeling that you were watching your reporting?*

HOLLOWAY: It was easier on the economic side. On the political side, I think you weren't going to do any speculative pieces.

Q: *One can read, as we say in the United States, the tea leaves. [Laughter]*

HOLLOWAY: Yes.

Q: *Despite this, did you find the morale good? Was it an intellectually lively group of people you were dealing with?*

HOLLOWAY: Yes. One of the problems in Hong Kong was that the consular section was under a tremendous workload. You had 25,000 Chinese claiming American citizenship, that they had to deal with. And you had the refugee relief program. Those people really did work very, very hard, and without, as you know from consular service, not a great deal of thanks. It was a tough job, and it sort of divided the consular general into two sections: the consular section with this horrendous workload, and the political and economic, which was a fairly nice job.

Q: *Almost an ivory-tower type of situation, as compared to the working stiffs. I might add for the record, that these 25,000 Chinese claiming American citizenship, many of these were fraudulent. They were fake documents, and they were coming from various towns in and around Canton.*

HOLLOWAY: They were coached. It was just one gigantic fraud.

Q: *They used to have hit squads of our people who would break into their houses with the Hong Kong police to grab their kochi books, telling which village they lived in and all this.*

HOLLOWAY: Where the school was --

Q: *Where the school was. It was very elaborate.*

HOLLOWAY: The best story, though, were the Canadians, who required that you have no amoebic dysentery. No amoebas. Which required you were required to submit a clean stool. There was a place in Hong Kong that guaranteed a clean stool.

Q: *They had stool producers, yes. Somebody at one point figured that there were very few Chinese women at the time, and each one of them had to have produced -- I think this was before the 1906 San Francisco earthquake -- each one would have had to produce something like 200 children or something like that, in order to produce the number of claimants to American citizenship.*

HOLLOWAY: You mention the San Francisco earthquake. These Chinese knew every town in the West where the courthouse had burned town and there would be no records! [Laughter] "Oh, I'm from so and so, Montana, 1923."

"Oh, that burned down. We don't have any records."

Q: *Yes. [Laughter] Did you get any instructions from the consul general, bringing you together? Did you have weekly meetings or something, where you would sort of chew over the China*

situation?

HOLLOWAY: Yes, particularly with Drumright, who, of course, had served in China, served in Chinese affairs. Drumright was very right wing, very conservative, and was a strong believer in Robertson's policies. But he was also intellectually interested in the problems. He had no sympathy for the Chinese communists, but he was certainly not prepared to say they don't exist.

Q: *What was the thrust of your feelings from '52 to '57, about the survivability of -- were you, as a group, convinced that this outfit was here to say? Or that the Nationalists are going to --*

HOLLOWAY: No. Whatever was going to happen in Communist China, I think there wasn't one of us who had any illusions about the Nationalists. Even those who served in Taipei. They weren't going back to the mainland.

Q: *What was the feeling about the Nationalists? You were getting obviously, pretty well second-hand. But the other people, what was the general feeling about perception of the Nationalists at this period?*

HOLLOWAY: That they had not improved a great deal over their performance on the mainland. Now, this was not held by many of the top folks, particularly the ambassador in Taipei. He was in our staff meeting, visiting Hong Kong, telling us that, "Oh, our relations with the Nationalists are fine. Everything is great." And one of the clerks came in and called him out. There was a message that the Nationalists had just broken into his embassy and, among other things, had dropped the safe on his car!

Q: *This was after an incident of --*

HOLLOWAY: An Air Force sergeant, named Reynolds, was acquitted of murdering a Chinese. And the ambassador was there telling us --

Q: *This is ambassador Rankin.*

HOLLOWAY: Rankin.

Q: *Yes, Carl Rankin.*

HOLLOWAY: Carl Rankin. That this was all going to pass and blow over! [Laughter] And at that moment, his embassy was on fire!

Q: *At the staff meeting, was anybody saying, "Well, this is all very good, Mr. Ambassador, but it looks like the regime is here to stay"? There was a certain keeping one's head down?*

HOLLOWAY: No, nobody was going to tell him -- we weren't going to say the Nationalists were hopeless. But we were telling him that things were better on the mainland than perhaps our propaganda was making them out to be.

Now, you've got to realize that we were fooled, too. In '57, there was a bad famine in China and thousands died. We had no inkling of that.

Q: *Because you were relying on papers and broadcasts.*

HOLLOWAY: The British would interview Hong Kong, the Hong Kong police would interview Chinese refugees. We were allowed to interview non-Chinese, who were still coming out -- that was the division of labor -- but the British made available their reports. But this was very low-level stuff; as you know, these were mostly from Guangdong.

Q: *Yes, which is the Canton area, the traditional --*

HOLLOWAY: The traditional hinterland of Hong Kong. The foreigners were more interesting, particularly the White Russians, most of whom spoke Chinese and had gotten some fairly good insights. We were hearing that the Chinese and the communists and the Soviet advisors were not getting along from '53 on. They would detail arguments in this factory or that factory, where the Soviets said "Do it that way," and the Chinese said --

Q: *The Soviets weren't there en masse at that point? Or were they?*

HOLLOWAY: Yes, in '53, '54, '55 they --

Q: *Did you view the Soviets as a great monolithic brotherhood with the communists at that point?*

HOLLOWAY: No, no. As I mentioned earlier, our original policy was very sophisticated. We say that Mao was going to be a Tito. And this was done at the very highest levels in Washington. And it's been published in papers. Afterward, that's '49, you get into the mid-'50s, you had to start asking yourself, "Haven't we pushed the Chinese into the Soviet arms?" But we certainly did think of them as monolithic.

Q: *But you didn't see, in your reporting and the others, any sort of rift coming between the Soviets and . . .*

HOLLOWAY: No, except for these reports that the Soviet advisors couldn't get along with the Chinese. Now this turns out to be indicative of much deeper disagreements.

Q*: Could you just quickly summarize where you went afterwards, so the reader can get an idea?*

HOLLOWAY: Well, I decided that Chinese affairs was a dead end. And in '57, the Department sent me to the University of Michigan. Spent a year and got a Master's degree in East Asian Affairs; went to Japanese language school in Tokyo, was assigned to the embassy in Tokyo, then was consul, principal officer in Fukuoka. Went back to Washington, was in charge of INR, on charge of Ceylon, India and Nepal. Was then switched over to German affairs when the wall was built in August of '61. And stayed in German affairs and European affairs for another three years. Then went, as counselor of political affairs, to Stockholm and spent four years there. Came back

and spent a year at Harvard at the Center for International Affairs at Harvard. Went down to Washington as Director of Regional Affairs for East Asia. Then went out and spent four years as consul general in Osaka. Then came back to the War College as the State Department advisor to the Naval War College.

My wife died, I retired and stayed on at the Naval War College. Been there for fifteen years now.

JOHN H. HOLDRIDGE
Political Officer
Hong Kong (1953-1956)

Political Officer
Hong Kong (1962-1966)

Ambassador John H. Holdridge was born in New York in 1924. He graduated from the US Military Academy in 1945 and served as a 1st lieutenant overseas until 1948. He joined the Foreign Service in 1948. His overseas posts include Bangkok, Beijing, Hong Kong, Peking, and Singapore. He was the ambassador to Singapore from 1975 to 1978 and to Indonesia from 1982 to 1986. Ambassador Holdridge was interviewed by Marshall Green and Charles Stuart Kennedy in 1989 and by Charles Stuart Kennedy in 1995.

Q: *You were there for three years and then went on to Hong Kong.*

HOLDRIDGE: Yes. There I started out as one of the interviewers of people who were then leaving China mainland in large numbers -- businessmen and quite a few of the Catholic padres. This was in 1953.

Q: *Most of the people had fled China already, hadn't they?*

HOLDRIDGE: The missionaries stayed on as long as they possibly could. Do you remember Bob Aylward? Well, their good friends were the Ricketts. They had stayed on even though they had been on house arrest. They were teaching out at Yenching , later Beijing Daxueh, or University, in Beijing. They came out at that time, around 1954.

Q: *Was your job as a political officer in Hong Kong related to this problem of getting missionaries out of China?*

HOLDRIDGE: It was not getting them out but to pump them of their information as to what was going on in China. I was a debriefer essentially. Later on, after that phase was over, I became in charge of the press monitoring unit.

Q: *Yes. This, I think, served a great purpose in foreign policy. When I was in Hong Kong, I recall that we had about 21 people in that translation unit, and several times a year we were putting*

out about 800 copies of translations. Was that true back in 1953?

HOLDRIDGE: That was true then. We were the beneficiaries of some very fortunate circumstances. Quite a few of the Chinese analysts and interpreters/translators, who had been with the consulate general in Beijing and even in Shanghai, were able to make it out. They set up shop with the American consulate general in Hong Kong. We had, in effect, an institutional memory.

Q: *You were also getting lots of newspapers, magazines, letters, and things like that.*

HOLDRIDGE: Yes. It was mostly newspapers and magazines. Part of the press monitoring unit at the time was publications procurement. We had one officer on the staff, Al Harding, who was the publications procurement officer. We went around and managed to get papers from all over.

Q: *The British authorities in Hong Kong were also debriefing the Chinese refugees who were coming in, weren't they?*

HOLDRIDGE: That's quite right.

Q: *Did you have access to their information?*

HOLDRIDGE: Yes. Since it is 30 years and more since that time, I can say that we cooperated quite fully.

Q: *We really had a tremendous wealth of information about what was going on in China, which was probably superior to anything outside of China anywhere in the world.*

HOLDRIDGE: That was our feeling. One of the things I always felt is that, during this period when we didn't have relations with China, we did not lack for actual information as to what was going on. We were able to keep up with the internals and some of the problems quite well, even though it was like the old Chinese doctor treating one of the emperor's concubines. He couldn't see the woman directly, but he sat behind a screen and she described her symptoms to him. Then he had this little carved ivory doll which he could use. . .[Laughter]

Q: *It's interesting because, when you were in Hong Kong getting this flow of information, I was in Sweden. I was the first secretary of the embassy in Sweden. I had very good contacts with the Swedish foreign office, whose ambassador in China was picking up magazines -- such as railroad magazines, etc. and things which were unclassified -- and making them available to me. I would then make them available back to the Department. I was contributing a little bit to this flow of information about the great mysteries of what was going on inside of China.*

HOLDRIDGE: I claim credit for one piece of reporting which I think was rather foresighted. In 1956, before I left Hong Kong, I was transferred to Singapore as political officer and head of the political section.

In April of 1956, the Chinese established what was called the Preparatory Committee for the

Autonomous Region of Tibet. They had quite a conclave of senior people -- the Chinese leading official whose name I can't remember, the Dalai Lama, etc. The Dalai Lama made a speech which was carried intact in the Chinese press which we, of course, translated. It was also released in English version, in the New China News Agency version in English.

A comparison of the two, which I made, showed that there were some very significant omissions from the Chinese in the English version. For example, the Dalai Lama was quoted as saying that the Chinese had built many roads in Tibet, and he was very grateful for this development of his country. He went on to say, "However, in the course of the construction of these roads, many of our people gave up their valuable lives, and we send our sincere condolences to the families of these people."

In other words, there was something wrong there. There were a number of other spots in that where you could see that the Chinese had overridden religious scruples. They had changed the social system, and there were deep resentments.

Before I left in 1956, I wrote this one dispatch -- we don't write dispatches anymore since everything goes by cable. I came to the conclusion that the Chinese were having a real problem in maintaining their control in Tibet. If they thought they had it hand, they were "whistling in the dark."

Later on, I saw a British evaluation of my report. They said, "No, no, no. This guy is way off base."

But this was three years before the Dalai Lama -- the Khambas -- revolted in Tibet and the Dalai Lama fled with his whole entourage. He's been in India and other places in the world ever since. I feel that this is the kind of thing you could do --

Q: *Don't you think, John, in retrospect that writing these dispatches contributed a great deal to the maturing of your own judgement by focusing in greater depth on the issue, rather than by flashing off these telegrams one after the other.*

HOLDRIDGE: Absolutely. This was because you had to think. You couldn't just look at the superficial aspects of it. You had to stop and ponder, considering what this was going to mean now, in a few years from now, or later on down the road.

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Q: You went to Hong Kong in 1962. I was already in Hong Kong when you arrived. You became head of the political section.

HOLDRIDGE: At that time it was first the political section. Then it became the mainland reporting unit. We discovered that it made very little sense to differentiate between politics and economics. The two sections that were reporting on mainland China, economic and political, were merged into a mainland China reporting unit, which also included the press monitoring unit and the publications procurement effort that we had. We had quite a number of people working

hard on analyzing what was going on in China economically and politically.

Q: *We divided because we had responsibilities for (1) Hong Kong and Macau, which had both a political and an economic aspect to it, and (2) mainland China. I would say that one of the things that struck me about that year of 1962 when you arrived was that Heyward Isham, who was in your section covering Sino-Soviet relations, found it impossible to find words strong enough to convey the tone of Chinese broadcasts against the Soviet Union. The language was so scatological, so intense and vituperative, that he despaired on being able to show that it was getting even worse than it was yesterday. [Laughter]*

HOLDRIDGE: This all began with that "Long Live Leninism" editorial, but it got worse and worse. Then it became a personal diatribe. On the one hand you had Mao Zedong who, if he didn't write these editorials, was certainly the one who said that this is what you will put into them. On the other hand it was Mr. Khrushchev up until 1964. Then, when he was replaced by Brezhnev, the Chinese didn't change the tone one iota. They simply said that the new leaders were even worse than Khrushchev because they were smarter. [Laughter]

Q: *One of the things that I recall -- and I'm very interested in your comments on it -- is that Chiang Kai-shek, or the Chinese nationalists, were using Hong Kong as a base for operations in the areas of mainland China, not too far from Hong Kong which caused great distress both to the British authorities as well as to the consulate general. I do recall going up to Taiwan one time -- of course, we sent messages to Washington about that and to our ambassador in Taipei urging that somehow we put a restraint on this because the British were getting very upset. Also, it wasn't doing us or anybody any good. These little pinpricks, if anything, were being used by the Chinese Communists to steel their people and make them all the more vigilant, driving them more into their little shell. Our thinking in the consulate general was the other way around.*

I was wondering if you recall those particular episodes. There was one particular episode that I remember fairly well which was at the time of the breakdown of law and order in Guangdong Province in May of 1962 when all these refugees came flowing into Hong Kong. It was quite clear there was a breakdown. At that time, the Chinese Communists were trying to get the young people in the cities back into the rural areas, to reconstruct their attitudes. A lot of them refused to go, and they came down to Hong Kong.

In this period of inner turmoil in China, there was a kind of an opportunity for us to exploit -- at least, for the Chinese nationalists to exploit. We were very careful not to do that. I remember putting a staying hand on the wrist of our embassy in Taipei in order to tell them not to stir things up and that it wouldn't do any good. More than that, we wanted to convey to Peking that this was our position. Do you recall that?

HOLDRIDGE: Yes. I recall that we took a very dim view of some of the things that the nationalists were doing. For example, they para-dropped a unit of several hundred men into Hainan. Of course, the Chinese Communists rounded these people up in short order, and they all were discovered with American equipment still with the U.S. ordinance device stenciled on the outside of the crates. It made our position very shaky. The Chinese would come out from time to time and blast that Hong Kong was being used as a base for espionage by the American

imperialists. It didn't help our situation any. The British were uncomfortable. They may have withheld some of the cooperation, as a consequence. I think that some of the people who worked on another floor in the consulate general were rather bothered in their relationship with the special branch as a consequence.

Q: *I remember you, John Lacey and I, as well as others in the consulate general were already beginning to see our problems with China in the long range as involving a first stage of entering into a more civil discourse with the Chinese and relieving them of any kind of fears that we were trying to exploit their internal problems. We were very active in this field, not under instructions from Washington although we reported our actions to Washington. It was because we felt that this was in our long-range interests. We were trying to calm down their vicious anti-Americanism and make them engage in at least a more civil discourse with us.*
This point about conveying to Peking the fact that our government was not trying to exploit their internal problems and trying to set the stage for a long-term, better relationship -- realizing that it was going to take some time -- this was conveyed to their representative. As you know, they had a number of business representatives in Hong Kong. Who actually transmitted this information? I know it was authorized, because I got the authority from Washington. Who actually did it to whom, I don't recall.

HOLDRIDGE: Frankly, I don't. I do believe that, in the course of our ambassadorial- level talks, something of this sort was also conveyed. As I said, these things went on from 1955 until 1970 sporadically. For a long time, they were bogged down. The Chinese wanted to talk about major issues and the major relationship. We said we had to settle the lesser issues first, such as non-repatriated Americans, etc. This is a familiar one.

I believe, in the course of these -- and you would have to check these with Jake Beam or with Alex Johnson -- that we did make it plain that we were not seeking to try to change the situation on the mainland. In fact, our conclusion in Hong Kong was that, despite problems such as floods, droughts, or problems generated by the collapse of the Great Leap Forward, which began to fall apart by 1962, China was going to be remaining under the control of the communists. There wasn't anything that anybody from the outside was going to be able to do about it, certainly not Taiwan.

Q: *Don't you think that, in this period of 1962 and 1963, there was a little bit of an opening in the clouds. You talked about the end of the Great Leap Forward. Clearly, it had been a disaster, and the Chinese knew that. Meanwhile, they were more and more concerned with the Soviets and the Soviet threat. Our interventions, both in Geneva or Warsaw, as well as in Hong Kong, were conveying the impression that we are not trying to exploit their internal problems. It seemed to me that there was an opening there. We were trying in the consulate general to make best use of it. We were trying to allow Americans to travel to China, to end our foreign assets control regulations. Obviously, this was a great nuisance and had nothing to do with our overall relations with China. It was more of an irritant. In other words, we were creating irritants for American businessmen, for American scholars who wanted to go to China. They couldn't get into China because China wouldn't let them, but it would appear to the world that we were the ones who were keeping them out.*

HOLDRIDGE: As a matter of fact, I think that, to an extent, we were. We tried very hard, for example, to suggest that maybe some sales of humanitarian items to the Chinese would be in order. We finally allowed American journalists to travel. However, by that time the Chinese were so angered over the whole situation, they refused to give any visas.

Q: *That's true. We anticipated that might be the reaction, but we generally wanted to have people go in to find out what was going on. On the other hand, we were still up against a dead-head attitude back in Washington which was part of the cold-war mentality. They still saw these things in very rigid, red and white terms. In the consulate general, we saw opportunities -- not just to gauge in a more civil discourse with China, but also possibly to be removing irritants, at the same making it clear that it was China keeping them out and not us keeping them out. That is one of the things we succeeded in doing.*

HOLDRIDGE: Yes. We were, of course, the forward-most element in the United States-China policy at that time. We were the listening post, and we could make a lot of recommendations which, you might say, forecast the future. There wasn't anybody else, really, that they had to pay attention to.

Q: *In 1962, we had a more sympathetic audience, you might say, back in Washington. Governor Harriman became assistant secretary in 1962. Chester Bowles was the Under Secretary of State. Both of them were very interested in a change in our China policy. What we were saying in Hong Kong had a very responsive resonance in Washington in the form of the new Under Secretary, as well as President Kennedy. He was interested in some of the things we were saying and doing in Hong Kong. It resulted in my being asked back to Washington in the early fall of 1963 to take a new look at our China policy. While all this was going on, Ambassador Holdridge was in Hong Kong. You were there all during this period until 1966.*

HOLDRIDGE: I saw the breakdown of the Great Leap Forward. Incidentally, our political analysts were able to predict the Chinese attack on India in 1962, because of the tenor of the sound of the Chinese pronouncements about the border clashes. Blood debt had been incurred, and the debt had to be repaid, etc. During all this period, I was able to witness the collapse of the Great Leap Forward, Mao Zedong being shoved into the background, and as you say, there was a more rational attitude for a period on the part of the leadership, headed essentially by Liu Shao-chi, who was really the second man under Mao. Liu Shao-chi and Xiaoping were people who were trying to run a much more realistic policy with the old ideology sitting in the background, glowering and waiting for a chance. This chance finally came in August of 1966 with the Cultural Revolution. In the meantime, there obviously had been some real problems inside China.

In September of 1965, for example, Lin Biao, then the minister of defense, had come out with a long diatribe saying, "Long live the victory of people's war."

Mao was still keeping up this barrage against the Soviet Union on behalf of his version of the future, and how to bring about the victory of communism. The other people seemed to be much more interested in running a country in a realistic, pragmatic, practical way. They had a lot of problems they had to face. At this time, it is conceivable -- had it not been for Mao coming out of

the wilderness again in August 1966 with the great proletarian Cultural Revolution -- that there might have been an easing of the tensions, but there wasn't.

The whole thing was deferred until -- I could give you a watershed -- first of all, the election of Nixon. Marshall may have contributed to Nixon's view of China with his long chat with Nixon in Jakarta in 1967. This is prior to the issuance of a Foreign Affairs Quarterly article in October of 1967, which advocated a restoration of a relationship between China and the United States. Then, when Nixon came in, among the first things he did was to order a restudy of China policy. That was subsequently followed up by removal of a considerable number of our trade controls, removal of the certificate of origin -- which used to be an onus to us in that any item that was brought into the United States had to show that it was not produced in mainland China -- as well as the removal of restrictions on travel, provided the Chinese wanted to give visas to Americans who wanted to go. All of this occurred with Nixon.

I came back from Hong Kong in 1966. I went into an office in the Bureau of Intelligence and Research. I was number two. Eventually, a year or so later I was the office director of the Office of Research and Analysis for East Asia and the Pacific, known as REA. My job, on the one hand, was briefing senior people such as Bill Bundy, then the Assistant Secretary of State, on significant developments. The other thing was trying to keep up with what was really happening and analyzing these developments in ways which could be contributory to foreign policy. This is a period in which we saw a lot of changes begin to materialize. I think we worked very closely, INR, with the Bureau at that particular time. We never did anything that wasn't really working very closely together.

Q: *Let me go back on this period because it is a very interesting landmark. I felt that the death of Kennedy in late 1963 put a great damper on all that we were trying to do to bring about a new attitude towards China. Also, things were going on in China. You were in Hong Kong in 1964 and in 1965. There was this socialist-education campaign, the precursor of the Cultural Revolution. It was clear that, not only was the end of 1963 a watershed for those of us who were hoping to bring about a modification of the rancor in our U.S.-China relations -- it was also our deepening involvement in Vietnam. The new President was totally wrapped up in Vietnam. Those of us who were hoping that we could have some kind of openings to China -- I remember this was a real damper --*

HOLDRIDGE: I'll tell you why. That was the influence of a predecessor of mine, once removed, as the office director for Research and Analysis for East Asia and the Pacific -- Allan S. Whiting. Allan had written a book, going back to the Korean War which was entitled China Crosses the Yalu. He was convinced that, in a situation where China's territorial integrity was being threatened by the approach of hostile forces from the outside as happened when the U.S. went north of the old DMZ, the 38th Parallel, and then China entered the Korean War, the same was going to happen in Vietnam. Here we were, deeply bogged down or beginning to get deeply involved, shall I say, in the Vietnam War. Allan kept telling Averell Harriman that, "The Chinese are coming. The Chinese are coming."

I can recall watching on television, for example, the then-Secretary of State, Dean Rusk, having his innings with Fulbright on this whole question of China. Rusk kept saying, "Well, the Chinese

are going to come in. That's why we have to keep a hard line, keep our guard up, etc." The repercussions of this Vietnam situation really affected our China policy. It put it in a state of semi-paralysis for a while.

I can remember Fulbright's reaction to Dean Rusk saying something about the Chinese are coming -- "They wouldn't do that."

This was said in his best Arkansas accent. In fact, they didn't. The Chinese for a while were actually impeding the shipment of Soviet war supplies across China to Vietnam. They were so jealous of the Soviets for having the inside track, and they were worried about Soviet encirclement of China, as a consequence of this big diatribe between Mao and whoever happened to be in power in Moscow at the time. It began to look to the Chinese as if they were being surrounded, not by the American imperialists, or the Japanese militarists, or the Taiwan revanchists, but by the allies of the Soviet Union -- the Soviet Union and Vietnam.

Q: *This is a very relevant point. I remember Bill Bundy, many years later, looking back and thanking me and John Holdridge for taking a view contrary to Allan Whiting. If only they had listened a little more attentively to this viewpoint. I felt the way you did. I didn't think that the Chinese would come massing down into Vietnam unless, of course, we carried the war up towards the borders of China. That was different. But, to be conducting a war the way we were -- raiding parties and that kind of thing against North Vietnam -- that certainly wasn't going to bring them in.*

The question to me was, how far could you go? I was Deputy Assistant Secretary of State at that time. In 1964, we spent a great deal of time trying to figure out how far we were going to conduct this war into Vietnam. Would we bomb the North? Would we bomb Hanoi? Would we mine the harbors? Would we mine the dikes?

With strong pressure from the press and the Congress, critical of our war effort, we kept making self-restrictions -- imposing restrictions on our own course of action. We said that we would not bomb Hanoi and Haiphong, we would not mine the harbors, and we would not mine the dikes and flood the country.

Every time we did this kind of thing, of course, it gave the enemy assurance. We just bargained ourselves out of the war.

HOLDRIDGE: Which we eventually did.

Q: *Of course, while this was going on, Peking was getting a clear impression that there were very distinct limits to our actions. Therefore, they were not so concerned about North Vietnam.*

HOLDRIDGE: They did their bit as an ally. They did send logistical troops, line of communications, to help keep the roads and railways open. They also sent antiaircraft units, but they never acknowledged the presence of Chinese forces. They used to talk about the "lips-and-teeth" relationship between China and Vietnam, but this was unacknowledged in terms of actual public announcement of the presence of Chinese forces. The Chinese were being very discreet.

When we would invade what they called their territorial waters or air space, they began this series of serious warnings that they would issue -- serious warning number one, number two, violation of Chinese territorial air space on such and such a date over such and such a bit of Chinese-acclaimed territory, such as the Paracels. We actually had some aircraft, that strayed into China on raids to the north, which were shot down or went down over Hainan, for example. The Chinese really didn't make anything much of it. They played it very carefully, not to bring themselves directly into the conflict.

Our analysis on this was to look at what happened in India in 1962. The Chinese took on the Indian forces after Krishna Menon said he was going to drive the Chinese out of the disputed territory along the Indian border with China. The Chinese really hit the Indians very hard in the Northeast Frontier Agency's area -- the NEFA -- drove the Indians out and down to the Plains of Assam. Having done so, they turned around and marched up the mountain again -- back up the Himalayas. They were not about to be involved in a major conflict at a time of deep, internal problems and contradictions.

I felt that the same thing was true during the Vietnam War. They had their internal situation to resolve. Along comes the great proletarian Cultural Revolution, and this threw China into a real convulsion while a lot of the Vietnam War was going on.

Q: *Don't you think, John, in retrospect, that we tended to regard the Chinese as ten-feet tall. The fact of the matter is that they were far weaker and far more concerned with their internal situation than with any kind of external adventures.*

HOLDRIDGE: We did have an intelligence break on that. Do you recall the Tibetan Papers?

Q: *No. The name is familiar, but I can't remember what it was about.*

HOLDRIDGE: It turned out that a group of Khambas, operating out of Nepal, crossed the border into Tibet, and managed to shoot up a Chinese military convoy, one of the trucks of which contained all of the workbooks of the political officer. When put all together, the upshot of these books was to show that the Chinese People's Liberation Army was in a terrible state. This was as a consequence, primarily, of the Great Leap Forward, and the siphoning off of energies into all sorts of non-productive things. It was a hollow Army.

Q: *I do remember that very well, now that you mention it. This simply confirms the fact that we tended to magnify the threat that China posed.*

HOLDRIDGE: Well, the people who were watching China did not agree with the assessments of people like Allan Whiting, that the Chinese were going to be charging in -- "watch it, fellows, because you'll have another Korean War on your hands."

Q: Was there another side to this? The tremendous antipathy of the Vietnamese to the Chinese gets played up a lot now in the post-Vietnam period. They've been fighting them for centuries. Were you talking to Vietnamese experts who were saying that they may get together, but that

China would not expand this way because the Vietnamese hate the Chinese?

HOLDRIDGE: That was known. I can't recall any specific individual who came up, waving a piece of paper. It was generally accepted that the Chinese and the Vietnamese were ancient enemies and not friends, and that their relationship could hardly be congenial.

Q: *May I say, though, that they may have been clear to you, John, but it was not clear to me. I was deputy assistant secretary at that time, and later on I was assistant secretary. I never really adequately appreciated the depth of Chinese-Vietnamese animosities. Never. What I did know was that we were exaggerating the threat that China posed, and the fact that China was expansionist. When you talk about the attack on India, it was basically because China was trying to settle its border problems with all the countries around its perimeter. They had succeeded in the case of Pakistan and the Hindu Kush, etc., but they came up against the Indians who refused to settle the Akusai Chin and the northeast frontier territorial dispute. The Chinese just gave them a lesson or two.*

Basically, the Chinese were not this kind of expansionist force we perceived to be. That lingered on and on.

There is one other thing here that is important. While all this was going on in 1965, you were back in the Department dealing with intelligence. I was in Indonesia. The collapsed effort of the Indonesia Communist Party, PKI -- in cahoots with Peking to pull off a successful coup that would put up a Nasakom government under the titular leadership of Sukarno, who was very compliant and working closely with the communists. That failed. It was a tremendous setback to China in terms of its external policies. This, of course, caused something of a breakdown of democratic centralism in Peking, etc. It sent shockwaves all over the communist world -- far more than people have recognized.

HOLDRIDGE: Bob Martens, who was running the Soviet research area when I was running the East Asian side, has written a book on this. He was one of your political officers. He has maintained that this was a crucial factor in the whole sequence of events which followed -- the Indonesian coup and its failure.

I don't quite agree. I don't think the Chinese were that deeply involved. I think that they were supportive of Sukarno and the CPI. There is no doubt about that. I don't think that they were as deeply involved as Bob Martens says they were.

Q: *I think Bob Martens has made a very important contribution to the understanding of this problem, though, by accenting the fact that Sukarno was a willing tool. Whether or not Sukarno was designing to establish a communist government, or thought that he could control such a government, etc., that is beyond my ability to evaluate.*

There were a series of blows to China at that time, which had a great deal to do with Chinese attitudes and with the problems that we had in our relations with China.

HOLDRIDGE: I think the Chinese became even more surly and churlish as a consequence as

some of these setbacks. The "victory of People's war" was certainly not being clearly achieved in various places. The Vietnam War went on for years, and Indonesia was no great plum for the concepts of Mao such as, "Long live the victory of People's war."

As a matter of fact, the collapse of the coup came in the same month, only a few weeks after Lin Piao had issued this little pamphlet on, "Long Live the Victory of People's War."

Along comes the Cultural Revolution, and Mao is now trying to set things straight -- what was wrong was that the younger generation didn't know how to struggle, didn't know how to shed blood, and he was going to fix that. The Red Guards were going to storm the party headquarters and get rid of those people such as Liu Shao-chi, who were trying to turn China away from communism and back toward capitalism. The whole country went into a convulsion. This is precisely the period when we were becoming most deeply involved in Vietnam.

The idea of the Chinese -- at a time when they were going through these throes internally -- engaging in some kind of an external war of major proportions was absolutely ridiculous.

Q: This is how your unit and people dealing --

HOLDRIDGE: This is how we were telling people such as Bill Bundy, for example, whom I briefed. The first thing in the morning, I would come in and read the overnight from the intelligence channels, get together the stuff from other agencies, cart it down there, put it into some kind of a form, and make a fairly cohesive picture of it for Bill Bundy. I never felt that the Chinese were going to be charging in. This was after Averell Harriman and Allan Whiting had both left.

Q: *Going back to this period of 1963 and up to 1965, I think the Chinese clearly had a position of considerable standing and ambition in terms of influence -- not military, but political influence -- in Africa. They were putting a major effort in Africa. They were also making a major effort in the non-aligned countries of the world. They posed as a non-aligned country. Clearly, they were the biggest and most powerful "non-aligned country." They were willing to let Sukarno be their cat's paw. They had these big meetings in Bandung. They made a major effort to make the PKI the dominant party -- which it already was by the time I arrived there in 1965 -- definitely pro-Chinese. The Chinese had a great deal of influence in Jakarta. They were putting up a new CONEFO (the Committee of the New Emerging Forces) complex right outside Jakarta. It was a huge building built with Chinese money. Millions of dollars went into it from China. They were just nearing completion when all this PKI effort collapsed.*

I do think that this meant, in a way, the end of Chinese efforts to have influence in the outside world -- not necessarily military, but ideological influence in Africa, Southeast Asia, etc. In a way, they were competing against the Soviet Union in these areas, too.

HOLDRIDGE: It was quite plain. Indeed, they were making a deliberate, direct challenge for the leadership of the world communist movement, vis-a-vis the Soviet Union. The Soviets actually resented it, which led to this whole situation. The changes, which then occurred, we were wise enough to attempt to exploit.

Q: *China simply wasn't that kind of an externally-aggressive country.*

HOLDRIDGE: Ideologically, it was on the offensive.

Q: *Ideologically, it was out to make marks all around the world.*

HOLDRIDGE: But, militarily it was extremely defensive.

Q: In China at the beginning of the Cultural Revolution, did you feel that this was a power struggle, or was this ideology?

HOLDRIDGE: It was power struggle in part. Mao was taking after some of the people who had thrust him back at the end of Great Leap Forward into what he called "the second line." These were the ones who wanted to run China in a pragmatic, realistic way, with a diminished, ideological content, as opposed to Mao who wanted to carry the revolution forward to the end, both at home and abroad. There was an expression for it, "Ke ming tao ti". This was, "Carry the revolution, through to the end."

This was what Mao was trying to propose and, in fact, to conduct. It didn't work.

I saw on the television last night a young Czechoslovakian woman said, "Look. Marx was a romanticist. What he proposed was not suited to human endeavor." [Laughter]

LARUE R. LUTKINS
Political Officer
Hong Kong (1954-1957)

LaRue R. Lutkins was born in 1919 and raised in New York. His career with the State Department included assignments in Cuba, China, Malaysia, Japan, Hong Kong, Ceylon (Sri Lanka), and South Africa. Mr. Lutkins was interviewed by Charles Stuart Kennedy on October 18, 1990.

LUTKINS: This was in 1954, and it was late summer, early fall. I must have arrived in Hong Kong probably September, '54, and I was assigned to Hong Kong as chief of the political division, replacing Ralph Clough, who was going back to Washington to serve as the deputy director of the Office of Chinese Affairs.

Q: Who was the consul general then?

LUTKINS: When I arrived, it was Julian Harrington, but he was transferred after a period of three of four months. And he was succeeded by Everett Drumright, who was a career Chinese language specialist.

Q: Yes, we have an interview with Everett Drumright. What were you doing? What was the political section doing? After all, it was a large political section. What were your goals?

LUTKINS: Well, it was summed up under the term of "China-watching" and continued up until the time when the United States resumed relations with the People's Republic of China in the early 1970s. Hong Kong was *the* place where China-watching occurred and where all the China-watchers gathered. Whether they were governmental, in terms of the Foreign Services of the different countries, or whether it was academic, or the various press and media, that was *the* place to be to try to follow what was going on, interpret what was going on inside China.

But interestingly enough, even with governments like the British and the Dutch, Australians, I'm not sure about the Australians, but I know the Dutch, who like the British, had relations with the Chinese Communists and an office in Peking. But even in their cases, they thought it was helpful to have a specialist stationed in Hong Kong. Since their people in Peking were circumscribed in their movements, they felt it was useful to have somebody outside who could see the picture from there.

Q: Well, you talk about seeing the picture. I mean, after all, the refugees were mostly from one area around Canton, I would imagine.

LUTKINS: That wasn't entirely true. It's true that, if you're talking about the overall influx of refugees, they were very much of a lower class, usually peasants, small business and that sort of thing, who came in almost exclusively from the area adjoining Hong Kong, the Province of Guangdong. But certainly when I was there, in the '50s, you still had a trickle of other people coming out: American and other missionaries who had been detained after the takeover of the Chinese Communists who were being released from time to time; certain foreign businessmen who were operating there, not Americans but other businessmen who were operating in China, British and others who came out; and newspapermen from other countries who were allowed to travel there, European and otherwise. So that there was a small but constant flow of interesting potential sources of information who were coming through Hong Kong and who were eagerly grabbed on by the few people who wanted to talk to them.

Q: What other sources did you have?

LUTKINS: The Chinese press, of course, was a major source. We had organized, even before I got there, and further developed while I was there, a very substantial operation translating the China mainland press. Some of it was readily available, other publications that we obtained by a clandestine procurement program.

Q: Was this a joint translation service with the British?

LUTKINS: No, no, it was entirely American. The British, and others, found it very useful, but they had nothing to do with it.

Q: I'm surprised, because we had a joint translation service in Belgrade and, I think, in Poland, where we did it together. But there was no effort made to...?

LUTKINS: No, it was entirely American and a very large-scale affair. Among others who were in charge of it for awhile, Oscar Armstrong, whom you may or may not have talked to. I'm trying to remember how many people, we might have had twenty or thirty Chinese local employees who were engaged in this, under our supervision.

Q: Well, why would the press be useful? I mean, supposedly this was a tightly controlled regime where everybody was spouting the party line and all that.

LUTKINS: That is true, but you mentioned Eastern Europe and having contact with the Soviet Union, I believe there was a great deal of similar work done in trying to read fine nuances into what was being said in the press and if one paper differed slightly from another. Of course, you had the major organs controlled by the Chinese Party, but then you had one by the military, and then you had, theoretically, a youth paper and so forth, and you could pick up interesting little tidbits. And, in any case, we were relying on it not only for major trends but for factual information as to what the regime itself was saying in terms of statistical information on production and that sort of thing.

And then it was also extremely important when they were engaged in one of their major campaigns, such as one that occurred while I was there called "Let The Hundred Flowers Bloom," which lasted for awhile, and then the "Great Leap Forward," which also occurred during the mid-'50s. I sometimes have a hard time distinguishing the exact times, because I went on to work in the Office of Chinese Affairs in Washington where we were the recipient of a lot of this product. We used the Chinese press as a source of information in both cases, as a basic source to be analyzed.

Q: Well, here you were, and you had been dealing more or less with Chinese affairs, and you were really right at the center of where we were looking at it. I mean, it was the closest thing we had to an embassy in mainland China, really, at that time. How did you see China? Where were they going? How was the thing working?

LUTKINS: Well, that's a very good question. I haven't gone back to review the reports that I wrote during that period, and I wrote a good many. Of course, in addition to our Chinese press translation program, we had the small corps of Chinese language officers and others, including one Soviet specialist, who was sort of on loan. We were doing quite a bit of varied reporting on developments in certain different fields in China. But as the head of the political section, I did the overview reports that we had to submit every three or four months, plus the contributions to the WEEKA and that sort of thing.

As I saw it at that time, and as I reported it (and this ran against certainly the wishes or the wishful thinking of certain people back in Washington, and even to that of our Consul General, Mr. Drumright, who wanted to really believe that the Chinese Communist regime was only a temporary aberration, a temporary phenomenon and that it wouldn't last) it seemed to me definitely that the new government had entrenched itself pretty securely. That by and large it governed with the support of the mass of the people. That it had brought some improvements, which were not necessarily due to Communism but to the mere fact that it did exercise authority

over the whole country for the first time in fifty years or more, and therefore was in the position to take purposeful action in terms of preventing famine, in getting supplies from one area of the country to the other, in getting production back in shape after a period of the war years in which everything was disrupted. In other words, it seemed to be a fairly stable government.

And, what was possibly more important, the people in charge of the government showed no signs whatever of either disunity or lack of confidence in their ability to govern. This all pointed to the fact that they were there to stay for the foreseeable future. We couldn't look ahead to the 1980s, but at that point it seemed to be a fairly stable, secure government enjoying popular support. And we reported that, as such, to Washington. I guess, of course, in Washington we were still trying to deny that picture and to work for the undermining and downfall of the Communist regime.

Q: Could we talk a little about... I sound like I'm harping on the McCarthyism.

LUTKINS: No, no, no, that's very important.

Q: There's more than the McCarthyism. But you were a reporter during the period. Dulles was in command. Walter Robertson was a key figure.

LUTKINS: Yes, we can get to that when I get to Washington.

Q: When you were in Hong Kong, you had a man who had very fixed ideas about whither we should be going, as Consul General. How did you operate? What sort of pressures were on your reporting? How did you feel working in this atmosphere?

LUTKINS: By and large, completely free. There were only minimal constraints. And, although I disagreed with Mr. Drumright on his basic outlook, to his credit he never tried to tell us that we should report differently. He may have reported under separate channels himself. If so, I wasn't aware of it. I don't, frankly, think he did.

I remember one rather amusing little thing that involves a Chinese nuance between the two names for the Chinese city: one, being Peking and the other, Peiping. Traditionally it was Peking, which means, in Chinese, "Northern Capital." And during the Nationalist days, in the late '20s and '30s, when they moved the capital down to Nanking, which means "Southern Capital," Peking became Peiping, because they couldn't have two capitals, so it was "Northern Peace," Peiping.

It was a corollary of our support of the Nationalist government, even after they moved to Taiwan, that when the Chinese Communists took over and restored the name of Peking, we refused to call it Peking. We called it Peiping. I thought this was a little silly, so when I got posted to Hong Kong, in charge of the reporting there, I started calling it Peking in our telegrams, which Mr. Harrington didn't object to. Washington didn't object to it. But as soon as Mr. Drumright got here, he said, "In Washington, we call it Peiping, not Peking." So we had to go back to the old method. As I said, it's not important at all, but it shows the Washington mindset at the time.

Q: Were you getting any private letters or visitors coming through, saying Come on, fellas, get on the team, you've got to take more of a line that this is a regime on the verge of tottering, or something like that?

LUTKINS: No, absolutely not. I'm not aware of anything along those lines whatever. You might want to ask Ralph Clough, if you haven't already, whether he did, because he was there for a year or two, in charge of the political section, before I was. But I'm 100 percent confident that there was never anything done like that.

There was one other thing involving policy, a very minor one which I was reminiscing with Arthur Hummel about recently. When I went there first, in 1954, he was in charge of USIS in Hong Kong. That was before he shifted over to the Foreign Service proper. It would have been at the end of '54 or early '55, when they were going to have a conference down in Indonesia, I think it was the Bandung Conference.

I think it was our own initiative. We felt that it would be desirable to give Washington the benefit of our views on what our attitude and position should be at this conference, particularly because we knew that Chinese Communists were going to be involved there. Art and I, I guess in a staff meeting, suggested that we send out a joint message from the Consulate General giving our views. And Everett Drumright nixed the idea.

But there are more ways than one to skin a cat, so Art Hummel, through his own channels, went back to Washington and had them send out a message requesting that we should send them a telegram with our views. So we were able to get one in to Washington as desired.

Q: At that time, how did you, and maybe the people around you, view the China-Soviet bloc?

LUTKINS: Very interesting. Good question. I think the answer is that we very much (probably unwisely as it turned out) saw it as a monolith at that particular point.

I guess we should have been alert. Maybe it was because not enough of us had been steeped in Chinese studies and Chinese history to remember that there had been very long-lasting and bitter relations between China and Russia that predated Communism, and that the Chinese resented the Russians taking over territory that they regarded as Chinese and that were, in fact, I guess, subject to Chinese suzerainty.

But, as I say, at that particular point, probably because of the Korean War and pressures on Vietnam and whatnot, we definitely regarded the Sino-Soviet alliance as a pretty firm and fixed thing. I don't recall, either during that period or subsequently when I was in Washington before the Sino-Soviet split, which occurred somewhere around 1961, any of us who had enough sense to have second thoughts and say, "Well, we should take a second look at this. Is this going to last? Are there really cracks?" They were not overt certainly. It would have taken a bit of imagination and prescience on our parts to realize the possibility that that would come.

Q: Looking at my own view, and others around me, I think we did tend to see everything in East-

West conflict, and that somehow or another this Communism was a completely new phenomenon, which superseded nationalism. And even though our noses had been rubbed in it, for example, in Yugoslavia and some other places, we saw things as Communism in the Arab world, looking at it later on. I mean, this was obviously nonsense. I think of Arab... But it was a viewpoint.

LUTKINS: Sure, world communism, world spirit of... I seem to recall when Tito broke away, when was it, around 19...?

Q: '48, '49.

LUTKINS: '48, '49, that there were people who refused to believe that it was real. They thought it was a conspiracy to deceive us.

Q: What sort of reporting were you getting? What were your relations with our embassy on Taiwan at that time?

LUTKINS: Close. I don't know whether we did much official travel back and forth, except that Ambassador Rankin used to come over from time to time. I'm not sure whether Mr. Drumright went over to Taiwan. Of course, he was later to succeed Rankin as ambassador there. Most of us, for one reason or another, took trips over there, but for personal reasons rather than business reasons. But we were certainly aware of an exchange of information; we always received their reports and they received ours.

Q: But you didn't feel as though you were reporting with maybe a different view of China than they were reporting, because of local... or something like that?

LUTKINS: I don't think so. There was really no independent China-watching reporting from Taiwan. It was all in terms of what the Nationalist government believed and what the national government was doing. Whatever some of the more junior officers in Taiwan may have felt, there was no independent reporting, or doubts about the Nationalist mission to recover the mainland and our commitment to help them do so.

Q: Obviously, this is an unclassified interview, and we are talking about thirty years plus. Were you getting good information or much information from the CIA? And how did you evaluate that?

LUTKINS: Again, I have a hard time separating what was happening then from what was the case when I went back to Washington. We did have, of course, a large Agency operation in Hong Kong. I'm sure we saw some of what was coming out of there. I don't know how much. Again, I don't know to what extent the chief of station reported to Mr. Drumright, and to what extent he operated independently. You'd have to ask somebody like Mr. Drumright about that, I just don't know. I have a feeling that they were pretty freewheeling, but I'm not sure. We used to see some of their raw reports.

Q: But you didn't have the feeling that they were reporting a whole different situation or that

they were really plugged in. At least from what I gather, they were reporting more or less in the same stream that you were.

LUTKINS: I honestly couldn't recall at this point. I don't ever recall having been impressed that we were on different wave lengths.

I might mention another source of information we had. Of course, there were so few of us trying to pick so few tea leaves that we had a sort of informal group there. We were in very close contact with the representatives of other governments, particularly the British, French, Dutch, Australian, Japanese. Both on a day-to-day basis and in regular evening sessions, we would get together. And that included people from the press as well. There was quite a large press presence there. A certain number of academics, such as a fellow named Doak Barnett, whom you probably know of, a very eminent authority on China, who happened to be there part of the time. We were all trying to exchange ideas, pick each other's minds. And we did see some foreign government reports. Particularly I recall the British reports and, in their case, that they were ones written by their embassy in Peking, which they made available to us.

Q: You left Hong Kong in 1957 and came back to Washington, was it?

LUTKINS: Yes. Ralph Clough had moved up to be acting in charge of the Office of Chinese Affairs, and I replaced a fellow named Dave Osborn as his deputy. That was within the bureau of what was then called Far Eastern Affairs, now East Asian Affairs.

EVERETT DRUMRIGHT
Consul General
Hong Kong (1954-1958)

Everett Drumright received a bachelor's degree in business administration from the University of Oklahoma in 1929. His Foreign Service career included positions in China, the United Kingdom, Korea, Hong Kong, Taiwan, and Washington, DC. Mr. Drumright was interviewed by Mr. Lee Cotterman on December 5, 1988.

DRUMRIGHT: So after about a year in Washington I was reassigned to Hong Kong as consul general. My service extended to over three years [1954-58]. Our main jobs there were to report, as best we could, on Communist China. And we were able in that time to report to Washington on some of the main things that were occurring there, such as the famine that was coming up, and some of Mao's moves, which later proved to be disastrous.

Other than that, the main thing that occurred in Hong Kong was the development of a plan to stop the fake emigration that had been going on there for many years. That is to say, Chinese had established ways, and means, and schools to prompt potential emigrants in ways of getting into the United States. We set up a program of investigators. In fact, at the end, we had about 30 who were investigating these cases that were coming to us. And our investigations in the long run

showed a great many of them were fakes. We were rather proud of that program there, which was based on a report by one of my vice consuls, Leo Mosher, who, I think, is in Washington today.

After Hong Kong, much to my delight, I was assigned to Taiwan, where I knew the Chinese officials from Chiang Kai-shek on down, and where I felt there was some opportunity for advancement of Chinese aims. I was glad to go there. My wife and I arrived there in March of 1958, following Ambassador Carl Rankin who had been there some six or seven years. He had done a fine job of establishing the mission there at a time when it seemed, just before the Korean War, that we were going to abandon Taiwan completely. But as a result of the Korean War starting, everything changed and we decided that Taiwan was a very important piece of property as far as our defenses of the area were concerned. And so we resumed a relationship that had been in arrears since the late 1940's in China.

OSCAR VANCE ARMSTRONG
China Watcher
Hong Kong (1954-1957)

Deputy Principal Officer
Hong Kong (1964-1966)

Oscar Vance Armstrong was born in China to American Parents in 1918. He received his bachelor of science degree from Davidson College in 1939. Subsequently, he served in the U.S. Army during World War II. His Foreign Service posts included Canton, Peiping, Kuala Lumpur, Hong Kong, London, and Taipei. He was interviewed by Willis Armstrong in March 1991.

ARMSTRONG: I left in 1954, I guess. Either '54 or '55. My next assignment was Hong Kong to become part of the rather sizeable China Watching group which was one of the main functions of the consulate general there.

Q: How many people did you have in the China Watching group?

ARMSTRONG: Oh, goodness. I have a bad memory for that sort of thing. I would say probably about, leaving the Agency aside, about ten Foreign Service officers at that time. We also had, and this was what I did for a while when I first arrived, a very large press monitoring and translation unit of Chinese. And a publication procurement operation. The good entrepreneurial spirit of the Hong Kong Chinese pretty soon learned that the U.S. government was willing to pay good money for publications from the Mainland, newspapers, magazines, etc. So we had a good bit of success in getting that kind of thing.

The translation unit supplemented what FBIS was already doing, which was monitoring the radio.

Q: Go back a minute. When the consulate was shoved out of Peking in 1950, all other consulates were also removed weren't they?

ARMSTRONG: Not simultaneously.

Q: Within that time frame...

ARMSTRONG: Within that time frame there was no more official US representation. There is still controversy, incidentally, in academia and elsewhere, over whether or not there were some Chinese communist overtures that we, the US, failed to pick up and respond to. One in particular I remember but I won't go into detail here. But that debate to some extent continues.

Q: One could always, of course, point out that, if one were arguing that case, that as long as you had Walter Robertson as Assistant Secretary of State, no....

ARMSTRONG: Well, that was later, of course.

Q: This was later. When was he out?

ARMSTRONG: Leighton Stuart was then still our ambassador to China, the former head or President of Lingnan University up in Peking, a former missionary. And it was during that period that there were supposedly some of these overtures.

Q: I see, this was in an earlier stage.

ARMSTRONG: Yes, an earlier stage. Later, once the Korean War broke out, there was no possibility of obtaining a rapprochement. But, before that, my own view is that there was not a real interest in China, and at that time when they were adopting a policy of leaning to one side, as they put it -- that is you can't be neutral in the cold war between the US and the USSR, you have to take sides. It would have been extremely difficult to establish any kind of diplomatic relations.

Q: So there are a whole multitude of reasons as to why that was unlikely.

ARMSTRONG: I think it was unlikely. But you recall that we sort of shifted our position on the Chinese civil war, the US government did.

Q: After the Marshall Mission.

ARMSTRONG: After the Marshall Mission failure and after the Chiang Kai-shek withdrawal to Taiwan and so on. We initially did not come out for full support of the Nationalists in Taiwan. We said in effect that we were not going to get involved. But then, of course, June, 1950, the Korean War, and the Chinese, so-called volunteers that came in that year....

Q: Refresh my memory. When was it that McCarthy got into guys who had served in China, like....

ARMSTRONG: I was trying to... I saw Jack Service recently out on the West Coast.

Q: Oh, did you. His son joined the Foreign Service and worked for me in the State Department. A good officer.

ARMSTRONG: Oh, did he? Is he still in the Service?

Q: I don't know. That was a long time ago.

ARMSTRONG: I was trying to remember the other day and I said I would have to refresh my memory and get the dates right here, but I haven't done it. Early 50's.

Q: I was thinking the McCarthy era when it went hammer and tongs was primarily under the Eisenhower Administration.

ARMSTRONG: That's right.

Q: So it had to be 1952 on.

ARMSTRONG: I guess Eisenhower came in the '52 election. So '53 or '54.

Q: Of course, by that time, the fat was in the fire as far as the Korean War was concerned and there was no question about the US position towards Communist China.

ARMSTRONG: No, there wasn't. By that time we began to give strong support to the Nationalists on Taiwan.

Q: As well as continuing support to the Koreans.

ARMSTRONG: Yes, yes, of course. So I was in Hong Kong for about two years. I always seemed to have stayed at posts two years. The idea of double tours never quite caught up with me.

Q: It was kind of hard on your furniture.

ARMSTRONG: Yes it was.

An interesting period in China because not only the Korean War aspect, but developments within China itself. That was when they had completed their land reform program, at great human cost, and they were trying to develop their economy with a modicum of success and a good deal of Soviet assistance.

Q: This was well before the break.

ARMSTRONG: Yes. And they were doing some rather sensible things given the overall context

in which they forced themselves to operate. So it was interesting to be there.

Q: Your work with that group -- were you looking primarily at political matters?

ARMSTRONG: Yes, mainly political. We also had some who were looking at the economic effort.

Q: I remember the intelligence reporting that came out of Hong Kong and that area. I was involved in COCOM and trying to keep things away from the Chinese. So naturally we read what was going on and tried to evaluate what that meant in terms of what we should try to withhold. We had a special list on China which had more simple technology than in the case of Russia. People used to argue that the Russians could buy it and sell it to the Chinese. My own judgment at the time was that that was too complicated for the Russians to handle. The bureaucracy would render any major transaction impossible.

Then, after Hong Kong?

ARMSTRONG: After Hong Kong I stayed in China Watching, being assigned back to the Department to take over the China Office in INR. I was there for four years -- one of the longest tours of my career.

***

Q: *After 1964 what did you do?*

ARMSTRONG: I went to Hong Kong as deputy principal officer. I was there for two years. That particular position was not a China Watch position but the post was still China watching, although Hong Kong itself was becoming more and more important.

Q: Hong Kong, itself, was beginning to assert its own identity. We were getting all of that tremendous economic activity.

ARMSTRONG: That's right. Therefore, mainly on the economic side, there was a good bit of American interest. I had a lot of American companies coming in. But the China watching activity at the post continued because we didn't have any post closer to China proper. As many of the number two jobs were in many places, one of my main function was to keep wheels turning smoothly.

Q: You performed the DCM functions which is to make sure that you do everything that needs to be done that other people are not doing.

ARMSTRONG: That's right. And not inject myself unduly in what they or the consul general are doing. Again it was an interesting two years.

Q: Who was the consul general?

ARMSTRONG: Ed Rice.

Q: I knew him, sure. He and I were neighbors here.

ARMSTRONG: Ed subsequently had a Diplomatic-in-Residence job during which he started a book. He produced a carefully researched book about Communist China up to that time. Recently I heard he has just come out with a new book about...well the title is something like "Wars of A Third Kind." I am not sure.

Anyway it was a very pleasant two years.

Q: Oh, it is a very attractive place.

HARVEY FELDMAN
Rotation Officer
Hong Kong (1954-1955)

Publications/Press Officer
Hong Kong (1965-1970)

Harvey Feldman was born in New York in 1931. He graduated from the University of Chicago. He entered the State Department in 1954 serving in Hong Kong, Tokyo, Nagoya, and Taipei. Mr. Feldman was interviewed by Edward Dillery in 1999.

FELDMAN: I was informed that my first assignment would be Hong Kong as a Refugee Relief Program investigator. I said "Okay." A couple of weeks later, at the end of November 1954, I found myself in a 19th Century Treaty port called Hong Kong.

When I arrived, to my great delight, I was told that I would not be a Refugee Relief Program investigator, but rather that I would be a Vice Consul - the passport officer.

Q: *Let's go back in the story. Did you ever stop in Washington on your way to the Far East?*

FELDMAN: I did; I had a one week program for secretaries and clerk typists. During the course of this orientation, one of our lecturers asked whether there were any Vice Consuls in the class. I raised my hand; I was the only one. All the rest were staff personnel. The lecturer expressed some surprise. After that one week, I was given airline tickets for my wife, my son and myself. We flew on a Boeing Stratocruiser - the one with the sort of belly lounge. We had bunks; my wife and son were in a lower bunk and I was in the upper. We took off from Washington; it was an incredible flight. From Washington, we flew to Pittsburgh, then Chicago, Minneapolis, Portland - or somewhere on the West Coast - someplace in Alaska, and finally Misawa (Japan). Unfortunately, my son got real air sick and threw up all over my wife. When we debarked in Misawa, she got off wearing a bathrobe. When the plane was cleaned, we got on board again and

flew to Tokyo where we got off again. We stayed there for a day in a hotel. Then we reboarded, flew from Tokyo to Okinawa, then to Taipei and on to Hong Kong. The whole trip took about two and a half days.

Q: *Did you any have feeling for what a Consulate General was like? How it was organized?*

FELDMAN: I had no idea. I didn't know what to expect. I was simply delighted to be going to a 19th Century Treaty Port which was after all what I wanted to study. I guess first posts are always very special and Hong Kong will always be very dear to me. In those days, Hong Kong was one of the most delightful cities in the world. The population was about a million. The tallest building in town was probably 16 stories high. The air was clear - no smog. When one swam at night, the water was phosphorescent. It was beautiful. There were wild monkeys and deer on the island. It was truly like being in heaven.

The only problem was that when we arrived we were put up in a "leave" flat - a CG rented apartment that happened to be vacant because the tenant was on leave. This was the beginning of December. Now I was just 23 years old, first time out of the U.S. with a wife and one year old child. We were essentially left to our own devices in this apartment on the Peak - No 9, Coombe Road. We had no idea how we would survive - where to get groceries, etc. No one told us anything - no welcome wagon.

Fortunately, there was an American family in the same apartment house - Robert and Meg Aylward. There were experienced hands and had been in the FS for at least a dozen years. The first thing they did was to lend us a crib for Ross Christopher - who is now 45. They gave us the phone number of something called the "Welcome Company" - a grocery store which delivered on the Peak. We could order everything by phone, which we did. Pretty soon, we settled in another apartment because the tenant of the one we occupied returned from leave. We moved to a place in Kowloon - 222 Prince Edward Road. Living in Kowloon was like living in the Bronx - only Chinese. It was a horrible place - far worst than the student housing at the University of Chicago. It was later condemned as unsanitary by the U.S. Public Health Service.

So I made my views known to the administrative officer; I just wasn't going to live there. I complained loudly and strongly enough that I was told that I had a housing allowance and could go to rent a place. We looked and found a place that we liked, which was within our housing allowance. We had no furniture, but it turned out that our allowance included an amount that could be used to rent furniture. We did that; we rented a little two bedroom flat in Repulse Bay - five minute walk to the beach. We rented furniture and it was like being in heaven. It felt as if we were living out in the country. We listened to the cry of barking deer at night and sat on our balcony and watched the stars. There were all sorts of wild birds that I had never seen before. Carol and Ross Christopher could go to the beach at Repulse Bay every day. We had lovely neighbors. It was great.

Q: Probably the best housing you ever had in your career.

FELDMAN: I had better housing later, but there was something very, very special about that apartment in Repulse Bay. As a matter of fact, there was something special about going to Hong

Kong as a very young officer, with a wife and year old son. It turned out that for Ross Christopher, his first language actually was Cantonese, which he learned from a Cantonese amah whom we hired shortly after our arrival - English was his second. We also hired her husband who was a cook from Shanghai. I think that illustrates better than words what prices were like in Hong Kong in those days. There, I was - a brand new Vice Consul - starting out at the magnificent salary of $4,200 per annum - something like that - we had a great apartment and for $50 per month were able to engage the services of a fantastic cook and a Cantonese amah.

My wife, Carol, would toddle off with Christopher almost every day to the beach; I was picked up by car and driven to the Consulate General - 26 Garden Road - where it is still today, although it has been remodeled a couple of times since. I was lucky enough to live along Island Road; some people lived as far as Stanley which was way beyond Repulse Bay. So the person who lived the furthest out drove a car - an office station wagon - along Island Road and picked up other members of the CG and took us to the office building.

Q: How did you get around when you weren't picked up by your colleagues?

FELDMAN: By bus. It was an easy way to get around.

Q: When you got to the CG, what kind of orientation did you get?

FELDMAN: None. I was in the Passport section; I was given a number of cases to review. These were primarily cases of Chinese who were claiming American citizenship because their parents had either been born in the U.S. or had emigrated and become U.S. citizens. There was a considerable amount of fraud in Chinese immigration. I was to review the cases, interview to applicant and forward a recommendation to the Department on whether it was a legitimate case or not. I did that for about my first three months; I actually got a commendation from the Department for a judgement that I had made on a particular case - I don't remember anything about the case except that I got a commendation. I do remember that my judgement on this case was to grant the passport.

I think it is worth remembering the mind-set of the times. A large number of people doing visa and passport work had a definite bias against issuing either visas or passports. They wanted to keep the foreigners out of the U.S. at all costs - everyone is a fraud; all visas applicants will overstay; all passport applications are fraudulent - the slots on the waiting list are sold. The theory was that a grown male would have been let into the U.S. - around the beginning of the century or at least before WWI before the various exclusion acts went into effect; he would settle down in the U.S. and return to China every couple of years; when he re-entered the U.S., he would be asked by the INS officer whether he had children in China. The answer would invariably be "Yes;" for every nine months he spent in China, he would have a child - or if he had been in China for less than nine months he would say that his wife was pregnant. That was called "creating slots" - i.e. making someone, presumably his child - eligible for an American passport. These "slots" then stimulated a thriving business because they were sold; the necessary documentation was then provided which allowed other people to enter the U.S. illegally. This was the nexus of Chinese immigration into the U.S. The vice consul's job was to pass judgement on whether the application was legitimate or fraudulent.

On the basis of my work in the Passport section, I was moved into the Visa section which was considered to have more responsibility because it was the area which attracted the greatest fraud temptation. In the Visa section, the attitude was, as I said, that anyone going to the U.S. would try to stay and therefore should be kept out entirely. I didn't quite take that attitude. I generally tried to figure out whether there was some reasonable basis for issuing the visa. The cases I was given, at least at the beginning, were those of wives and children of American citizens. They were not to hard to figure out.

Later, when I was assigned to non-immigrant cases, that was a bit more difficult. As it happened, one day I got a call from the Consul General - Everett Drumright. He was from Oklahoma. He said that I had turned down an application from the child of one of his friends. He asked me to reconsider and issue the visa. I argued with the CG over the phone. I must say that I don't remember now whether I did issue that visa; I just remember having the argument with the CG - everyone thought I was crazy to do so.

As it happened, a few weeks later, a circular instruction came from the Department saying that all posts should have a program for rotating junior officers through the various sections, so that they would not be stuck in one job for their whole tour. In particular, the circular emphasized that it would be very useful to transfer officers from consular work into political or economic work. Very shortly thereafter, I got a call from the CG's secretary asking whether I would be interested in working in the political section. I was delighted; in retrospect, I think the reason I was offered this opportunity is because I was the only vice consul's name known to Drumright.

So I joined the political section; I think I was the sixth American officer in the section. It was headed by an FSO-3 - Larue (Larry) Lutkins - an old style Foreign Service officer. His deputy was Bill Magistretti. These people seemed to me to be like semi-gods. They knew some Chinese, although not as much as I did. Magistretti was a Japanese language officer, but his Chinese was not great. One interesting aspect was that all of the other five officers spent all of their time on mainland China matters. I, as the most junior member, became the Hong Kong-Macao reporting officer. That meant that all of the others did their analysis based on what was printed by communist China's newspapers - particularly the "Peking's Peoples Daily" and "Gulangming" and other newspapers. Occasionally, as a treat, they were allowed to go to the railroad station to interview recent arrivals from the mainland.

This seemed incredibly dull work to me. I was delighted with my assignment, in part, because I got to travel with the CG. When he went to call on the Governor, for example. I was the note-taker. I got to interview senior members of the Hong Kong government - all on my own. Once every six weeks or so, I would go on my own on the ferry to Macao where I would meet with the Governor and other interesting personalities. I could tell stories about Macao forever. That was just a marvelous experience. It was one of the best assignments I ever had in 32 years in the Foreign Service; it was truly a delight.

Q: *Before we hear the stories, tell me what you produced?*

FELDMAN: In those days, it was despatches and airgrams; occasionally, I would draft a

telegram. There was also the WEEKA - a weekly summary of events and analyses. Having just left the University of Chicago, I was used to doing research; that was second nature to me and I think I was pretty good at it. I produced a large number of fairly lengthy despatches. Some one recently called to my attention one that I had drafted in 1956 on Triad Societies in Hong Kong. The Triads were the Chinese versions of the Mafia. I wrote a major analysis of the Triads which apparently became well known in the Department. I drafted other messages on various topics; in general I reported on what was going on in Hong Kong.

Q: *Did you get any commendations for that?*

FELDMAN: I don't remember, but I did get promoted in 1956. That was considered pretty rapid.

Q: *How about Macao? How was that?*

FELDMAN: Macao was a little sleepy Portuguese enclave, sort of a museum-like depositary of Portuguese hopes for an empire. Macao, something like Hong Kong, was full of the zaniest characters that one could imagine. The "dictator" of Macao, the man who ran Macao, was Pedro Jose Lobo. When I knew him, he was probably in his late 50s; he had been a foundling who was discovered on the porch of a house occupied by a Portuguese Army captain in Timor. The Captain was later transferred to Macao; Pedro was raised there in a series of Catholic schools. When he was old enough he became an apprentice in a local bank - the Banco Nacional Untramarino. Pedro was a person of innate skill and cleverness; he rose in the ranks. In the 1930s, the Governor of Macao was looking for some one to take over the opium monopoly - which was legal at the time. The previous incumbent had exceeded the allowed limits of "skimming." The job went to Pedro.

I heard all of these storied from Pedro himself because we became very friendly over the course of two years. Pedro "skimmed" the opium trade enough to accumulate enough wealth, but stayed within allowable bounds. With his income, he bought other monopolies in Macao - the water works; the salt monopoly, the tobacco monopoly and ultimately he bought Macao's sole radio station - Radio Villa Verda.

When WWII came along, Pedro was nominated by the Portuguese to negotiate with the Japanese. He was successful; he managed to buy the Japanese off so that Macao was never occupied. It was during this period that he became enormously wealthy by buying Hong Kong dollars at discount; he then just hoarded them, probably in his garage. On the side, he and his Chinese gangster partner, Y.C. Leung, ran an air-rescue service for downed allied airmen. He assumed that the allies would win in the end and would feel some kind of obligation to him. He was of course right in his bet. After the end of the war, Y.C. was duly decorated by the British - an MBE, I think. Both accumulated great wealth and lived happily ever after.

One of Pedro's most charming characteristics was that he composed music. He did this without being able to play any instrument. He had a musical "secretary;" when he was in the mood he would hum a tune and the secretary would transcribe it into notes. After it was orchestrated it would be played for the private entertainment of his guests and then later played on his radio station. He composed all sorts of music, including a five act opera based on the founding of

Macao; it was called "Avanti Lusitania." Before I was transferred to Japan, as a sign of affection, Pedro presented me with his collected works on 78 rpm records; they must have weighed fifty pounds at least. Unfortunately, it was so heavy that we left the collection behind in our apartment in Repulse Bay when we left Hong Kong in 1957.

That station was used for other purposes as well. Pedro became a gold smuggler. He would buy gold at one price in China or the Philippines or Hong Kong, wherever it was cheap, and then flown by his private plane to India and sold there by his agents. It was what today might be called "arbitrage." That added to his wealth.

There was of course an official government in Macao run by the Portuguese, but Pedro was the power. He was the Minister of Economic Affairs working theoretically for Portuguese governor - whom I would see periodically. There was a senate - "the Leal Senado" (the loyal senate).

We didn't have much of an interest in Macao, except insofar as it was suspected to be a way station of the heroin trade route out of Southeast Asia. I don't think it was, but there were American officials who were very suspicions. Macao was involved in so many other things that it probably didn't have time for heroin.

It was a very corrupt place. One of my earliest experiences there - on my first trip there, I think - I was approached by a cop who offered to sell me his service revolver.

Q: *Back to Hong Kong. What were the domestic policies there?*

FELDMAN: In those days, Hong Kong was a very tightly run ship. The governor was Sir Alexander Grantham, who was, until the last governor, probably the most famous Hong Kong governor, although even more famous at the time was Sir John Copperthwaite, the Financial Secretary. It was he who laid the foundation for Hong Kong's great prosperity. He was a disciple of Ludwig Von Mises and the Chicago school of economics - although Sir John would never have called it that. Both he and Chicago supported minimal government, minimal interference, minimal taxation*, laissez faire*. It worked very well.

Copperthwaite was once asked why he did not collect more detailed business statistics. He asked: "Why would I want them? I have no intention of using them." Up to today, Copperthwait's *laissez faire* philosophy ruled in Honk Kong to the point where it became clearly the freest colony in the world. Hong Kong's economic development is a marvel since the territory is essentially a rock across a narrow channel from Kowloon, a peninsula. The city couldn't feed itself; it couldn't even provide its own drinking water. When I first arrived in Hong Kong, we were allowed to open the tap for drinking water for a half-an-hour each day. By the time, I left, we were allowed to open the tap for an hour every third day because water was so scarce. It wasn't until the 1960s, when Hong Kong concluded a deal with mainland China to import water, that there was potable water every day.

But this shortage made very little dent in the fascination of the place. It was the most delightful place. Hong Kong was full of the wildest and most improbable characters who had come from China to get away from the Communists. So the city was filled with Chinese, Americans, British

and White Russians. Among the Chinese the most prominent were the Shanghai manufacturers. The city was enormously lively; everybody had a story and they were all fascinating.

Q: *Were there any signs at the time about the possible relationships between Hong Kong and the mainland?*

FELDMAN: No. In fact relationships were tense. The feeling was that the Chinese might invade at any time. In the 1950s, no one in Hong King was really sure how long the territory would survive as an independent entity. Some thought it might last until the 1960s; others were even more pessimistic than that. So there was a sense of contrived gaiety about life in Hong Kong.

Q: I assume that there were informal contacts with the mainland Chinese?

FELDMAN: I don't know that in fact there were. The police were pretty strong; the British Army had a garrison there. So I don't think there was very much smuggling. In those days, the U.S. had an embargo against Chinese goods. So one of the CG's principal occupations was to verify the origin of goods being exported to the U.S. from Hong Kong. That function and the consular services were really the bread and butter of the CG. Honk Kong is a major port; we provided shipping and seamen services. In fact, for a brief period, I was the shipment and seamen officer; that was a sort of delight. I had two locals employees working for me - actually I worked for them. Between the two, they had more than 50 years of U.S. government service; I had maybe fourteen months. George Efrimou came from Qingdao; when we evacuated that town, he was not able to join the evacuees. Later, a U.S. Navy destroyer was sent to Qingdao to pick up Efrimou and his family - that is the way the old Foreign Service used to work; it hasn't worked like that for a long time.

Q: How big was the consul general at the time?

FELDMAN: I would guess 50 or 60 people. It was a pretty big post, although nothing compared to today when we have probably 300 or more employees there. I think it is still our largest CG in the world.

Q: I know that it and Jerusalem have an independent status. Both are headed by officers with the rank of Chief of Mission.

FELDMAN: Right. In my days, Drumright had the personal rank of ambassador.

Q: Of course, in those days there was no U.S. ambassador in China. Theoretically, Hong Kong was a UK dependency, but I gather we didn't do much business through London.

FELDMAN: We never communicated with London. It did get carbon copies of what we sent to the Department, but we never communicated through London the way messages from a normal CG go through an embassy on the way to Washington. We were quite independent.

Q: How long were you in the political section?

FELDMAN: I was there from sometime in 1955 until I transferred in the summer of 1957 - almost two years. It was a great time; I enjoyed it enormously.

Q: Thank goodness, you had that argument with the Consul General. How were your relationships with Drumright after you transferred to the political section?

FELDMAN: Actually, we got along very well. As I said, I became the notetaker for his meetings with Hong Kong's government. Drumright was very wealthy. He came from a town in Oklahoma named after one of his predecessors. The family owned oil wells. One day he asked me what clubs I belonged to. I must have looked at him blankly because he repeated the question. I told him that I didn't belong to any clubs. He said, "Well, join some!!" That I did; I joined the Foreign Correspondents club and the Yacht Club. In fact, I am still a member of the Royal Hong Kong Yacht Club because when I left in 1957, one could purchase a permanent lifetime membership which was valid while you were not in Hong Kong - a non-resident member. The price was 100 Hong Kong dollars. My membership reflects this; it reads "F07."

Q: I assume that means you were the seventh non-residential member.

FELDMAN: Correct. So I had a very merry time in Hong Kong. In those days, Hong Kong had a population of about 1 million. The cream of society was about 10,000 people - Chinese and British and a few others. You could get to know them quite quickly. Having a grand official position, "American Vice Consul," gave one all kinds of entree - never mind that a vice consul was at the bottom of the totem pole. Nevertheless, I was an official representative of the U.S. Government and that was worth a lot. We made many friends, many of whom we still have. One of my closest friends in those days was a Chinese named Bobby Ho. He was the grandson of the first Chinese to be knighted - Sir Robert Ho Tung. His father was a general, who had attended Sandhurst. He had some bad experiences with British racism and renounced his British citizenship and became a Chinese Nationalist general - General Hosailai. He was the Quartermaster General of the Chinese Nationalist Army during WWII. After the war he represented the Republic of China on the UN Military Affairs Commission. He was one of the Chinese representatives at the Japanese surrender on the battleship "Missouri." His son became my very good friend.

Bobby went to Hamilton College in New York and the University of Pittsburgh. Later he joined the family newspaper in Hong Kong - "The Hong Kong Commercial Daily." He was also active in insurance and real estate and other ventures. He is now retired and lives in Vancouver. He left Hong Kong shortly after the British signed the agreement on the return of Hong Kong to China.

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Q: So after your tour in Taiwan, you were appointed to a position in Hong Kong. How did that come about?

FELDMAN: I mentioned that Hong Kong was our first post and one is usually in love with his or her first post. My wife, Carol, wanted desperately to get back to Hong Kong. In those days, there were discussions of a unified Foreign Service encompassing both State and USIA personnel.

Volunteers from USIA were solicited to take State Department assignments and vice versa. I volunteered on the understanding that I would be assigned to Hong Kong. And that is what happened in 1966.

We had home leave in 1965 and at the beginning of 1966, I was assigned to USIS-Hong Kong. It as a very mixed experience. It was a tour of five years which combined great difficulties and sadness and some elation as well.

I was first assigned as "book publications" officer. The PAO, Ken Boyle, had been a classmate at the Taichung language school. His wife, Betsy, had been the linguist at Taichung. But I was assigned to work for someone whose name I have forgotten. I was the junior publications officer and he was the senior book officer. In those days, we were actually writing books and commissioning books from others. It was part of the anti-PRC propaganda effort by USIS-Hong Kong.

I didn't fit into this program terribly well. I did write a book, after a contract with a Brit named George Patterson fell apart. It was to be a book on border conflicts between the PRC and the USSR. He turned in a manuscript which was pretty much unusable. I had to re-write the whole book. It was entitled "The Unquiet Frontier." Patterson's name was kept on it, but I actually wrote it.

But I didn't get along with my boss and he gave me a terrible efficiency rating. It was sufficiently bad so that I ended up in the lowest 5-10% of my class - for the first time ever. I received a warning letter. I was obviously very unhappy. Ken Boyle reassigned me to be the Press Officer, which suited me very well. I enjoyed that assignment.

Shortly thereafter, Ken Boyle was replaced by Sandy Marlowe. Sandy and I got along splendidly. We just had a great relationship - almost like a father-son relationship. He was considerably older and was on his last assignment prior to retirement. He had no China experience; his last post had been in Germany - I think he was the PAO (or deputy PAO) in Bonn. We got along like gang-busters. I was the Press Officer during the Vietnam war. There were approximately 110 correspondents residing in Hong Kong. Some of them would dart off to cover the war on the ground. Others covered Vietnam from Hong Kong from their hotel rooms.

Sandy was a real "Vietnam hawk." I was not much of a "hawk"; in fact I was not a "hawk" at all. I enjoyed dealing with the press; it was great fun. I became a sort of "big wheel" in the foreign correspondents community.

Q: What did the Press Officer do?

FELDMAN: The Press Officer issues press releases, but most of his time is taken up by fielding questions from the local and the foreign press. There was also a lot of "schmoozing." I would go out and have lunch with Chinese editors or western foreign correspondents. I had a wide circle of friends and I really enjoyed being the Press Officer.

My Book Officer job lasted about nine months - or a year. In 1967, I became the Press Officer

and did that for about a year.

Q: Let me interrupt for one moment. In the posts in which I have served, the Press Officer was a pseudo member of the political section because so much information comes to that section. Did you have responsibility as being the spokesman on Hong Kong matters?

FELDMAN: I was the spokesman, but our Consul General, Ed Rice, essentially believed that if you saw the name "American Consulate General" in a local newspaper, it indicated that the Press Officer was not doing his job. As far as he was concerned, the Press Officer's primary responsibility was to keep the American Consulate General out of the press. I thought that was rather difficult to do. Whether his policy was good or bad, was immaterial. The world does not work that way. Ed would inevitably be upset and I was the one who would get angry telephone calls, but there was nothing I or anyone else could do about the press.

But I did have a lot fun in many ways. I might just relate one story as an illustration. Congressman Passman came to Hong Kong. He was a powerful member of the House Appropriations Committee. For some inexplicit reason, I was assigned to take Passman to Macao. His excuse for going there was that we had a refugee operation run by the Catholic Relief organization and funded by the U.S. What he really wanted to do was to look for a Chinese prostitute. To do so in Hong Kong would have run the risk of discovery; Macao was much safer. So to cover his real purpose, he also visited the refugee center.

When we got back to Hong Kong on a Friday evening, he wanted to hold a press conference the next day. He didn't care about the local press; he wanted the American correspondents. To hold such a conference on a Saturday morning, was just not realistic - they were just not going to attend a Saturday press conference for Passman or almost anyone else. So I phoned around to some of my friends. I got the local representative of Bulova Watch Company, who happened to be from Boston. So he came under the guise of being the correspondent for the "Boston Globe." I got other friends also to attend and to play the role of correspondents and introduced them as representing one or another American newspaper. They were great; they gloated in their newfound glory. They asked question after question. I must say they were tougher and more interesting than the regular working correspondents. At the end of the conference, Passman wiped his sweat from his brow and said to me: "That was a great press conference and you said it wouldn't happen!"

Another story concerned the time that Richard Nixon came through on his way to Vietnam. This took place in February, 1967. The presidential campaign - for the party nomination - had already started. Ed Rice, who was an old China hand, despised Nixon; he was not going to have anything to do with him. So he sent me to the airport to meet him - former Vice President and senator. I went to the airport and met Nixon. I had been clever enough to burrow the Rolls Royce from the Mandarin Hotel to take us from the airport. That put me in his good graces. He was staying at the Mandarin, so to get that service was no great feat, but I am very glad that we did that.

He liked being taken to the hotel in the Rolls Royce. He was accompanied by Ray Price who was his speech writer. Nixon stayed for a couple of days. He left on a Sunday. I asked the Mandarin to make the Rolls available again. We went to the airport. Nixon was supposed to fly on an Air

France flight to Saigon. It was supposed to leave around 9:30 a.m. We got to the airport at about 8:30 and went to the VIP lounge. We were then told that the flight was delayed for about a half-hour or an hour at the most. Nixon turned to me and opined that we would not leave before noon. When I asked him why he thought that, he said:" If anything bad can happen to me, it will."

The three of us set in the VIP lounge and waited. Nixon was right; the plane did not leave until noon or even later. Every once in a while we would walk around the airport which on a Sunday morning was essentially dead - even the shops were closed. So there was really nothing to do, but sit in the VIP lounge and chat. He asked me a number of questions about China after he found out that I knew something about it.

Q: Let me ask you about your house during your second Hong Kong tour.

FELDMAN: It was a lovely house. When we returned to Hong Kong in 1965, we were told that the second floor of a two apartment house might be available, but we might have to wait a bit because the tenant, the Agricultural Attaché, would be moving out in about a month. We looked at the quarters; they were absolutely marvelous. It had three bedrooms, three baths, a large living and dining rooms, nice kitchen, but what attracted us the most was that the house was on a little rise in the Stanley area - in the back of Hong Kong. It was on Stanley Mound Road - "Mound" because it was smaller than a hill, but elevated nevertheless. It was elevated enough so that with the gorgeous wrap-around veranda that the apartment had, we could see both bays - Stanley is a peninsula and we could see the waters on either side.

That was truly marvelous. I would come home from work in the evening and I could see fishing boats on the water, even in the dark when they turned their lights on to attract the fish. I would sit on the veranda with a drink and watch for a long time those lights bobbing on the bays. It was quite beautiful. There was also a very large garden and for the first time in my life I tried hard at gardening, which I've come to love in retirement.

But I should add that something very sad happened in Hong Kong. My first marriage came apart. Carol had been a ballet dancer before we were married and before we joined the Foreign Service. She loved to dance, but she couldn't perform as the wife of Foreign Service officer, in light of our constant moves. She would get started with a teacher or by forming a troop, but it became increasingly difficult as we got older - in our thirties. Physically, it just became too tough. She became very depressed. There was even an automobile accident which just might have been a suicide attempt. By the end of the second Hong Kong tour, she had decided that the Foreign Service life was not for her. When we returned to Washington for my next assignment, we separated and subsequently divorced. That was very sad, particularly because we had two children - Ross Christopher and Peter Dylan. Although both were away at school, it was tough on both, particularly on Peter. It had a major and harmful effect on his life.

Q: That really illustrates the difficulties of Foreign Service life, especially in the days when the spouses wanted to have their own careers. These days, many do that, but not in the 1960s.

FELDMAN: These days, the Foreign Service is a bit better, although it is still tough for parents. In the old days, the officer's efficiency report very often commented on the spouse and her

suitability for Foreign service life. It was particularly difficult for a spouse interested in the creative arts. Within that category, I suspect it is particularly difficult for a dancer because of the physical demands.

ROBERT MCCLOSKEY
Investigator, Refugee Relief Program
Hong Kong (1955-1957)

Ambassador Robert J. McCloskey was born in Pennsylvania in 1922. His Foreign Service career included positions in Hong Kong and Washington, DC, and ambassadorships to Cyprus, The Netherlands, and Greece. He was interviewed by Charles Stuart Kennedy in 1989.

MCCLOSKEY: A member in Congress, who I used to cover up there in Easton, Pennsylvania, and who I was chatting with about how nice it would be to be an American correspondent in Europe, said, "Why don't you think about the Foreign Service?" Then that was the start of something that lasted about 26 years. Then I got back to newspapering when I retired from the Foreign Service in 1981, by going to the Washington Post as the news critic of the paper. But I was never very far away from the newspaper business, or as news took on that awful word "media," because for something like ten or eleven years, I served as the spokesman for the Department of State. So I have some understanding of both sides of the street.

Q: *What was your first assignment in the Foreign Service?*

MCCLOSKEY: To the American consulate general in Hong Kong, as an investigator in the old refugee relief program in 1955.

Q: *With Lorrie Lawrence and company?*

MCCLOSKEY: Lawrence and others, yes. By a funny turn of events have been associated now for the last four and a half years with an agency that used to be exclusively a refugee agency, a private American agency, Catholic Relief Services. So I have a way of returning to earlier concepts and pursuits.

Q: *While you were in Hong Kong, I wonder if you could just explain a little of what you all were doing -- I speak as a formal consular officer myself -- of consular work that was unique, that Hong Kong operation?*

MCCLOSKEY: Yes, in 1953 the Congress passed some new refugee legislation that set quotas around the world for a period of three years. The total ran into several hundred thousand. In Western Europe, the quotas were broken up among individual countries. That's where the larger numbers were. There was one quota, however, to embrace all of the Far East, and Hong Kong had its share. It was on the order of fifteen hundred to two thousand, I believe, who were eligible for admission through the refugee relief program as part of the Hong Kong quota. These were

mainly Chinese refugees from the mainland, who had made their way into Hong Kong beginning in late 1949 when the communists took over. The refugee program began in 1953. The special refugee program ran until the end of 1956. Other than Chinese nationals, there were a few more of the more exotic people of the world, white Russians, and others of European origin who had made their way into and lived in mainland China up until 1949 or the early '50s.

We processed the applications for visas. The regulations were that the individual or the family had to demonstrate that there was a sponsor in the United States who would look after the person or the family. I believe there had to be a certificate from the Labor Department that showed there would be work available to the individual or the family leader, mother or father.

Q: *What was your impression of government operations of that sort and at that level?*

MCCLOSKEY: I had the sense that the quotas were not very well balanced around the world on that particular program. It got me to wondering for the first time, I suppose, how much politics played in humanitarian issues. Surely, there were greater populations who were made refugees as a result of World War II in Europe than there were in the Far East, particularly with regard to China from 1949 on.

I had the sense, and this is hindsight, understand, that if this is the way government is run, it's damn near as chaotic, at times, as putting a newspaper together. That specific program brought in a lot of people, who stayed for only the life of that program, and then left government. But it worked, however untidy it was at times, and again from that vantage point, that part of the world could have used many more numbers than were allotted to it.

Q: *I say this because I started out in 1955 as a refugee relief officer, and in Europe a significant proportion were given to refugees who, of all places, were in Italy, which was not a refugee place, and to The Netherlands, mainly because of Congressional pressures from people who had relatives there. How did you end up in the press business, starting off in this other field?*

MCCLOSKEY: I had a desire to stay longer in Hong Kong. I arrived there in 1955, and this program expired with the legislation at the end of 1956. I had undertaken to learn Chinese. I was quite satisfied and, in fact, sought to stay on there as a USIA officer. That did not work, not because the people there didn't want it, but the people in Washington couldn't agree on it.

I came back, and was assigned to the UNESCO relations staff, which made me seriously consider leaving and getting back into the newspaper business. But I stuck it out for about a year, when I was asked whether I would be interested in joining the staff of the office of news in the Department, and said, "Yes, I would." And that's the beginning of a long association with the news operations of the State Department.

RICHARD ST. F. POST
Consular Officer
Hong Kong (1955-1958)

Richard St. F. Post was born in Spokane, Washington. He graduated from Harvard University and entered the Foreign Service in 1952. His career included positions in Somalia, Hong Kong, Swaziland, Lesotho, Angola, Canada, Portugal, Pakistan, and Washington, DC. Mr. Post was interviewed by Charles Stuart Kennedy in 1990.

Q: *You had a tour from '55 to '58 in Hong Kong. What were you doing.*

POST: As I said, we were all interchangeable parts, and that was my consular duty. I was still picking posts by their exotic name.

Q: *What was the impression of the People's Republic of China, as far as you saw it?*

POST: It was a nasty piece of work. They were a hostile presence. A very large hostile presence. Looming over us. We had virtually no contact. Except of course the Communist Chinese bank was right in the middle of Hong Kong. They had put it right up next to the Hong Kong Shanghai Bank, which had been the tallest building in Hong Kong. They put it up right next to it and had it two stories above the Hong Kong Shanghai Bank. We were conscious that there were Communist Chinese there. One was more aware of their presence when you went on trips to Macau, the Portuguese colony. To get there you had to take a ferry boat. Now they have hydrofoil. But in those days it was an overnight trip, generally, but very pleasant. You get to Macau and I remember the first time we went there, we were in a Chinese hotel, of course you are never very far from the water in Macau, and all night long, there was firing going on as Chinese refugees swam across that harbor from the other side, which was the Chinese side. The closest thing I came to have anything to do with China was interviewing people who came back, one or two Americans who had been imprisoned in China and who had been released while I was there. I then had to go up to the Lowu border, Lowu is a little town on the train station, the train comes down from Canton, stops at Lowu. I had go up there and certify to the British authorities that the person had not lost his or her American citizenship. And then take them back to the Consulate and ask them what had been going on. It was a pretty grisly picture that they painted.

WILLIAM ANDREAS BROWN
Commercial Officer
Hong Kong (1956-1959)

Ambassador William Andreas Brown was born in Winchester, Massachusetts in 1930. He joined the "Holloway Program" which was part of the Naval Reserve Officers Training Program and went to Harvard University, graduating with a Magna cum Laude degree. In 1950 he went to Marine Corps basic training in Virginia and later served in Korea. His Foreign Service career took him to a multitude of places including Honk Kong, Taiwan, Singapore, Malaysia, USSR, India, the UK, and Israel. His career includes an ambassadorship to Israel as well as several positions in the State Department,

Environmental Protection Agency. He was interviewed by Charles Stuart Kennedy in November of 1998.

Q: Did you have any thought of where you were going?

BROWN: I wanted to be assigned to the Far East and specifically to a Chinese language post. Since we couldn't go to "Red China" or communist China, the choice then and for years afterwards was between Hong Kong, Taiwan, Singapore, plus a couple of Chinese language positions in such places as Rangoon, Jakarta, and Warsaw, where the Ambassadorial talks with the Chinese Communists, which had started out in Geneva, were now continuing. However, that assignment to Warsaw was for a highly qualified interpreter.

When I was in that small group which did personnel file summaries for the review panel, prior to starting into the Basic Officer Course, the lady who was supervising us was fairly influential in arranging assignments. Thank goodness for that, because I was assigned to Hong Kong. I've forgotten her last name, but bless her, she had something to do with my assignment, I'm sure. I was very happy to go to Hong Kong.

Q: You were in Hong Kong from when to when?

BROWN: We arrived in Hong Kong in June, 1957. By the way, talking about the "perquisites" of the job, we went across the Pacific on a ship belonging to the American President Lines. We crossed the Pacific three times on one of their ships. It was a great trip. Since they couldn't give us economy class, they gave us what was called "minimum first class." There was nothing in between.

Q: I think that they gave the Foreign Service first class as a kind of subsidy for American President Lines.

BROWN: Anyhow, we arrived in Hong Kong in May or June, 1957. My wife was pregnant and our son, Alex, was born shortly thereafter on June 28, 1957.

Q: When did you leave Hong Kong, so that I get this clear?

BROWN: I left Hong Kong in August, 1959. I came as a Passport Officer, and we can talk about that. Then I was designated a Commercial Officer in 1959.

Q: Let's talk first about Hong Kong in general as you saw it in 1957.

BROWN: Remember that I saw it as a junior officer, which meant that we were living on the Kowloon side. I saw this assignment as an exciting, new beginning for a young, career officer. At the time Hong Kong was very definitely a refugee town. You might recall that it held many Chinese refugees from the communist occupation of China. It had already gone through all kinds of riots. That is, Kuomintang [Chinese Nationalists] versus the pro-communists. There had been serious riots before we arrived, but they were put down by the Hong Kong Police.

I was excited to be in a Chinese language post. Then I came to the realization that very few people in Hong Kong - at least those with whom we had consular contacts - spoke Mandarin. The kind of people I was dealing with spoke a sub-dialect of Cantonese. So for eight hours a day I was dealing with people with whom I could not communicate orally, even though they were Chinese.

Two of our four children were born in Hong Kong: a son Alexander Pericles [in 1957] and a daughter, Anastasia Katerina, in 1958. Hong Kong was exciting intellectually and academically because I had chosen for my thesis a Chinese hero of the 13th century, A. D., Wen T'ien-hsiang. He was a great hero in Chinese history but was relatively unknown in the West. He came from a rural background. He had scored "Number One" in the civil service examination of 1256, I think it was. He entered the Chinese civil service at a time when the Mongol onslaught was reaching its peak. The Mongols were driving the Sung dynasty to its utter ruin. As the Sung court fled southward, two of the princes of the Imperial Family, young boys, stopped in what became known later as Hong Kong.

There was a stone marker commemorating this. Some members of the Faculty at the University of Hong Kong were kind enough to take me under their wings, as it were, and made me an honorary Fellow of the University. This made it possible for me to pursue my studies there. I had not known it, but the figure whom I had chosen from the 13th century had acquired a distinct, contemporary political aspect. That is, Chiang Kai-shek's people over in Taiwan had seized upon this figure as a symbol of undying loyalty, even in the worst circumstances. He had remained loyal to the death. Indeed, Wen T'ien-hsiang was put to death by the Mongols, at his own request.

I didn't know this when I had chosen the subject for my thesis. A few, little articles about him appeared in the Hong Kong newspapers. They concerned the travels of the fleeing, Sung court. Members of the Sung court had gone through Hong Kong, trying to escape the Mongols.

I undertook Mandarin language training at the Consulate General, hoping eventually to get into economic and political work where the mainstream was Mandarin. So I went through a couple of years in Hong Kong in a linguistic atmosphere characterized by the use of sub-dialects of Cantonese in the office. I worked through interpreters. Meanwhile, outside the office, I was doing preparatory work for my thesis and meeting people who spoke Mandarin. I worked in the old building of the Consulate General, on the "hill" in Hong Kong [on Garden Road]. I learned that the Political and Economic Sections were entirely separate from the Consular Section and were located in the Hong Kong-Shanghai Bank Building downtown, as it were.

This takes us to the question, if you will, of the "bifurcation" of the Foreign Service. So often, the Consular Section is in one place, and the heart, the boss, and the Political and Economic Sections are elsewhere. The Consular Section was in a rickety old building. The safes had been placed very carefully because of the structural weakness of the building. I reported to the Passport Unit of the Consular Section. Altogether, it was a marvelous experience. In that regard, remember that institutionally we were going through the Wristonization program.

Q: Could you explain what Wristonization was?

BROWN: Henry Wriston [Dean of Brown College] had headed a commission on the reform, the streamlining, or the updating of the Foreign Service to fit what were considered the challenges of the period. He advocated a program under which people who had been in non-traditional Foreign Service categories, including Civil Service, "GS" service, or whatever, were given an opportunity to be given the status of Foreign Service Officers, under a simplified procedure. This carried with it, of course, a commitment to work overseas. Quite a few of these people were assigned to the Consular Service. For example, the chief of our very large Consular Section in Hong Kong, and I can't remember his name now, was a career Passport and Visa Officer. He was a very able man, but Hong Kong was his first, overseas experience. He was a middle-aged man when he took his first, overseas assignment.

The head of my Passport Unit was Edwin Reeves. He was a career, life-long Passport Officer here in Washington, DC. He was pretty far into his middle age. He was a quiet-spoken man who knew his field, inside and out. This was also his first, Foreign Service experience.

Another example of the Wristonization program was Tom Shoesmith. He had a background in INR [Bureau of Intelligence Research], as well as a strong, Japanese background, including his service in the military. Tom had been integrated into the Foreign Service as an intelligence analyst back in Washington. Hong Kong was his first, overseas tour in the Foreign Service. Tom broke me in at the Consulate General in Hong Kong. Many years later I succeeded him as Principal Deputy Assistant Secretary of state for East Asia and Pacific Affairs and he became Ambassador to Malaysia.

Also in the Consular Section was Alexander Sessums Cleveland Filler, a brilliant, regular Foreign Service Officer. Later on, Mark Garrison came to the Consulate General out of INR. He had been a Political Analyst with GS status. I broke him in as a Consular Officer.

So, altogether, there was quite a mix in the Consular Section. The Section had its internal tensions. At the time there was a remarkable, other development. About this time Congress was becoming aware of massive fraud in Chinese immigration, which had probably been going on for a century. It dawned on Congress that there were an awful lot of Chinese in the United States who had entered the country under false names and identities. Congress made a special appropriation of funds to support a large unit in the Consular Section of the Consulate General in Hong Kong, called the "Fraud Unit." Assigned to this unit were investigators who had formerly been with the FBI [Federal Bureau of Investigation], Social Security Administration, State Department Security division, and so forth. They now had an opportunity to enter the Foreign Service via this temporary appointment and perhaps be integrated as Foreign Service Officers as well. Some of them were so integrated.

Q: I knew Laurie Lawrence. He was later Ambassador to Jamaica. He and I were good friends.

BROWN: I knew him well. We were also very close friends. Laurie came into the State Department and after a stint in the Fraud Unit got an appointment as a Notarials Officer in the Consular Section. This was a great and very challenging job in the Consular Service, particularly in Hong Kong.

Tom Shoesmith broke out of the Passport Unit and became a notarials officer.

This was a time of great change in the Foreign Service and great interaction between these newly appointed junior officers such as myself, newly-integrated Wristonees and the Fraud Unit, which had an unique oral charter with the British authorities in Hong Kong. Members of this Fraud Unit did things and went places in a way which would have raised the hair on the neck of civil libertarians. I once accompanied one of these officers, Vic Dikeos, who later became Deputy Assistant Secretary of State for Security. Vic was a real pro. I accompanied Vic at 4:30 or 5:00 AM as we paid a call on a Chinese family suspected of fraud. We were accompanied by a local Chinese, who quietly knocked on the door of this family. We worked our way into this flat, shall we say, and swept up every piece of paper we could find.

Q: You were looking for the Briefing Book.

BROWN: We were looking for the Briefing Book. In other words, material which would help us break the case. People who wanted to be classified as American citizens signed a form in English in which they requested an interview at the British-American Tobacco building in Hong Kong. This is where the Fraud Unit was housed. In a separate building, they underwent a rather rigorous interrogation, with dramatic gestures and so forth. The fraud investigators used the classic technique of a network of informants, who were paid to dig up material that would lead to breaking these cases.

It was remarkable. If there were something particularly unsavory, of the kind that would hit the newspapers, our understanding with the British authorities was that the British would not protect those Fraud Unit officers were involved. Apart from that, the Fraud Unit had great leeway. For a new Foreign Service Officer such as I, one could see that due process and so forth didn't necessarily apply. It was quite an education.

This had positive and negative sides. On the positive side we would get the opportunity to reconsider cases which might otherwise have already been approved. We either inherited them or dealt with cases that had already been referred to the Fraud Unit. They were written up in such a way that we built the case for fraud investigation. We would say that the applicant is known by this or that name. Here is the background on him. Here's an affidavit where he, she, they confessed and so forth. We then had to deal with the irate family in the United States and their lawyers, as well as, at times, a Congressman.

My first case involved a very thick folder. On top of it was an irate letter from Senator John F. Kennedy, asking what was going on. The Senator pointed out that there have been three years of delay on this case. He asked what we were doing about it. Of course, the case stank. However, we were under pressure from the ripening and aging of these cases which were being investigated.

The breaking of a case had its darker history at times. Often, there was some tension between the Consular Section and the Fraud Unit which developed in the course of querying the process and the validity of the conclusions. We might refer the case back to the Fraud Unit for further

investigation.

There was another element, Stu, which was interesting here. There was a single, INS [Immigration and Naturalization Service] officer, Pat Noble from Montana. Pat lived on the Kowloon side, so we together commuted. I had a very good relationship with him. However, there was considerable tension between the State Department and INS. At one time, when I wrote up a case, noting, among other things, that I had broken the case with the cooperation of Pat Noble and, therefore, wanted to give Pat and the INS a nod for their contribution in helping me break the case and clarify the record, I was instructed to drop that approach. This so outraged me that I seriously considered resignation from the Foreign Service. I finally gritted my teeth and deleted the nod to INS for its help in breaking the case.

However, that was the tension, institutionally and at that time. Remember, this happened in the period between 1957 and 1959. I discussed the situation with Pat. He said, "Well, that's the way things are. Forget it. Don't be so foolish as to consider resigning." He was in Hong Kong primarily as the INS agent for the deportation of certain Chinese who had been arrested in the United States on one count or another. Either they jumped ship in an American port, and therefore entered the U.S. illegally; they had been uncovered in the United States as a result of some investigation; or they had been nailed [arrested] in the course of a narcotics or other inquiry and were being deported. Pat Noble was the man who received them, under an arrangement with the British, and took them on a train going to the Chinese border where he got off and they continued on into China. This caused some of these people to scream that they were being sent to a certain death. Their lawyers, advocates, and so forth would often pile on at this point.

At times Pat Noble had to negotiate with Washington, on the one hand; with the British, on the other; or with the Consulate General, as we sometimes had related cases. For the most part, we worked together quietly, and it was a very interesting relationship.

Q: Could you explain for the listener, or the reader of this transcript, what the issue was? Why were we looking into this matter? You were part of the Passport Unit of the Consular Section. What was the issue that was being investigated?

BROWN: As the communists pushed southward in 1948-49, thousands of Chinese descended on U.S. consular authorities for help in escaping the communists. First, they applied for documentation in Shanghai and then, as the communists pushed farther South, to our Consulate General in what we called "Canton," or Kuang-chou (Guangzhou). That was a wartime situation which became overwhelming.

At that time Foreign Service Offiers in China became aware of the fact that they had thousands of applications for certification as American citizens which were flawed in one way or another.

Q: They were claiming American citizenship.

BROWN: They were claiming American citizenship by virtue of their birth to an American citizen father. Under the discriminatory citizenship laws at the end of the 19th century and early in the 20th century a person could not become naturalized as an American citizen if his father

were Chinese or an Asian. That covered the area from India through Japan [the so-called "Asiatic Triangle"]. There were anti-Asian, discriminatory provisions in the law. The only way that a person of Asian ancestry could be documented as an American citizen was to be born an American citizen, either on American soil or by virtue of one or both parents being American citizens. There were certain, restrictive provisions which applied in such cases.

Therefore, the great boon for Chinese was the San Francisco earthquake of 1906. Many Chinese subsequently appeared before magistrates and judges in the United States and said, "I am So-and-So. I was born in San Francisco, but the fire and earthquake of 1906 destroyed the records. I have a friend here who can testify that I was born in San Francisco." I believe that American judges, by and large, took a liberal view of the situation, under the circumstances. They felt that it would be better for a thousand frauds to be certified rather than have one man lose his American citizenship. This situation was exploited by some people.

Those Chinese who gained the status of American citizenship then would go back to their native villages in South China. These were predominantly in four districts in Kuangtung Province. These were called the "four districts." In Cantonese, these were the "Sei Yip." (One of these districts, Chung Shan, was the birthplace of Sun Yat-sen.) They would be documented as American citizens when they were leaving the U.S. to go to China. They would be interviewed by INS inspectors in San Francisco, Honolulu, or wherever they were leaving from. They would record their American citizenship and set down, for the record, that they were heading for their native villages. They would stay there long enough to become get married, and then come back to the United States.

After they came back to the U.S., the general pattern was something like this. Let's say that they would return to the United States 10 months later, via Honolulu, San Francisco, or another port of entry. They would then appear before an INS inspector and would say, "I am So-and-So. You have my file here. I left the United States by ship as an American citizen." He would continue: "I arrived in my village in China. The day or the day after I arrived, I was married. My wife became pregnant, and she had a son whose name is Such-and-Such. She is pregnant again." So all of this went into the INS record. Some time thereafter they would appear again and repeat this exercise. All the claimed children were sons. No daughters. All of them allegedly survived infancy, notwithstanding a high mortality rate among young Chinese children at that time.

Those slots for alleged American citizens which were created on paper in this way were then sold off. Over time, people who, in some cases, were not even remotely related, bought those slots, appeared before American Consular or INS officers and were grilled by officers who used interpreters and who painstakingly built up cases to test whether theses really were the sons of an alleged, American citizen father.

Over time whole, schools were developed to teach people to describe their identity as American citizens. We had them in Hong Kong during my tour of duty there. They memorized this identity and swore never, ever, to deviate from it. It was a situation which did not allow them to confess to this fraud, no matter what the circumstances.

Now, that practice had been going on for years. The communist takeover of China after World

War II accentuated the pressures. A young Vice Consul in Canton, reading about the "Charlie Chaplin" paternity case, "sold" Washington on the idea that if evidence were admissible in a paternity case in California...

Q: You're talking about blood tests.

BROWN: Yes. He said, "Why can't we test the applicant against the blood of the parents in the United States and see whether it matches?"

Q: This was before DNA tests were developed.

BROWN: It was way before DNA testing was developed. We were then dealing with the basic blood groups: A, B, AB, and O. This was tried out, and immediately we saw that nearly half of the cases we had didn't "match." Your chances were only 50-50 to begin with. So from this evidence you could infer that more than 90 percent of the overall population involved in these cases involved fraud, one way or another.

Of course, these applicants for American citizenship almost universally developed the line, when we asked for documents: "The communists took them" or "The communists destroyed them." We were faced with this endlessly parroted line, in response to our request for documents: "Well, I don't have my birth certificate," or "I don't have my marriage certificate," or virtually any certificates because "The communists took and destroyed these documents. I lost all of that." They often added: "But I have this letter from my father in San Francisco," or Cleveland, or wherever it was.

We then grilled them. By the time I arrived in Hong Kong, we were conducting blood tests on a large scale. During my couple of years there I ordered more blood taken than I would ever care to admit. This process was carefully supervised. We had contracted with reliable doctors in Hong Kong and we insisted on checking photographs, thumb prints, and so forth, so that no hanky panky could take place. Then we arranged for blood tests to be performed in both Hong Kong and the United States. The Chinese applicants for American citizenship woke up to this and, in typical Chinese fashion, began to pre-test their blood. The citizenship slot may have been selling for, say, $3,000, but the applicant had to have the right blood type, matching an American citizen. And the pre-testing had been done.

We and the Immigration and Naturalization Service responded by using more complex technology. In this case, sub-types of blood. You went from A, AB, and O to sub-groups. We caught so many of them that the Chinese found this out and pre-tested their blood in Hong Kong. We then got into "sub-sub-types" of blood, "E" and "D." I remember getting a letter from a health official in California saying that, as a result of our testing, we had used up all of the blood serum for this kind of testing in Southern California. He asked us to stop ordering these additional tests.

So that's what we were doing. Here we were, regular Foreign Service Officers, plus some people who had been Wristonized into the service. We had a big Fraud Unit, which was grinding out all of these fraud cases. And young, Foreign Service Officers were thrown into this. At least in my

case, I had this Chinese experience behind me, so that I could try to read the letters or the documents which were put in front of me and so forth. Other officers didn't have this background.

By the way, we had a couple of women officers involved in this program. We tended to look on them as "hard-boiled" types. They were largely Visa Officers who had been integrated into the Foreign Service under the Wriston program. Their attitude was that nobody was going to "sell them" any "soft soap." By golly, they were tough!

Q: I have to say that this may sound like a "stereotype," but it was often true. I think that the women officers that we were recruiting were probably somewhat limited in their education. They had come up through the ranks, and they weren't going to "deviate" from the rules. I think that regular Foreign Service Officers tended to be a little "looser" about interpreting the regulations.

BROWN: Yes. However, after listening to constant lies for eight hours a day, I tried to maintain my objectivity, but I did tend to acquire a rather "hard shell" over time. Nevertheless, during my time in Hong Kong things began to happen. The "Fraud Unit" was "cleaning up," if you will, a lot of backlogged cases. We began to get more cases of Chinese children who had been born in Hong Kong, so they could get a locally issued birth certificate. So the question was whether we were going to accept that locally issued birth certificate or were we going to look deeper into the family background. There were some officers in the Consulate General in Hong Kong who said, "We sure will! The parents' birth certificates were probably fraudulent to begin with."

There were "forgiveness," "amnesty"programs back in the United States. Periodically, INS would say, "All right, if you will come forth and 'bare your soul' to us, you can 'fix up' the record." However, underneath it all was the great fear that, if your grandfather had fraudulently entered the United States, INS could revoke that naturalization decree and go after not only the grandfather but his kids, and the whole family. So there was a tremendous amount of pressure overhanging all of this. Getting people to "confess" and clean up the record was a monumental task. Even if we were well disposed and were trying to say to these people: "Look, just clean up the record," this was very difficult for them to do. Indeed, it was almost impossible, under the circumstances.

However, things were beginning to change because we were now getting younger and younger applicants. The putative father of a little baby might appear in front of you, bearing his U.S. passport. He might have married a Hong Kong girl. Then, if you had the Hong Kong birth certificate for this little baby and the marriage certificate of his parents in front of you, how far were we going to go into the father's and grandfather's background? That was a tough call.

Remember that, overall, passport and citizenship law was tougher than it is now. We could "confiscate" the passport of a Chinese who had gone to Taiwan, using a Taiwan identity card. It was a solemn decision, but we could arbitrarily "lift" the passport of a man we suspected of being involved in narcotics trafficking or some other kind of "skulduggery." We could just say, "May I look at your passport, please?" If the applicant were dumb enough to hand it over to us, we could hold it for a while. We did that fairly rarely, but we had that authority. Times have

changed since then.

Q: I think that this might be a good place to stop now, because I've got an appointment coming up. I thought that we might pick this up later, where we are now. We have you in Hong Kong involved in the passport business. You then "switched" to be...

BROWN: It was our dream, really, as young, regular Foreign Service Officers to get out of the consular sewer and get into the mighty and prestigious field of political and economic reporting. One had to accept the reality that, generally speaking, you do two years in consular work as well as you can. Then, maybe, you go on to something else. However, there were a few surprises. For me the surprise came one day when I was approached and asked: "How would you like to become a Commercial Officer?" Marty Hickman, our Commercial Officer, was leaving the Foreign Service. I was asked if I would like to replace him. Of course, I jumped at the chance.

Q: All right. We'll pick it up then. I also haven't asked you, and I will do so the next time, who was the Consul General in Hong Kong and how did you get along with him?

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Today is November 5, 1998. Bill, who was Consul General in Hong Kong when you were there?

BROWN: The Consul General was Everett Drumright. Of course, for me in those days, he was "God Almighty." I think that he sort of enjoyed that position. He had steel blue eyes which seemed to go right through you, on the very rare occasions when a junior officer saw him. The Consulate General in Hong Kong was very conscious of the hierarchical position of senior officers. Remember, we were in two locations. We were over in the old, shaky, wooden consular building right up on the hillside. The Consul General and the other senior officers in the Political, Economic, and other, "elite" Sections were elsewhere. So we didn't see much of Drumright. I had the impression at the time that he was remote and aloof. You didn't see him coming into the office, asking people how they felt, and so forth.

Drumright was an "Old China Hand." After serving as Consul General in Hong Kong he was appointed Ambassador to the Republic of China in Taiwan. So he left and was replaced by a gentleman whose name eludes me. He had been the DCM [Deputy Chief of Mission] in Taiwan. [Pilcher] He was much more affable and friendly, although Hong Kong was a big post and we didn't see him too often. I bless him for transforming the July 4 reception, among other things, from an elitist kind of function. Drumright had the custom of inviting a few of Hong Kong's British elite to a tiny reception. Drumright's replacement, transformed the July 4 Reception into a much more plebeian event. I think that, since representation funds were short, we all had to kick in $5 each or so. Hot dogs and hamburgers were cooked down in the courtyard, and so forth.

Incidentally, it was during this time that the new Consulate General building [on Garden Road] opened, and we all moved into it. That's now an old building. We can discuss this later. If you stay in this service long enough, you come back, as I have, to some places which you moved into when they were brand, spanking new. You visit them decades later, and people complain that this same building is old, dingy, confined, and so forth. However, that's life.

Anyway, it was the change from Everett Drumright to another Consul General. By golly, in between the two of them I think that we had another. Yes. He later became Deputy Assistant Secretary of State and Ambassador to Afghanistan. What was his name? I'll have to come back to that later on. [Stevens or Stevenson?] He was a character and was old line Foreign Service. He had a tremendous capacity for alcohol. He could just drink anybody under the table. So no sooner had we gone through all of these tremendous welcome receptions, which included quite a bit of alcohol, parties, and so forth, when he was notified that he was being assigned to a more senior post, and we had to do it all over again. All of this within something like six months.

I might mention that, in all of this, we had the Quemoy-Matsui crisis.

Q: Can you explain what that was?

BROWN: In the conflict between Communist and Nationalist China, and it was then very much a conflict, the Chinese Nationalists still held a number of small islands off the southern coast of China, including the islands of Quemoy and Matsui. In its anger Communist China, under Mao Tse-tung, resorted to fierce bombardments, particularly of Quemoy and Matsui, which were close to Amoy. For their part the Chinese Nationalists retaliated as much as they could. So the bombardments were real. At one time, as a very junior officer, I was invited by Consul General Pilcher to dinner. In the middle of it Pilcher was called to the phone, and he was informed that there was a massive bombardment of Quemoy and Matsui going on. The U.S. Seventh Fleet was moving to positions off Quemoy, and the situation looked very grim. The administration of the time...

Q: Under President Eisenhower.

BROWN: Made a very firm statement. Yes, it was President Eisenhower. It was a very tense time, and it looked for a time as if we might become even more physically involved. However, notwithstanding a tremendous bombardment by the communists, the Chinese Nationalists held, we evidently said and did the right thing, and this crisis passed.

We can now go on to my experience in the Commercial Section of the Consulate General in Hong Kong.

Q: This would be in the period 1958-1959. What did your job as a Commercial Officer consist of?

BROWN: I had no idea of what it would involve.

Q: You were with Marty Hickman in the Commercial Section.

BROWN: Marty Hickman had been the Commercial Officer. He was a Mormon. I only say that because people assumed that I was also a Mormon. I was suffering from amoebic dysentery, and we can touch on that later. At the farewell reception for Marty, I stood next to him with a non-alcoholic drink. He wasn't drinking or smoking, and I wasn't drinking or smoking, either. As I

said, he was a Mormon, and I was replacing him. Therefore, in the view of many Chinese, I was also a Mormon. Marty later became Dean of the School of Social Sciences at Brigham Young University.

Anyhow, the Commercial Officer was part of the Economic Section. Ed Fried was the Chief of the Economic Section. He later became a very senior official in Washington.

I had a tiny office which I shared with Art Dornheim. Art's sole job was tracking down people who were dealing illegally with mainland China, from the point of view of U.S. law. We kept a black list on these people. I worked part time with Art on this job. Congress, in its disapproval of mainland China, had passed legislation prohibiting purchase of anything, including a postage stamp or a chopstick, from mainland China, and this situation continued for many years. To buy something from mainland China was a federal offense.

Postal and customs authorities in the United States were all notified of any purchases of Chinese communist goods and/or services. We vigilantly pursued any American suspected of dealing commercially, in any way, with what was then called communist China. In fact, in a place like Hong Kong, we kept records on non-Americans who traded with communist China. In Hong Kong, when I took the first Congressional delegation into communist China in 1972, I met an English gentleman who twitted me about the fact that he had been on our “Black List” of those who traded with communist China. He asked pointedly who in the heck did we think we were, penalizing him for doing business with communist China, when he wasn't a U.S. national?

The big commercial story of the time was garments and textiles. This was the beginning of what we thought was a tremendous “boom” in U.S. imports of Hong Kong made garments and textiles. In relative terms, while to us this was a “boom,” in a broader perspective and historically speaking, it was a tiny “blip” indicating what was to come later. However, the British, spotting a tremendous opportunity, had set up for us, at our prodding, a strict enough inspection system so that we could vigilantly follow it and involve ourselves in it. Therefore, we would be able to certify that goods, whether they were brassieres, articles of clothing, buttons, and so forth were in fact made in Hong Kong of cotton and other materials not of communist Chinese origin. These items were put on a “cleared” list. They would then move progressively through British Customs and into bonded places from which they could be shipped to the United States. We were free to inspect this process.

The establishment of that kind of system lured representatives of the Seventh Avenue, Jewish garment concerns in New York to Hong Kong. There they joined, if you will, the former Shanghai textile and garment manufacturers who had left mainland China and moved to Hong Kong. What a combination that was! It was really something to see. I remember first considering these aspects of the trade rather dull, when I was writing reports on the number of garments by category which were being shipped in that week or month. The categories included stockings, dresses, ladies' undergarments, brassieres, and so forth. I remember wondering whether anybody really cared about this.

I once wrote a despatch which said, “Panties held up this week, but bras sagged a little,” or something like that. I wanted to see if there would be any reaction or comment out of

Washington to this report. This took me into the Hong Kong garment and textile factories, some of which almost looked as if they were out of a Dickens' novel.

There were other commodities made in Hong Kong, such as plastic flowers. I remember visiting a plastic flowers factory. This was truly right out of a Charles Dickens novel. It was a huge, wooden, rickety, dimly lit warehouse which had been converted into a factory. As I opened the door and my eyes adjusted to the dark scene within, I saw dozens or hundreds of forms appearing to leap in the air. These were young Chinese workers, each of whom had a primitive device with a long, wooden handle. The handle would fly up into the air, the worker would put some plastic chips in a mold, and then jump up and grab this long, wooden handle. With the weight of his body, he would then pull the handle down to the floor and then release it. That is how plastic flowers were made.

There were no labor laws which regulated this process. There was no accident insurance to protect the workers. At least in that business and at that time, there were no trade unions. Women who worked in the garment trade went to work in rickety old buildings. If the building housing the factory was open, it was open. If the factory wasn't open, it was closed. At lunchtime, the workers were all “kicked out” onto the sidewalk and given a half hour to get something to eat. I saw workers by the hundreds or thousands with their bowls of rice at lunchtime. The profits were high, the business was expanding, and a lot of money was being made. However, in relative terms that was just the beginning of the development of the Hong Kong garment manufacturing industry.

I also did investigative work. There already was a tremendous amount of fraud and piracy of American trademarked goods. “Arrow” shirt labels and “Singer” sewing machine needles were being “pirated” in lots all over Hong Kong. In other words, anything that people thought that they could get away with was being done. American firms had to employ agents to come in and “track down” these piratical activities. The same thing later happened with Taiwan. So this was a time of great, commercial ferment.

Among my very first cases was an incident involving a container on a dock in Kowloon. A restaurant owner “desperately” wanted to get this container cleared, but the British Customs authorities refused to free it, because it was a container from the United States containing chicken feet. Across the large container was a stenciled label which said, “Unfit for human consumption.” A delicacy in Chinese cuisine was soup made from chicken feet. So I had to go through all kinds of contacts with British customs officials to get this shipment through customs.

Altogether, it was a fascinating experience, and it really brought me down to the street and into contact with local, Hong Kong Chinese entrepreneurs and Americans who were rapidly making their fortunes.

Then there was the whole business of monitoring firms which were suspected of “back door” dealing with communist China.

Q: We did this black listing and investigation in a big way in Latin America during World War II, to keep firms from dealing with Axis-controlled countries. I was wondering whether there

might have been some old hands around who talked about what they did back in Latin America during World War II.

BROWN: No, but we'd already been at this effort to control trade with China for some years. Remember, this was 1957-1959. We didn't have computers and so forth. However, extensive card files were kept, and we had our eyes and ears open for information, of any kind, which would suggest that anybody, American or otherwise, was attempting to trade with communist China.

Of course, Hong Kong was a major entrepot, and British and other foreign firms were doing big business with communist China. So, from the viewpoint of the British authorities in Hong Kong, they had to compartmentalize this trade. On the one hand, the British had to build a control system which would satisfy our needs, as far as garments, plastic flowers, and other Hong Kong items being exported to the United States were concerned. They had to ensure that goods made in communist China were not mixed into the flow of goods which was so profitable to Hong Kong.

By the way, Stu, as a result of this experience, I very nearly opted for the Foreign Commercial Service. I went back to the Department of Commerce on consultation on one occasion. They said, "You're doing a great job out there. Why don't you 'switch over' to the Foreign Commercial Service?" Thank goodness, I didn't. It would have been a major mistake on my part if I had done so.

Q: How did you find the attitude of the British authorities toward what they may have regarded as a "peculiar" American method of dealing with business in Hong Kong? How cooperative were they?

BROWN: We had a representative from the U.S. Treasury Department in Hong Kong, Charlie DeZevalis. He was a very flashy guy. The British realized that a very good market for Chinese-type goods was developing in Hong Kong, so they were quite accommodating. The British sought to ensure that we felt comfortable with the system which they set up. Probably because of previous experience, the possibility of this control system going awry and fraud creeping into that, as was so prevalent in other walks of life in Hong Kong, was very daunting. So the British authorities in Hong Kong were quite cooperative. In short, it was good business, and the British already were very sensitive to the concerns of the U.S. Congress in keeping on the right side of the law. Remember also there was another concern involved. Security-wise and in terms of visits by ships of the U.S. Navy Seventh Fleet, Hong Kong was now big stuff. There were thousands of U.S. Navy sailors pouring ashore in Hong Kong and making purchases. So the British accommodated us there, too. They had set up a system under which officers and men of Seventh Fleet ships could buy a great deal of merchandise from qualified, certified dealers and not have to worry whether the goods were of Chinese communist origin, and so forth.

Q: What was life like in Hong Kong, when you were a junior officer?

BROWN: Hong Kong was my first post in the Foreign Service, and it was most exciting. I could list a whole bunch of pluses. Two of our children were born there.

Q: How many children did you have at this point?

BROWN: When we left Hong Kong, we had four kids. So my dependents included my wife Helen and four children: three girls and a boy. Academically, I was now engaged in writing my thesis. I had become a honorary Fellow of the School of Chinese Affairs at the University of Hong Kong. I went out on expeditions which were related to the 13th century Sung dynasty. There were people actively interested in this. My wife was teaching English and English literature at New Asia College.

I had by now left the consular business behind me. This meant that I was sitting in the office eight hours or more a day, listening to a variety of "tales" and considering applications by various people to export items to the U.S. Work in the Commercial Section gave me an entirely new perspective on life. I spent a lot of my leisure time on various aquatic activities. I "crewed" for a British guy who sailed a boat. I became heavily engaged in spear fishing and scuba diving. Scuba diving was brand new in those days, and this was a real adventure. I managed to team up with some really serious scuba divers who could take me fairly deep down to look for fish. So I explored the outer fringes of Hong Kong as far as islands, fishing, and scuba diving were concerned. I took up tennis and met all kinds of fascinating people.

I bought an old car and did a lot of exploring in the New Territories [Kowloon side] and the related islands. At that time you could still swim in the outer areas of Hong Kong. Like others, I joined the local British club for swimming and other activities for the kids. Our two older girls were now in kindergarten and first grade in the British educational system.

In a word, life was "exciting." Life in Hong Kong was a fascinating introduction to the Foreign Service. Our Consulate General in Hong Kong was totally independent of any embassy. It was THE major American window for looking into communist China. As I said, I wasn't really involved in studying the situation in communist China. We were almost entirely separated from other parts of the Consulate General, but the Commercial Section gave me a window into the situation in mainland China. I was studying Chinese. I was reading contemporary Chinese. I was hoping to get advanced Chinese language training on Taiwan, which I was able to do.

My thesis was coming along. I was discovering materials which I had not thought existed and which bore on the subject matter. I was meeting all kinds of interesting people, socially and commercially, and life was great. On the down side, Hong Kong was a large post. I was a junior officer in a hierarchical service. I had to "mind my p's and q's." I had found work in the Consular Section more interesting than others did, because there was a Chinese aspect to it, after all.

As I think I mentioned, I got my first case of amoebic dysentery in Hong Kong. Amoebic dysentery in the mid-1950s in Hong Kong was a serious business. I knew one of the Defense Attaches attached to the Consulate General who was given a medical discharge from the military service because of amoebic dysentery. It could result in death. If it got to a certain point, it was incurable. So I was admitted to Queen Mary Hospital. The newly developed medicine to treat amoebic dysentery was toxic to the heart and very serious stuff. I still bear the "scars" of that illness.

However, Hong Kong was a wonderful introduction to the Foreign Service as far as a first posting was concerned.

Q: One thinks of Hong Kong in those days as being very much British run. The Chinese residents were allowed to be merchants, and all of that, but they were kept somewhat apart. How were your Chinese contacts?

BROWN: There were two aspects to them. There was the commercial side of the Chinese community. They were local entrepreneurs, teaming up with, as I said, the Seventh Avenue garment industry in New York, both in terms of garments and later in terms of "gray goods," or textiles. So that was quite a circuit. I wanted to learn to play tennis at an entirely Chinese tennis club nearby. I was the only "pale face" among its members. I took lessons at 5:00 AM. That was an interesting crowd, composed largely of Chinese businessmen.

On the academic side, my contacts were fewer, but among them were some people who were interested in the fact that here was a young American interested in the China of the 13th century, A. D. I was unique, in this respect. Within the British services, the police officers were British. The Chinese occupied the lower ranks of these services, from Sergeants on down to Constables. I made quite a few contacts among British civil servants and police officers as well. You could see, although the British didn't want to talk about it, that Hong Kong was held under a lease and that this lease would expire in 1998. This was still some 40 years in the future, but you could see the beginnings of change taking place. Some highly qualified Chinese were beginning to rise to higher positions in the government civil service and in business.

Q: Did you have any problems with the British? Sometimes, British colonial types could get under the skin of Americans.

BROWN: Yes, I was well aware of that. I ran into attitudes like that later on in my career. In Hong Kong such attitudes were far less obvious at the working level. The circumstances at the time made this almost inevitable. America was a great market and a great security partner for the British. Remember, these were terrible times in communist China. When we were in Hong Kong during the late 1950s, the mainland Chinese were going through the horrors of the so-called "Great Leap Forward." This involved a burst of whatever you want to call it: revolutionary fanaticism, which rapidly deteriorated into the death of thousands of people from hunger. There was widespread starvation in mainland China, and thousands of people were trying to get into Hong Kong. The British had to strengthen their barriers against illegal Chinese immigration. So in all of this America stood as a very significant partner, not only for London, but more especially on the ground in Hong Kong. We fit in fairly well with the British in this respect.

Q: What were you getting in terms of talking to people who were following conditions in mainland China? Were you getting a very detailed picture of the stupidity and horrors of the Great Leap Forward?

BROWN: Yes. Of course, we followed the Hong Kong media, which included pro-communist elements but was still pretty critical about what was going on. There were China specialists, and

not just in the American Consulate General, who made use of this great window into mainland China. There were such people as the famous Father Ladani, a Hungarian, [Jesuit] missionary whose total occupation in those days was studying China, getting reports out of China, and interviewing refugees from China. This was big business in those days. So one saw this tremendous burst of fervor and zeal, followed by the inevitable crash of the Great Leap Forward movement, which took a terrible toll of Chinese lives, including those who lived near and around Hong Kong.

The British security presence was still significant in Hong Kong. There was the Gurkha Regiment and there were elements of the Royal Navy, and the Royal Air Force. It was already being said that the mainland Chinese could take Hong Kong with a phone call, but when we arrived in Hong Kong, the British presence was still significant. On the annual celebration of the Queen's Birthday the British could still put on a pretty good, military display.

Q: While you were in Hong Kong, did you or any of your colleagues think about what you were going to do next?

BROWN: Yes, I was dedicated to the study of China. Remember that I had come into the Foreign Service and decided, in consultation with my wife Helen, that we would put in a year or two and then decide whether it would work out for us. Well, it was working out for us fairly well. There was also the down side of working in a bureaucracy with its restrictions, its hierarchy, and all of that. However, as a first post it was great. As a place to work on my thesis, Hong Kong was also exciting. So our attitude was: “Let's give this career another year or so, especially if I can get an assignment to another Chinese post.” I particularly wanted to get advanced training in the Chinese language on Taiwan.

So I applied for advanced training in Chinese, was accepted, and was transferred to Taiwan in August, 1959. We took a good, long home leave, traveling to the U.S. via Europe. We stretched our dollars as much as possible by traveling “economy class.” This made it possible for us to introduce our children to the great cultures of Lebanon, Greece, Italy, Germany, France, and so forth. I arrived in Taiwan for advanced language training in late November, 1959.

Q: So you were away from Hong Kong...

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Q: In a way it's atypical of somebody who moved ahead as you did. So often I've found that the way to move within the State Department power structure is to be a Staff Aide or Staff Assistant and to get up to the Seventh Floor. Make yourself known and get a Mentor. In my case I was a Consular Officer and I did everything I could to stay overseas. It was fun, but it may not have been the best thing to do.

BROWN: I had consular experience in Hong Kong and in Singapore, where I did double duty, that is, when the consular officer was away, I did consular work. I'll tell you a couple of consular stories.

The first story related to a Hong Kong case. The file on it was about three inches thick, and material in it had been accumulating for years. This case concerned a woman who wanted to get her British husband a visa to go to the United States. She also claimed American citizenship for her children. She had been repeatedly denied both the visa for her husband and citizenship status for her children. She had first married an ethnic Chinese in the late 1930s or 1940s. It turned out that he was a supporter of the Kuomintang [Chinese Nationalists]. This woman and her husband were in Hong Kong when the Japanese arrived there in 1941. He said "good-bye" to her and fled, leaving her in Hong Kong. She was a good looking woman and had a couple of children by him.

After the Japanese came to Hong Kong, her story was that, in order to survive, she posed as the wife of a British national. Together, they went into Stanley Prison [detention center in Hong Kong for nationals of allied countries]. She posed so well as the wife of this British subject that she bore him several children.

Q: This is carrying an act to its logical conclusion. [Laughter]

BROWN: World War II ended, and her British partner told her: "Honey, now I'm going back to my real wife," and he left her. Then she fell in love with another gentleman and bore him one or more children.

The people in the Passport Division of the Department of State examined our extremely convoluted passport law.

Q: Oh, yes.

BROWN: The passport people said that this woman, by her failure to have lived in the United States at certain times before their births had therefore failed to confer American citizenship on her children, unless those children were illegitimate. Can you imagine that? After all of the cases that we handled, the object of which was to prove legitimacy, in this case the Department of State was saying: "No, your children are not U.S. citizens unless you can prove that they are illegitimate."

She said to me: "Your State Department says that to do this, I would have to go before a court in Hong Kong, but that would make this a full, newspaper case. I said, "Well, let's take this step by step. I inherited this case from other persons. You mentioned that your first husband was a Chinese member of the Kuomintang party. He fled from Hong Kong. Did you ever hear from him again?" She said, "Oh, yes. He's a member of the Legislative Yuan in Taipei. He's a big shot." I said, "Can you prove this to me?" She said, "Well, I know that he's visited Hong Kong. It was in the Chinese language newspapers."

From the Chinese newspapers I finally got the story about her first husband. I then raised this with the Department of State, pointing out that, since this woman and her Chinese husband had not been divorced, everything which followed was outside of marriage, and all of the children of her subsequent relationships with men were illegitimate. I got birth certificates from Stanley Prison and so forth. However, the fundamental fact in the case was that her first marriage had not been officially terminated. Her first husband had remarried, in the Chinese style, but he had

never divorced his first wife.

I called her up on Easter Sunday, 1958, and informed her that the Department of State had finally relented and that her children could now be documented as American citizens. My Chinese staff in the Consulate General in Hong Kong were furious, because she was considered a loose woman.

PAUL KREISBERG
Political Officer
Hong Kong (1956-1959)

Paul Kreisberg was born in New York in 1929. He received his master's degree from Columbia University in 1952. His overseas posts include Bombay, Hong Kong, Karachi, Dar es Salaam, and New Delhi. Mr. Kreisberg was interviewed by Nancy Bernkopf Tucker and Warren I. Cohen on April 8, 1989.

Q: W*hy don't we move on to the period that you were political officer in Hong Kong. Perhaps we could start with a brief discussion, and then if you want to go back to explore some of these, what the major issues were that you were following while you were in Hong Kong.*

KREISBERG: We, of course, were not terribly much involved in U.S.- China relations. There was virtually nothing going on at the time. The consulate was engaged in two things. One, in monitoring internal unrest in Hong Kong. Shortly after I arrived, there were major demonstrations, rioting in Kowloon directed at foreigners and at the British, and in which it was assumed that the Chinese communists had played a major role.

But the major work that I did was in evaluating Chinese internal domestic developments and change. So the principal period on which I was writing was during the period of full cooperativization of agriculture, the 100 Flowers Movement and the anti-rightists crackdown after that, and then the beginning of the commune movement and the Great Leap Forward of '59 and '60.

Q: *Can I go back and pickup just a question that occurred to me when you talked about the internal situation in the colony of Hong Kong? The riots that you observed and then subsequent efforts towards the end of the '50s and early '60s when the Chinese allowed large numbers of refugees to cross the border...*

KREISBERG: Right.

Q: *Because of their food shortages. These seemed to Americans as efforts by the communists to destabilize Hong Kong. And yet the Chinese never took Hong Kong back. Do you have any sense of why they would have been encouraging this kind of activity?*

KREISBERG: It was a period, of course, in which the United States was very hostile to China.

The interpretation that the British encouraged, and that we accepted at the time, was that China wanted to make life as uncomfortable for the British as possible in the hope that this would increase the willingness of the British to negotiate an early withdrawal from Hong Kong. Now whether there were ever any direct feelers to the British on this or not, I don't know.

If you haven't interviewed Harvey Feldman, you might want to do that, because Harvey was much more involved and directly responsible for the internal Hong Kong scene than I was.

Q: *As long as you mentioned Harvey Feldman, who else was there at the consulate at that period, and what other sorts of things might they have been doing at the time? What were their responsibilities?*

KREISBERG: Well, the head of the political section was Harald Jacobson. His predecessor was LaRue (Larry) Lutkins. Larry was there just briefly after I arrived. He lives in Fairfax.

Robert Yoder, who lives up in Vermont, was there at the time. Thomas Ainsworth, who is retired from the Service and lives here in the Washington area, was there. Let's see. Drumright was also the consul general in Hong Kong. Drumright and I kept following one another around.

Q: *Whiting wasn't there, was he?*

KREISBERG: Alan Whiting was there much later. He was there six or seven years after that in the mid-1960s.

Edwin Fried, who was at Brookings, was the head of the economic section. Lindsey Grant was there; he was my predecessor as the Director of Chinese Affairs. But those were the key people who were there.

Q: *Do you have any idea where Grant is these days?*

KREISBERG: Grant lives in Bethesda.

Q: *Was the entire attention of the consulate really focused at internal affairs on the mainland?*

KREISBERG: [Kreisberg shook his head negatively.] No, the consular section was extremely busy with visa applicants and there were moderately active commercial and USIS sections. But the bulk of the work of the political, economic, attaché offices and of the CIA station was on the mainland.

Q: *How did you get information? What were your primary sources?*

KREISBERG: Well, there were four. One was the China mainland press and the Soviet-China mainland magazines, which we were responsible for. I was in charge of that activity for a year and of buying that kind of publication, and of maps and telephone books. The second was, most of which could not legally be exported from China, the FBIS, which, of course, was the broadcast system. The third were the British interrogations of refugees and other people who

came across, which were made available to us. And the fourth were miscellaneous "walk-ins", people who themselves had either got into China to do business and then came out and talked to us, or who came in to try to sell us something, and at the same time, were telling us things that were going on. Those were the four key ways. And, of course, more covert intelligence information.

Q: *Did you have your own refugees? Did you have a program for interviewing them yourselves?*

KREISBERG: The refugees all came to the British. The only people who came to us were incidental "walk-ins". Sometimes the people were then passed on to the CIA and were then rehired but I almost never saw them then.

Q: *I was thinking of a later time when Dick Solomon and Mike Oksenberg were going in and talking to refugees. You didn't have anybody who was going in to do that?*

KREISBERG: There was little of that going on at this time.

Q: *How extensive was the cooperation with the British?*

KREISBERG: Very, very close.

Q: *And that would be both at overt and covert levels?*

KREISBERG: Yes.

Q: *Were their assessments of what was happening inside of China very different from American views, since their policy towards China was fairly different?*

KREISBERG: No, I don't think so. I think that the general assessment of the community tended to come together around a fairly common center. There, of course, were a lot of other people who were following China. Father Ladany was turning out his China News Analysis at that time. The university, whatever it is called...

Q: *Research Center.*

KREISBERG: Well, I'm not sure it was called that at the time. It kept changing its name. It was relatively small.

Q: *Field Services.*

KREISBERG: Something like that. And they were following it. But there was a fairly common center of interpretation of what was going on, certainly in the period from, I would say, '56 to '59. There began to be some divergence after '59 over what had been responsible for the turn to the Left and the crackdown by Deng Xiaoping and Mao on the rightists and then the movement toward the Great Leap Forward.

There was a lot of uncertainty as to what one could believe about the Great Leap Forward. At that time, the viewpoints really began to diverge quite widely. It centered around what people's own personal ideologies were in part. That, I think, continued for much of the early part of the 1960s.

Q: *Did the British themselves ever give you a sense that they were trying to convince you that their approach to China was a better one? Was there any discussion of the difference of American and British policy?*

KREISBERG: I never got a sense that there was a strong difference when I talked to people in the intelligence side of the British community in Hong Kong. But I admit I saw relatively little of the senior British political levels -- the Political Advisor, the Chief Secretary, or the Governor. That was left to the Consul General, or the head of the Political Section. But I saw nothing in our reporting that suggested serious differences.

Q: *You arrived in Hong Kong after the event, but was there any continuing impact of the Bandung Conference and China's effort to reach out to other Asian nations? Did that have an impact in Hong Kong?*

KREISBERG: I didn't sense it. It wasn't the area that I was working on. I mean, we were all following Chinese foreign policy. But what you really have to remember is that we in Hong Kong knew what was going on in Chinese foreign policy from our reading of what the Chinese were telling the rest of the world. So none of us had any sense of confidence as to the accuracy of our interpretation of Chinese foreign policy. It was obviously what the Chinese wanted us to know. There were other places where people had better information on Chinese foreign policies, or thought they had.

Q: *Where?*

KREISBERG: Well, I think in different embassies -- Delhi, Paris.

Q: *From local contacts?*

KREISBERG: Yes. Hong Kong was really far away from Beijing. It wasn't really used by China as its center for international foreign policy activities.

Q: *Did you have any contacts in Hong Kong with people known to be from the mainland who were attempting in any way to...*

KREISBERG: No. We were instructed to stay far from them, and they were instructed to stay far from us. One of the "great moments" in U.S.-Chinese diplomatic relations was when permission was given -- I think this was in the mid-1960s -- for someone from the consulate to meet with Fei Xiaotung, the Publisher of the Communist-controlled Ta Kung Pao newspaper in Hong Kong. The degree of isolation that was imposed was almost complete. We knew no one and were supposed to know no one from the Bank of China or from New China News Agency. It was a period of great ideological intensity. Not as great as between 1950 and 1955, but the instructions

were still, "You will not have contact with, discuss, shake hands with anybody from the People's Republic of China."

Q: *You know, Alan Whiting has said -- I interviewed him -- and he mentioned that it could be perilous to your career within the State Department if you could be heard speaking of Peking or Beijing rather than calling it Peiping. So that same sort of sense was true in the field?*

KREISBERG: Yes, if you used it in written reports. My recollection is that in the office we often used "Beijing" simply because so much of the material we worked on used that form.

Q: *A related question since you were monitoring radio and articles closely. One of the things that we have come across is a question over whether there were efforts by Zhou En-lai and the government to devise a peaceful solution to the Taiwan problem along the lines of "one China, but not now," in the late-1950s. There is a speech that Chen Yi makes that Rod MacFarquhar has in his book that indicates some interest in following that sort of a line. Did you come across that? [Sino-American Relations, 1949-1971 (Newton Abbot, England: David & Charles, 1972)]*

KREISBERG: I don't recall that now, Nancy. I mean, the one speech that Chen Yi made that -- and it is conceivable that it was the same one -- but I remember a different part of it which struck me. I thought it was about 1960 or '61, which would be a little after this. It was when Chen Yi, in effect, had adumbrated the coastal development strategy and gave a speech in which he spoke of Shanghai as a prospective international center for trade and commerce, which would be opened up in ways that would be broader and more favorable than other parts of the country. It was a one-time speech he made. It was never repeated. Obviously, it was Zhao Ziyang before his time. I don't remember the Zhou En-lai speech, no.

Q: *Since your main focus was domestic affairs, I wasn't intending really to ask about that. But did you have a sense that, in watching these major developments going on in China, was there a feeling that the Chinese government was going to be so destabilized that there might indeed be a change or that anything of that magnitude was going to happen?*

KREISBERG: Never. Nor from any interviews that we ever got.

Q: *So there was a conviction then, amongst the officers, that China was going to be a continuing presence and that you would have to go on dealing with China?*

KREISBERG: Absolutely. A broad consensus, I think, among most of the professionals that the sooner the United States began dealing with China, the better. The question was always how we were going to be able to create a strategy that would enable us to achieve this. But with Walter Robertson as the Assistant Secretary of State, it was a subject that one could not possibly put in writing.

Q: *So discussions on the subject were going on in Hong Kong?*

KREISBERG: Yes, no question about it. We were aware -- although some of us were aware later than others -- of what had been happening in Geneva with Alex Johnson [U. Alexis Johnson,

U.S. Coordinator for the Conference and Ambassador to Czechoslovakia 1953-1957] specifically proposing normalization to John Foster Dulles in his bathroom. A great bathroom story.

Q: *Would you elucidate us on that?*

KREISBERG: At one point during the Geneva talks when -- what was it, '54-'55 -- Dulles was in his bathroom taking a bath, and Alex Johnson came in to describe the conversation he had been having with, I guess it must have been, Wang Bingnan at the time. He essentially said that the Chinese were willing to strike a deal on normalization, which would involve release of prisoners and meeting of virtually all the conditions that we had set. He recommended to Dulles that we accept it and begin the negotiations on that. And Dulles categorically and said, "No, we will not do it."

Q: *Was there any understanding at that point on what would happen with Taiwan?*

KREISBERG: You probably ought to go and talk to Alex Johnson because I don't think Alex put this story in his book.

Q: *No.*

KREISBERG: That was an issue that was simply going to be resolved. How had not been set. It would have meant that we would have broken our relations with Taiwan, or that we would have some other kind of association with Taiwan. Conceivably where we are now except twenty years earlier.

Q: *When did this occur?*

KREISBERG: Well, it was obviously when Dulles was in Geneva, so it must have been '55. I love the image of Dulles lying in his bathtub while Ambassador Johnson is sitting on the toilet. It was obviously one of these large Swiss bathrooms.

Q: *As far as you know, did Dulles give any reasons for not willing to explore it?*

KREISBERG: No. One could reconstruct what all of his reasons would have been. Having refused to shake Zhou En-lai's hand, it is not surprising that he would not be interested in normalization.

Q: *One of the things I was going to ask in a moment, so I will do so now and came back to some other things, but as sort of a summation of your '56 to '59 service. Some recent work that is being done by scholars in the U.S. and indeed some scholars in China as well beginning to look at this, too, and some of my own works indicates that Dulles was not quite as inflexible as, at least the historians, have portrayed him until now.*

He entertained a considerable degree of distrust and dislike for Chiang Kai-shek and found the association with the Nationalist Chinese uncomfortable. He was willing to be a bit more flexible on Communist China. That he did, indeed, explore possible ways of getting China into the United

Nations without having to throw Taiwan out. That he was moving towards what we would call a two-China policy.

KREISBERG: That is interesting. I never heard that. Miss Ruth Bacon, who, of course, was for years the eminence grise in the Bureau of Far Eastern Affairs for keeping PRC out of the U.N., never gave me any hint that she had ever been asked to consider alternative contingencies. This was a subject that she and Louise McNutt -- have you interviewed Louise -- felt they had categorical assurances of support on from Dulles and Dean Rusk.

Q: *I haven't interviewed her. I know her.*

KREISBERG: Louise is the great residual memory on everything having to do with U.N. policy toward China. Ruth Bacon, I think, either has died or at least retired out of Washington. But your comment is new to me; that is interesting. When was that? When would that have been?

Q: *Well, it is sort of an ongoing process, particularly the most notable occasion I can think of right now is just before -- was it Senator George -- he retired as Chairman of the Senate Foreign Relations Committee and just prior to that. So it should have been '56. Dulles talked with him about the possibility of his introducing the subject in the Senate and working at it.*

KREISBERG: That is fascinating.

Q (TUCKER): *Then George decides not to run again, retires, and Dulles doesn't pursue it.*

Q: And we found some collaboration of that, because Rusk told me that Dulles approached him to go to the Democratic leadership and see if they would join him in a bipartisan effort.

KREISBERG: And was Rusk supportive of that?

Q: *Apparently; he discussed it with the White House.*

KREISBERG: That is funny.

Q: *It fell through because George was challenged in the primary by Talmadge and withdrew and just dropped out of it altogether.*

KREISBERG: Totally inconsistent with Rusk's great comment to one of the senior officers in the secretariat of the Department back in 1967 -- '66 or '67 that there are some young officers in the Department of State who are trying to persuade us to change our China policy, and we are not going to do it.

Q: *Yes. We actually want to come back to talk about Rusk, but a little later.*

Before we go on, what does happen around 1957 is a breakdown in America's efforts to isolate China on trade policies. There is some indication, now that we have gotten into the records, that Eisenhower actually was in favor of dropping the embargo entirely. Dulles was less inclined in

that direction, though persuaded that in certain cases, trade might, in fact, be a good idea. Did this have much impact in Hong Kong?

KREISBERG: It doesn't ring a bell in my head. This is the kind of thing that Ed Fried is probably worth talking to about. My guess is that policy musings of that sort, and at that level, never got to anyone in the field, or even very far down into the Washington bureaucracy, anymore than it does now.

Q: *One other sort of related question to Bandung which you mentioned not having thought of very much. But one thing that does become a bit of an issue in Hong Kong itself is there was an alleged effort to assassinate Zhou En-lai as he flew to the Bandung conference. There is some indication that the Kuomintang was involved with that and that the CIA may have been involved.*

KREISBERG: I remember the incident and discussion of it. But I do not remember ever having seen any intelligence information that shed any light on what actually happened in that incident. I never talked to any of the British intelligence people about it.

Q: *We saw some British intelligence records last summer. It seems quite clear that it all happened, and that all these different people were involved. But then we haven't been able to make the next step on that.*

What did you know about covert operations against the mainland? To the degree that you can talk about it.

KREISBERG: Before I joined the Foreign Service, I was interviewed for the Central Intelligence Agency. One of the many reasons I didn't join was they tested me on my loyalty and my commitment by asking whether I would be willing to be dropped by parachute into Sichuan. My target would be to organize a group of anti-communist Kuomintang soldiers who remained up in the hills in Sichuan and work with them in a number of operations and then exfiltrate myself, if necessary, out through Burma. They looked at me, and they said, "Would you be willing to do that?"

And I said, "No." And that was the end of my interview. [Laughter]

Q: *If you said yes, you might have had to do it.*

KREISBERG: Right! The plausibility of it was that this was about a year before [Richard] Fecteau and [John] Downey had a parallel experience, but at the other end of China.

I don't know anything about the details of what CIA was doing. But there was a very active program involving infiltrating people into China with specific targets -- largely military, not surprisingly, at that point.

Q: *Sabotage might have been...*

KREISBERG: No, I don't think there was sabotage. I think it was largely intelligence. What do

the Chinese have? Where do they have it? Is there any indication they are working on nuclear -- even at that point, obviously, this was a constant source of concern -- nuclear weapons? Where troops are being based. It was a standard semi-war kind of intelligence operation that we engaged in.

Q: *Run out of Taiwan, I assume?*

KREISBERG: Some things were run out of Taiwan. Some of those, obviously, gave us the documents. There was a lot that was run out of Hong Kong. Hong Kong was a very big station at the time. The person who you might want to talk to about that is Peter Sichel and Claire George.

Claire George lives here in Washington and was, until about six months ago, the Deputy Director for Operations at CIA. But at the time, he was a junior officer in Hong Kong.

Peter Sichel was the head of station, and he is now in the wine business in New York.

Q: *You mentioned documents. Could you explain what those documents are?*

KREISBERG: The Lienchang documents?

Q (TUCKER): *Yes.*

Q: *The ones John Lewis...*

KREISBERG: Yes, John Wilson Lewis. The materials that were picked up as a result of a Chinese Nationalist operation into Fujian against the county seat of Lien-chang county. This produced what at the time, and perhaps even still, was one of the most useful collections of documents on Chinese policy. It enabled people to have a sense of the difference between implementation at grassroots and policy directives at the center. It focused on the enormous gap between what the government wanted to do, and what was actually being done.

Q: *Who were the operatives that were being put in? You mentioned that they asked you whether you wanted to go in and train a group covertly. I would assume in information gathering, that it was difficult to drop an American in who wouldn't be spotted quickly.*

KREISBERG: I have no idea whether they did much of that. This was during the Korean War. My impression is that certainly after Downey and Fecteau, they were extremely cautious about having any Americans directly involved.

Q: *You can find some stuff in the Koo papers on who the Americans are [Ambassador V.K. Wellington Koo Papers, Columbia University]. Not that were going in, but that were going over to Taiwan and preparing groups to go over.*

Q (TUCKER): *Do you know anything about the operations that were going on? You mentioned that they would have pulled you out through Burma. Anything about the operations that were going on with the Kuomintang irregulars in Burma at the time?*

KREISBERG: No.

Q: *Anything about a company called Sea Supply that was dropping...*

KREISBERG: No, I don't know. You have now exhausted my operational knowledge. [Laughter]

Q: *Did you know Ray Cline in that period?*

KREISBERG: Yes. I have known Ray Cline for, oh, 35 years. Ray was in Taipei while I was studying Chinese. On one of his many tours in Taiwan.

Q: *Why was he so successful at what he did?*

KREISBERG: Gosh, I don't know. I mean, he obviously has a very reassuring personality and is very low-key. I assume that he was, in classical operational terms, an effective person on the ground. His career, of course, was primarily as an analyst. What always struck me as being curious about Ray is that he didn't know Chinese. But he was nevertheless...

Q: *He didn't know any Chinese?*

KREISBERG: No.

Q: *I didn't realize that. I thought he had established a fairly close relationship with Chiang Ching-kuo.*

KREISBERG: Always through interpreters.

Q: *Interesting.*

KREISBERG: Pat Wen probably was a key interpreter when he was over there. Although Pat mainly worked, I think, with the Generalissimo.

Q: *I got set up with something Jim Ireland introduced me to when I worked there. Trying to set up something where I would write a biography of Ching-Kuo, and Pat was the go-between on that. This would have been about '65 or '66.*

KREISBERG: Harvey Feldman was, I believe, considering writing a biography of Chiang Kai-shek. They agreed to open up all the Kuomintang archives to it. But he has not committed himself to do it. What is worth knowing is that the KMT is prepared to open up those archives to the right person.

Q: *Interesting. Before we go on, one last area of concern, a major one, is the Quemoy and Matsu crisis of 1958. I imagine that even though you were focusing on internal issues, this was something that you also paid some attention to at the time.*

KREISBERG: Yes. But, you see, what we were doing is, essentially, reporting on, analyzing, and picking up through intelligence and interviews information on the Chinese intentions during the Quemoy- Matsu crisis. The operational side of it was, obviously, out of Taipei since that was there the main policy was being developed. We were not, to my knowledge, doing anything on this other than informing them of what our judgments were of Chinese policy. Our judgments were, as I recall it, that they, in fact, did not intend to seize the island. That the effort was to try to frighten the KMT off the island and was to test...

Q: *We are just talking about perceptions of PRC and tensions in the Quemoy and Matsu crisis. You were saying that the Chinese were not planning to take it violently, but were hoping to scare...*

KREISBERG: That was our judgment.

Q: *...Chiang Kai-shek away. There are some very recent indications, some research by a young scholar named He Di...*

Q: *He is He Kang's son, so he has got access to the actual participants.*

KREISBERG: He Kang is the guy who has taken...

Q: *The Minister of Agriculture.*

KREISBERG: The Minister of Agriculture. What is the He who has taken Huangxiang's place?

Q: *I don't remember offhand.*

KREISBERG: It is another He.

Q: *Yes. This young man is with the Institute of American Studies at CASS [Chinese Academy of Social Sciences], and he has done some research on this period which suggests that the Chinese did not want the islands and wouldn't have wanted Chiang Kai-shek to evacuate.*

KREISBERG: That was our judgment at the time. Politically, if there had been a severance of the offshore islands from Taiwan, it would probably have intensified the probability of a political separation of Taiwan from the mainland. What the islands represented was the link of China with Taiwan. So it was a question of intimidation.

Then the question is what Beijing would have done had the KMT actually decided to pull out. We could never quite figure out where that was going to take them. And, of course, it was never clear to us precisely why they were running this risk. There is some evidence, as I recall it -- which came out later, but I don't think we thought it at the time -- there were differences inside the party over this whole exercise between the Minister of Defense...

Q: *Who was Minister of Defense? Peng Dehuai?*

KREISBERG: Peng Dehuai, yes. Between Peng Dehuai and Lin Biao and Mao at the time.

Q: *And Zhang Aiping had some ideas about what should be done. Were there concerns about any Soviet involvement at the time?*

KREISBERG: Well, subsequently, obviously, it became clear that that was one of the key issues, whether the Soviets were going to support China. All that we were able to see was what the Soviets were actually saying. And our interpretation from what the Soviets were saying was that their support was very lukewarm. That, obviously, was the key issue. And, subsequently, I gather, this was one of the key concerns for Mao in his ultimate break with the Soviets. But we knew nothing more than what we were reading in the press at that time.

Q: *One of the interesting questions that I've pursued with a number of different people was at what point the Sino-Soviet split and the growth of serious tensions in the relationship begins to be a serious consideration in the minds of American analysts of China. Was the evidence that you saw in relationship to this crisis something that made you start thinking about...*

KREISBERG: Well, we began thinking about the serious problems in Sino-Soviet relations back in 1956. There had been a widespread assumption that Sino-Soviet relations were strained as early as 1952 coming out of the Gao (Gang)-Rao (Shushi) case, in which it was widely assumed there was Soviet involvement. Before that, although I wasn't there, I had been told by people that there was an assumption among professionals, but not at a high political level in the U.S. Government, that something had gone wrong between Mao and Stalin in the long Mao stay in Moscow, without publicity, and almost by himself, in 1950-1951.

Certainly the way in which the Chinese handled the disturbances in eastern Europe in 1956. The very fact that Zhou En-lai was involved. Who else? It was Zhou. Who else went off to Eastern Europe at that time? Was it Deng Xiaoping? No.

Q: *No, I don't think so. I'm not sure.*

KREISBERG: It wasn't Deng. There was another Chinese who had gone off to eastern Europe besides Zhou. But the degree of involvement by the Chinese in the eastern European crisis suggested to us that there was likely to be considerable tension between the Chinese and the Soviets over that issue even though Zhou was supporting the Soviet Union in its effort to regain control, both in Hungary and in Poland.

So the issue of Sino-Soviet relations being strained, I think, was one that we were watching with great care throughout the latter part of the 1950s.

Q: *How far did you expect those strains to go? Did you really expect a rupture?*

KREISBERG: I don't think any of us expected it to go to the point of Soviet withdrawal, which it did in 19...

Q: *'60.*

KREISBERG: '60. And then, of course, when the ideological war began in the pages of Pravda and the People's Daily, then it was clear that the relationship was almost out of control. And the astonishing thing was, in spite of all that, that for several years, there continued to be a great reluctance inside the U.S. Government to acknowledge that there was a Sino-Soviet split. There was a widespread view that it was all a fake. It was a fraud being perpetrated for western consumption, an argument that drove the professionals out of their minds.

Q: *You mentioned earlier the problems with having Walter Robertson at the helm. Was he one of those who shared that sense that it was all a fraud?*

KREISBERG: Yes.

Q: *Was he hostile to reporting of the kind that would suggest this was real?*

KREISBERG: He just shrugged his shoulders and said, "These guys just don't understand." There is an ideological affinity. They are arguing, but that doesn't change the fact that there is a Sino-Soviet conspiracy, which then went on well into the Vietnam years with Dean Rusk being convinced as late as 1963 or '64 that what was going on in Vietnam was simply part of the Sino-Soviet expansion of communist power.

Q: *What about Walter McConaughy? Does he share Robertson's...*

KREISBERG: Yes. There was this cable of Drumright, McConaughy, Rankin, Robertson and Rusk. There were the five of them who really dominated American policy toward Asia between 1950 and 1968. It was only after that group passed from the scene, that it became possible even to begin talking about a change in policy.

Q: *Did you, sitting in Hong Kong, have any sense that there was a real danger of a larger war with China in 1958?*

KREISBERG: No. None of us saw any possibility of a larger war.

Q: *Did you take serious...*

KREISBERG: I have read the studies that have been done by Mort Halperin, and [Mort] Abramowitz and a lot of other work that has been done. I don't think any of us sitting in Hong Kong saw war as being on the horizon. In fact, it may well have been closer than any of us thought it was. But at the time, we didn't see it.

THOMAS P. SHOESMITH
Consular Officer
Hong Kong (1956-1958)

Consul General
Hong Kong (1977-1981)

Thomas P. Shoesmith was born in 1939 and raised in Pennsylvania. His career in the State Department included posts in Japan, Hong Kong, South Korean, and an ambassadorship to Malaysia. He was interviewed by Charles Stuart Kennedy in 1991.

Q: *You went to Hong Kong in 1956. Had you entered the Foreign Service by this time?*

SHOESMITH: I was "Wristonized" [lateral entry into the Foreign Service under a program recommended by Henry Wriston, then Dean of Princeton] in 1955 and was assigned to Hong Kong as a consular officer. As I recall, that was something of a disappointment at the time, because other people who were working in my office in OIR [Office of Intelligence Research] and who were also Wristonized received appointments to Embassy Tokyo, doing political or economic work. I felt that I was being shunted off to Hong Kong to do consular work and, more specifically, to do citizenship and naturalization work. At that time there was a great effort being made to crack the problem of fraud in Chinese immigration. There were a great many Chinese coming to the United States. They were making application for citizenship, based on claims which had been established -- parentage claims that had been established -- in the prewar period. And it was apparent that there was a great deal of fraud involved in this. Of course, the U. S. Government was involved in a number of suits where these persons had been denied citizenship. So I was assigned as a citizenship and naturalization officer to interview people who were making claims for U. S. citizenship.

Q: *That was quite an operation, wasn't it? You had almost unofficial police powers.*

SHOESMITH: Well, we worked very closely with the Hong Kong Police. I don't think that they worried about search warrants and things like that. They used to go in and try to get papers and documentary evidence which showed that these people were not who they claimed to be. But that was a separate unit within the Consulate. Our work was more routine: examining people who claimed to be children of somebody, or examining parents, and asking long lists of questions to try to establish kinship or establish that there wasn't kinship. I did that for a year and then was transferred to Special Consular Services, working with Americans. When I got this assignment, as I said, I was disappointed, at first. I saw myself as being a political officer in an embassy somewhere. And that would have been great. In point of fact, it proved to be a very useful experience, because I got to know a good deal about consular operations and the whole range of consular services. Sometimes the work was very difficult and even unpleasant, because of these poor people who were trying so desperately to get to the United States. And my job really was to shake their story, if I could. Because many of these stories were fraudulent. But nonetheless it was a good experience. I was also accredited to Macao. We had an American, a young guy and his family who felt they would like to defect to China. They went to China through Macao. We were sent down there to find out what had happened. Those were interesting experiences.

Then, toward the end of that two years and in the expectation that my time in Hong Kong would

be extended, I was reassigned to the Political Section. Of course, Hong Kong at that time -- this was 1958 -- was a very important listening post. It did a lot of political work on China, about which I knew virtually nothing. But there were lots of materials available to do the kind of research and analytical work that I had done in OIR.

But I was only there for about four months when I was told that I was being reassigned to Seoul.

***

Q: You served in Hong Kong from 1977 to 1981. How did that assignment come about?

SHOESMITH: Well, I had been in Tokyo for five years and I guess they were looking for a place for me to go. Hong Kong opened up and the then senior Deputy Assistant Secretary, Ambassador Gleysteen, or subsequently Ambassador Gleysteen, called me one day and asked me if I would like to go to Hong Kong as Consul General. And that's how it happened.

Q: *Well, what was the situation in Hong Kong. At one point it was our preeminent China listening and watching post.*

SHOESMITH: It still was in 1977.

Q: *Why?*

SHOESMITH: Well, because our Liaison Office -- this was before normalization -- in Beijing was small, and it was the only presence we had in China at the time. There was the Consulate General in Hong Kong. It had a very large complement, both economic, political, and intelligence. Both the CIA and military intelligence. It was a very good collection point for information about the Mainland. There were many people that went back and forth. Publications were available in Hong Kong from the Mainland, and the Consulate General at that time was still doing translations from the Mainland press. So there were many resources available in Hong Kong for China watching. That was true even after normalization for a time. It is probably less true now.

Q: *Did you also serve, in a way, as the consular post for Guangzhou?*

SHOESMITH: No, Guangzhou was not opened until 1979, I believe it was. We had no official contact with the Mainland at all until normalization of diplomatic relations. We assisted the opening of the Consulate in Guangzhou. This was the first.

Q: *Well, did you travel or go into China?*

SHOESMITH: No. Not until after normalization.

Q: *I mean, was it media policy to keep up this quasi-relationship or was it on the part of the Chinese to show that we...*

SHOESMITH: Well, travel to China by official Americans was very limited at that time. There was no particular need for us to go, and we couldn't do political and economic reporting. We could do it better in Hong Kong than by being in China itself because your movements were so restricted.

Q: *Well, here you have a large staff and you were reporting on conditions in China. How did you get your information?*

SHOESMITH: Well, as I say, a lot of it was from open sources -- periodicals, newspapers. A good bit of it was interviewing people who came from the Mainland. Or listening to or monitoring radio broadcasts. In that fashion. That had been going on for years, so it was a very well developed system. I think it was very productive.

Q: *Well, you must have had an extensive file...*

SHOESMITH: Oh, of course, and the people we had on the staff, for the most part they were China experts. They had lots of background on China. Many of them in INR.

Q: *That's Intelligence and Research. How about cooperation with some of the other countries -- particularly the British who were...*

SHOESMITH: Well, there was a certain amount of that, and both the military and the CIA had good contacts with their counterparts in the Hong Kong Government. Those were the primary sources, I believe, within the Hong Kong Government. Apart from that, I mean, there were very few, other organizations. There were private research groups in Hong Kong- -a variety of research groups that we kept in contact with that had their own sources and resources, analytical groups that we would contact. These were mostly private groups that were China watchers as well. There were journalists. Occasionally, journalists were able to go in and out of China.

Q: *Well, the reversion of Hong Kong to Chinese control...*

SHOESMITH: That is scheduled for 1997, but that agreement that was reached between the British and the Chinese Governments did not occur until after I had left. So reversion of Hong Kong to Chinese control in those years when I was there was not regarded as a near term matter. It was regarded as a remote possibility. It did not seriously affect Hong Kong itself or the way in which it operated politically or economically. It was only after 1981 that this began to gather steam, culminating in the agreement, whenever that was.

Q: *Was your Consular Section feeling any pressure on people looking ahead to whatever might be...*

SHOESMITH: No. Not at all.

Q: *Trying to get visas...*

SHOESMITH: No. I'm sure there was some of that but it was not an appreciable problem. It was

not an appreciable trend at that time. Again, this only began to happen well into the 1980's.

Q: *What about Americans? We had a lot of trouble earlier on. I think you've mentioned Americans who get on the outs, drift into Chinese waters and are picked up. Were relationships such that this was no longer...*

SHOESMITH: There were no incidents in the four years that I was there. I can't recall how much, if any, American travel there was into China at that time from Hong Kong. If there was any, I suspect it was very limited. But there were no incidents like that at the time. Maybe people were more careful, maybe the Chinese were less strict. But there wasn't any problem.

Q: *Were you only watching China or were you also watching Vietnam?*

SHOESMITH: We had a small Southeast Asia-Vietnam brief with one officer that followed events in Vietnam. For the most part, it was pretty marginal. The information available to us in Hong Kong about developments in Indochina was very limited. A few of the other consulates general had relations with Vietnam, and occasionally we'd see some of their people when they came into Hong Kong. Some of the press occasionally visited there. We had one officer, full-time, in that area. But it was, I think, pretty marginal.

Q: *Well, there must have been the problem of boat people coming out of Vietnam.*

SHOESMITH: Well, that started in 1979. But the boat people were not significant sources of intelligence. I mean, they were all farmers and fishermen and people of that sort and, as a source of intelligence on Vietnam, not very great, although some effort was made to exploit that resource. When the boat people began to arrive in Hong Kong in 1979, as they did in other parts of Southeast Asia, that became a major responsibility of the Consulate because we were involved in the processing of these people to identify those who might be able to come to the United States.

Q: *Were you getting pressure from Washington, then, to try to get the British and the Hong Kong authorities to take more people and not just leave it to us to...*

SHOESMITH: No, because the understanding at that time in 1979, I think it followed an international conference on refugees in 1979, was that if the various countries, such as Hong Kong, Thailand, Indonesia, and Malaysia would accept these refugees and give them what was called "first asylum," the other, major countries made a commitment to resettle the refugees. At that time, at the start of these programs, it was generally considered by our government that anybody that fled Vietnam was a political refugee, under the terms of our legislation at that time. Not everyone agreed with that, either in the United States or elsewhere. With that assurance that they would be resettled, the British Government, or the Hong Kong Government, at very considerable expense, and at some political cost, began to receive the refugees and to house them. They developed, for some of the refugees, a system whereby they could go into the community and work and return to the camps at night. I said, "some political cost," because, at the same time as the Hong Kong Government was receiving these refugees, giving them first asylum, they were returning people who fled the mainland of China into Hong Kong. They

would be rounded up from time to time...

Q: *These would be Chinese?*

SHOESMITH: And sent back to the Mainland. Of course, some of those people who came in had relatives in Hong Kong. So the relatives and other persons who were sympathetic to that position took exception to the fact that the Hong Kong Government was giving this asylum and receiving these refugees, while it was turning away the people coming in from China. The difference, of course, was that the Hong Kong Government had a commitment that these refugees would not be permanent residents in Hong Kong. They would be resettled, whereas those who came in from the Mainland were seeking permanent residence.

Q: *Did you have a problem with the way the United States Government was responding? I mean, these boat people would come in. We made commitments to the Hong Kong authorities. We and other refugee-receiving countries would get them out...*

SHOESMITH: No, up until 1981 we in the United States were taking substantial numbers of refugees from Hong Kong and elsewhere. The United States, Australia, and Canada were the main resettlement countries. Although there was some concern in INS [Immigration and Naturalization Service, U. S. Dept of Justice], for example, as to whether these were genuine refugees or whether they were political refugees.

Q: *You mean economic refugees.*

SHOESMITH: I mean economic refugees. That didn't become a serious problem while I was there. It did subsequently.

Q: *Well, tell me. During your tour there, it sounds like a line right through it. The Carter Administration came in and in 1979 China was recognized. We sort of derecognized the Republic of China on Taiwan. How was this received in Hong Kong by the Chinese community in Hong Kong, and did it make any change in your work?*

SHOESMITH: Well, I don't have any recollection of how it was received by the people in Hong Kong. Well, I would imagine that it was received, for the most part, pretty well. We were one of the last countries to recognize China -- among the last major countries. And it was felt that this was coming. It was only a question of time. So I don't think that our recognition of China or the establishment of diplomatic relations with China caused any surprise or any concern in Hong Kong. It didn't in the two years remaining that I was there. It did not, to any significant degree, alter the kind of work or the amount of work that we did, or the size of the Consulate. I think we opened Shanghai in those two years that I was there. I'm pretty sure of that. Yes, we did. So we had only two consular posts -- Guangzhou and Shanghai -- and Beijing. And we attempted to work out, with some success, with [the Embassy in] Beijing, reporting responsibilities -- things that we could still do that they could not handle as well, either in Shanghai or Guangzhou, or in Beijing. Apart from that, the work and the size of the Consulate [in Hong Kong] continued very much the same. Of course, I should say that the Consulate included a number of agencies that were doing regional work. I mean the [U. S.] Customs and Treasury people, and that wasn't

affected at all. The focus of the Consulate General as China watchers remained constant for the time I was there. Until I left in 1981 there had been no change.

Q: *To get a feel for how the Foreign Service was operating, did there seem to you to be a healthy program for developing "China hands"?*

SHOESMITH: Oh, yes, there was. It was a very large program. It had been going on for a substantial number of years. My impression was that it was larger than the Japanese language program, partly because Chinese language officers could be assigned elsewhere in Asia, where there was a need for the Chinese language in the Chinese communities in all of Southeast Asia. There were some "China watcher" posts as, for example, in India, where they had a Chinese language officer. There were more opportunities for assigning and moving Chinese language officers around, than there were for assigning Japanese language officers in Japan. Certainly, you couldn't use them outside of Japan as language officers. The Chinese language program was very well established. There were lots of Chinese language officers. When normalization came, as far as I was aware, there was no problem at all in finding Chinese speaking officers for assignments in China as we began to open up posts and expand the Embassy.

Q: *Had you had any dealings with the Republic of China Consulate and all that? Did this relationship end in Hong Kong?*

SHOESMITH: There was no Republic of China Consulate in Hong Kong. The Republic of China maintained a very low key presence in Hong Kong, an unofficial presence. They did no official business at all. We had no contact with them, or it wasn't of any consequence. They had no official presence in Hong Kong.

Q: *Did you sense, both from your soundings of the staff, of a warming of relations when the Carter Administration came into office and made these gestures? I mean, the Nixon Administration had already made the initial jump, but then the Carter Administration came in and...Did you feel that it had an effect on the whole relationship?*

SHOESMITH: Oh, I would say it was, in essence. When the new [Chinese] leadership came in, and this was in 1979, I think -- 1978 or 1979 -- and the new leadership seemed at that time to be embarking on a course of opening China to the outside and was interested in expanding a relationship with the United States. So the whole atmosphere of the relationship was considerably more positive after 1979, as one would expect, with normalization. But that in particular did not affect our work, except that after normalization we began to have contact in Hong Kong with representatives of the Chinese Government, in NCNA [New China News Agency]. The head of NCNA was China's unofficial, I guess -- actually official representative in Hong Kong, and was so regarded by the Hong Kong Government. And by everyone else. And by 1980 or so, we had contact with them. They would accept invitations, they extended invitations to us to be at certain things. I got to know, slightly -- well, no, more than slightly, the head of NCNA.

Q: *NCNA?*

SHOESMITH: New China News Agency. That's their main wire service. And on one occasion he arranged part of a visit that my wife and I made to China, to one particular place that he was familiar with. That was a very definite change. Prior to normalization, we had no contact at all with the NCNA people or their trade representatives. And so on. Afterwards, those contacts began to open up.

WILLIAM W. THOMAS, JR.
Publications Officer
Hong Kong (1957-1958)

Brief Tour
Hong Kong (1979)

William W. Thomas was born in North Carolina in 1925. He served in the US Army during 1944 and later received his bachelor's degree from the University of North Carolina in 1947. His career included position in Thailand, Hong Kong, Cambodia, Laos, Washington D.C., Taiwan, New York, and Beijing. Mr. Thomas was interviewed by Charles Stuart Kennedy in 1994.

Q: And then where were you assigned?

THOMAS: To the political section in Hong Kong as a publications procurement officer.

Q: You were there for how long?

THOMAS: A year and a half.

Q: What was a publications procurement officer doing?

THOMAS: Buying publications, mainly Chinese newspapers, for prices that varied with the scarcity of the paper and how badly they thought we wanted it.

Q: I would have thought we would have had something equivalent to a subscription or something.

THOMAS: We did, but in those days foreigners were allowed to see only a few specially edited Chinese publications.

Q: Not in Hong Kong?

THOMAS: They were not allowed to bring them across the provincial border into Hong Kong. So, theoretically, at least, foreigners weren't allowed to see them and didn't.

Q: Well, how did you get the things?

THOMAS: By paying in Hong Kong dollars. If we asked for the Nanking daily, the vendors would say that the price is so-and-so and we'll see if we can get it. And eventually they would turn it up. If they were successful and we didn't have other sources for the paper, we would buy it and say that we would like it whenever it came out again.

Q: I would have thought that this would have been a CIA operation, and that it would have been a joint American-British type operation.

THOMAS: We inherited the organization from a similar one in Shanghai. We discussed these matters with the British because we had decided earlier to make this an open operation. It was too difficult to keep it classified, damn near impossible. So what we could get on subscription, we got on subscription.

Q: Did somebody up in the China watcher office say we want this or that? How did you get your orders to go out and find?

THOMAS: Orders mostly came internally. The publications procurement office put out a mimeographed report every day called "Survey of the China Mainland Press." It also put out a monthly report, "Extracts from China Mainland Magazines." The publications procurement officer ran the translation section as well as buying publications.

Q: Was this a joint translation section with the British?

THOMAS: No. They had their own. Our publications were given wide distribution in Hong Kong and Washington.

Q: When I was in Belgrade, the British and Americans had a joint translation service on the Yugoslav press.

THOMAS: We had a very active interest in the Chinese newspapers beginning with the Korean War. The British subscribed to our "Survey of the China Mainland Press," but we did all the work.

Q: The British had a small embassy in Peking, didn't they?

THOMAS: Yes.

Q: Did you have the feeling they were getting much out of it?

THOMAS: Oh, yes. Having done the publications procurement and translation program myself and studied the Chinese mainland for several years, I was still boggled by what I saw when I made my first train trip from Hong Kong to Peking. You see so many things from a train window that you don't see in the newspapers. A once a month train trip into China would have been very valuable in 1958 for showing what life in the countryside was like. When we arrived in 1975, China was still so closed that any trip was productive. The Chinese had the habit of putting up

the latest slogans--and therefore policy--"big character posters" which were readily visible from the train.

Q: And the British were travelling back and forth.

THOMAS: Yes.

Q: Were you able to tap into this? Did the Brits share their impressions with you?

THOMAS: Yes. We were very close.

Q: You were running the translation service which would be a full time job. So procurement officer, was that...?

THOMAS: Well, the procurement was for the translation service. Everybody read our translations. It is a lot easier for us to read English than Chinese. We had a great Chinese staff who did the translations. It took a lot of boiling down.

Q: Did the Chinese succumb to the Marxist jargon syndrome? Certainly when I was in Yugoslavia and anybody who has dealt with Soviet affairs, there were five hour speeches. Did they tend to run off at the mouth and use phrases.

THOMAS: Their speeches were not as long as Castro's. They were much more reasonable about that, maybe an hour. But they used a semi-intelligible jargon which had to be specially learned. The leaders were deeply into literary and historical illusion.

Q: Was it a matter of reading between the lines?

THOMAS: Yes. For instance, in 1977, if you read "criticize Lin oppose Confucius", which was one of their slogans, it really meant to criticize Zhou En-lai. You would learn this very quickly or it might be too late if you said the wrong thing at the wrong time.

Q: So it was like a whole world of Alice in Wonderland.

THOMAS: Yes, words mean what I say they mean. The Chinese also got involved in not only fooling us, but in fooling themselves. For example, they predicted giant harvests in 1960 when as a matter of fact the whole country was starving.

Q: What was your picture of China from your review of the press?

THOMAS: We got a very distorted view. The Chinese were apparently not trying to mislead us directly, but they were reporting news in a way that would mislead any reader who didn't know what was going on in China to begin with. The Great Leap Forward was nothing of the sort and it wasn't until years later that we found out the full extent of the famine in China in 1959-60, when 25 million Chinese died of starvation.

Q: But this was not apparent?

THOMAS: No, they were telling how much they grew last year and this year and what they would be doing next year. It was simply fiction because they were afraid to tell Chairman Mao that his Great Leap Forward was a disaster.

Q: I understand this is one of those things that happened in the local cadre and nobody wanted to be outdone.

THOMAS: If you are a Chinese cadre and are faced with a boss who says that the Center tells me that we have to increase grain production by 30 percent again this year, you don't say, "Hey, that's impossible. Don't you know anything about rice?" The easiest thing for the low-level bureaucrat to do is to fake the statistics, and that is what they did. At the upper level they didn't find out about it until much later, say a year or two, when the granary turned out to really be empty.

Q: How about our local staff, the Chinese who were doing this? They must have been very astute people picking up the various nuances.

THOMAS: We brought a lot of them down from Shanghai when we closed our consulate there in f1949. We had had a translation section there. They were really good. They could type a translation in perfect English faster than I could type. A first-class group.

Q: And they could sort of smell things, I would assume.

THOMAS: They could, they were experts on China as well as translation.

Q: Looking at China this way, was there still the feeling of "Gee we really need to get in there and get an embassy going at some point," or was it a matter of saying that it really didn't make any difference what we did with China at that time?

THOMAS: Neither of those points of view would be quite accurate. In the 1940's, the communist Chinese were involved in a rebellion that we had no control. The fact that it was so big and complex made us not even consider some things that we would think of say in the case of Bosnia or Rwanda.

Q: We are talking about two trouble spots right now in 1994 where there are local rebellions and civil war and intervention by the United Nations.

THOMAS: At one time in 1945 when Secretary Marshall went there, he took a look at China and decided that the problem was too big. It is out of control. I think that was a very correct decision. We didn't "lose China" because we didn't have China.

Q: How did you, and perhaps your colleagues, view the "Chinese Communist threat" at that time, during 1957-59?

THOMAS: In 1958 there was considerable tension over the possibility of getting into a scrap with the Chinese over the off shore islands. Remember it played some role in the 1960 Presidential campaign.

Q: Yes, it was called the Formosa Strait crisis.

THOMAS: Right. The interesting thing about it was that China's military movements weren't as severe as their military language, their posturings, and their "severe warnings." At the time they were having very serious internal troubles. At the time we thought they were more dangerous than perhaps they actually were. But, if this is China's "500th serious warning", it had to be taken seriously. China was a big country with a lot of airplanes. They were also very cautious, which we didn't fully credit at the time.

Q: Did we feel that China was an expansionist power at that time?

THOMAS: One of the ways of looking at it was that the Chinese were going to get involved in Vietnam. We had a group of China scholars who warned that China, having gone into Korea the way it did, would have to go into Vietnam. It turned out the Chinese didn't see it quite that way. They thought the circumstances were different. The real Chinese invasion came after we had left.

Q: Who was consul general when you were there?

THOMAS: Everett Drumwright. He died a couple of months ago.

Q: He is one of the major figures in China policy in the early post-war years. What was your impression of Drumwright?

THOMAS: He was consul general most of the time I was there. He had a lot of China background. He was a nervous man. He was sympathetic to the Kuomintang and friendly forces in Taiwan may have hoped that they would regain control of China. In Hong Kong there were no serious problems when I was there. Things were in pretty good shape.

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THOMAS: Where did I go after that?

Q: To Hong Kong.

THOMAS: That was a short assignment.

Q: But basically you went before things turned sour again with the Soviets in December 1979.

THOMAS: From our point of view in the embassy, relations with the Soviets and the Chinese were relatively good. We were working on the same wave length. The Soviets were still extremely nosey about what we were doing with China and obviously from their point of view it was very important.

Q: Was there the feeling that we were trying to play China against the Soviets?

THOMAS: Yes, in a sense.

Q: Did you have any feel for that at all?

THOMAS: My field there was not the Russians except for Soviet trade and they were reasonably open about that. Russia published foreign trade and foreign exchange statistics. But they were a suspicious bunch. I think the Russians thought we were trying to play one against the other, and I think everybody else in Beijing thought we were too.

Q: On the trade issues, one of the persistent American visions in has gone on for two hundred years and that is the tremendous market that China will offer. Here you were as we open up our first embassy. How did you see trade with China and the prospects for it at that particular time?

THOMAS: From 1898 to 1922, my great uncle was with the British-American Tobacco Company in China and proved that the idea of selling the Chinese one cigarette each so you will sell a zillion cigarettes does work. The trade problem now is very different from the problem we had then. The main problem of trade with China in the 1920's was poor trade organization. At first, the communist Chinese had ideological problems with trade with the United States. Those were overcome by the power of the dollar. Later on, they had administrative problems in handling trade with a major economy. They are better organized now. They feel their main problem is trying to keep inflation in check.

Q: Were you there for the overthrow of the Gang of Four?

THOMAS: Yes, I was.

Q: How did that play out from your perspective and our embassy's perspective?

THOMAS: I was in Moscow when Mao Zedong died and came back on the next plane, not that my presence was required. It was obvious that there was great tension in Beijing. Mao's funeral was an extraordinary thing. There were girls lying down on the catafalque keening in the traditional Chinese fashion. Mao was all waxed up. But the political tension was very strong. It was very obvious in the streets. It wasn't until well into the next year that Deng Xiaoping really got things under control.

Q: Again we were pretty much a passive observer of this?

THOMAS: Oh yes, with a billion people in China and an office of 20 or 30.

Q: Well, I had to ask the question.

THOMAS: It's a fair question. Just because the answer is obvious doesn't mean the question shouldn't be asked.

Q: Well, you left there and went for a short tour in Hong Kong. What were you doing there?

THOMAS: I got an offer of a better job and took it.

HARRY E.T. THAYER
Consular Officer
Hong Kong (1957-1959)

Ambassador Harry E. T. Thayer was born in Massachusetts in 1927. He received his bachelor's degree from Yale University in 1951. He served in the US Navy from 1945-1946. His overseas posts include Hong Kong, Taipei, and Beijing. He was ambassador to Singapore from 1980 to 1984. Ambassador Thayer was interviewed by Charles Stuart Kennedy in 1990.

THAYER: I had planned to work as a newspaper man and was hoping to go to work for the *Hartford Courant* in Connecticut, but at the last minute was offered a job with Alaska Airlines as assistant to the chairman of the board in New York. So I went to New York for Alaska Airlines, stayed there for six months and decided to go on with my original plan. I got a job at *Newsweek* as a copy boy, stayed there for a couple of years. And that was during the [Senator Joseph] McCarthy period. During this time my interest in Chinese, which had started at my senior year at Yale intensified. Even though I hadn't majored in it or taken any Chinese courses at Yale, I began at Yale to read into China. At *Newsweek* I continued my interest in things Chinese, although I worked there on other subjects, especially medicine and science writing.

This interest increased during the two years at *Newsweek*, which was '52 to '54. Then I went to Europe with my wife for three months, used up our savings, just wandered around Europe. After we came back, I went to work for the *Philadelphia Bulletin* at the same time as taking the Foreign Service exams, worked for the *Philadelphia Bulletin* as a police reporter for a year and then as a rewrite man in general assignment for a year, which ended in 1956. Then I went into the Foreign Service September of 1956.

Q: What attracted you towards the Foreign Service?

THAYER: I first got attracted to the Foreign Service by interest in things Chinese, in what was happening between the U.S. and China. And this was during the time of the issuance of the *White Paper* in 1949. When I was at college, my interest was boosted also by a major article in the *Reporter* magazine about the China lobby, by the rise of Senator Jenner and others...

Q: Knowland.

THAYER: Knowland, the senator from Formosa, McCarthy, the whole shebang. And I just became more and more aware of things relating to U.S.-China relations. And, at the same time, I was stimulated further by our trip to Europe, where, among other things, I stopped in at

embassies and talked to Foreign Service officers as I could. And I agonized about trying to go to the Foreign Service as soon as that trip was over but decided to put a little more newspaper work under my belt, take the exam to keep my options open; so I took the exam but went to newspapering.

When I came into the Foreign Service, I came in with also a lot of the romance of the Foreign Service. I liked the idea of traveling abroad. As a kid, I traveled a lot around the United States, taking all kinds of different jobs in a variety of states. And I had a lot of the romantic attraction of the Foreign Service, in addition to this rather unfocused but nevertheless strong interest in getting involved somehow in China.

There was another factor in this interest. In 1951, while I was working for the *Philadelphia Bulletin* -- let me back up a minute. During all this period, the Korean War was very much a part our lives. And I expected to be called back in the Navy for the Korean War. I had been an enlisted man 1945-'46. So when I went to join a reserve unit, I took the examination for a commissioned officer. The Korean War and things Asian had also come very much in our consciousness. I thought I was going to be called back in with my unit. In the end, for some reason, the unit wasn't called, and I went on with my civilian life.

While I was at the *Bulletin*, which was during the '54 to '56 period -- I guess that must have been '55 -- the Chinese announced that they had a number of prisoners of war, including a friend and guy with whom I graduated, Jack Downey -- John Downey -- one of the CIA men who was captured after he was shot down on a mission into Manchuria. Not shot down, but he had landed in a small plane, and he was captured along with a fellow named Fecteau. In any event, the announcement by the Chinese of John Downey's capture had a terrifically strong impact on me, and it intensified my desire to get involved somehow.

I remember picking up the phone in Philadelphia the morning I read this in the *New York Times* and calling Pete Braestrup. Peter more recently was editor of the *Wilson Quarterly* and now is with the Library of Congress in another capacity. But Peter was then with *Time* magazine and a journalistic friend. And I remember saying to Peter, "Peter, isn't there something we can do about Jack? Can't we do something about Jack?" And internally I thought to myself, one of the things that I can do is to get involved, not as an act of charity, but just as an act of -- I just felt I wanted to do something. I felt I wanted to be a part of that rather than observing. It increased those desires of wanting a piece of the action rather than observing the action. So Jack's capture intensified my desire, or the announcement of his capture intensified my desire to enter the Foreign Service.

Actually, Jack's capture came back into my life <u>after</u> I entered the Foreign Service. I still had more to do with Jack in a very direct way after going in. We can come to that at a later stage.

Q: In the first place, when you entered the Foreign Service, was there any attempt to channel you off towards the USIA side with your newspaper experience or not?

THAYER: No, there wasn't any attempt, as far as I remember. I remember being asked by one of my Washington- resident Yale classmates why didn't I go into USIA. And I remember answering

him -- this was at a party -- "If I'm going to go into the State Department or the government, I want to be a part of the real action. I don't want to be helping to comment on the action. I want a part of the real action." But no, no attempt was made to recruit.

Q: Did you have regular training and all that?

THAYER: I was a member of the Class of September 1956. It's a class that Loy Henderson, former under secretary of state, is alleged to have commented on during a 1960 or '61 visit to Vientiane. He supposedly asked one of my classmates when he had come into the Foreign Service. He said "1956."

And Loy Henderson said, "Oh, that was the year they took <u>everybody</u> in."

Anyhow, that was when I came in, September '56. And we were given a choice of assignments, asked to list preferences, one, two, three. I listed Hong Kong as my first preference for reasons that had more to do with the romance of the Foreign Service and China than everything else. I remember listing Beirut as second. Beirut was then one of the great posts to serve in.

Q: The pearl of the Middle East. The Paris of the Middle East.

THAYER: And what is now known as Kinshasa, Leopoldville in those days, as my third choice. Luckily, I got Hong Kong.

Q: What were you doing in Hong Kong?

THAYER: I started out as a visa officer, and I was on the visa line handling particularly spouses and minor children of American citizens. I did that for most of the two years I was in Hong Kong, two and a half years. I also served, for about six months, as the American Services officer. Although I'm basically a political officer, I really enjoyed the visa work. Although I never felt it was as prestigious as the political work in the big consulate in Hong Kong, I learned a tremendous amount because we were dealing face to face with people coming out of China. I just learned one hell of a lot about China.

Q: Could you give a little idea of the atmosphere of what a visa officer was doing? Because Chinese visas in those days were always a very difficult job.

THAYER: In Hong Kong, virtually all the immigrant visas I handled were the M-1 and M-2 visas. Virtually all of my cases were from the south. The majority of them were from Taishan County.

Q: Taishan being near Canton?

THAYER: Being near Canton. Hong Kong being near Canton, most of the people coming into our consulate were from Taishan on their way to the States. Taishan was the traditional origin of Chinese immigrants to the States. There was a study done a year before or two years before I arrived, which included a calculation that about 85 percent of the cases we were working with

were fraudulently based. That is to say, the petitioners in the States had come in on phony slots opened by their fathers presence in the States, and their parents' declaration to the Immigration Service that they had a certain number of sons back in China. But they had sold off those slots to a lot of the people, the next generation. This group had gone to the U.S. before I got to Hong Kong. They were, at that time, filing petitions in turn, for their wives and children. The petitioners had gone to the States with false names, most of them. So their wives and children, with false names also, had to make up all kinds of paper stories in order to be legitimized as the subject of the petition. And so they were coming to us with all kinds of lies. Even though the basic relationships, by the time I got there, were mostly correct, the names, the identities, claimed home villages -- many of them were false.

When I was there, the consulate was in the second year of a million dollar anti-fraud program where a bunch of security officers were hired to work with local authorities to get to the bottom of the fraud in the Chinese applications. So there was an atmosphere of suspicion and distrust that exceeds the situation in most places.

Illustrating this, the kind of mentality that was around in our consulate, I went off on a raid in Macao with one of our investigative officers and his Chinese local investigator. We went off to Macao, and we raided. We literally charged up the back stairs of a rickety old house to raid, in the first case, an apartment on the third or fourth floor where we tore the place apart looking for documents demonstrating the real identify of applicants that were before us applying for visas. We had no warrant. We had nothing at all. I went along as an observer. But my moral outrage at what we were doing only came in retrospect. At the time, I wasn't sensitive to this, quite to my shame today. But this is the kind of thing that we were doing in those days.

But I got to Hong Kong in May of '57, and Hong Kong was still quite a primitive place, nowhere near as crowded as it is now, and very much a place for refugees. We were processing refugees, basically, is what we were doing.

Q: What did this do to you and your fellow consuls? Did this have an effect? I mean, when you've got 85 percent fraud or something like that, did it turn you all into cynics and pretty nasty people to deal with as bureaucrats?

THAYER: My guess is that most consular officers, if they haven't served in China, have served in comparable places where the fraud is very, very high. And I certainly went through stages, and I think most of my colleagues went through stages -- initially of sympathy, then of an outrage at being lied to day after day after day, and ultimately passing through that sense of outrage to a feeling of resignation and compassion. I certainly went through all three of those periods in Hong Kong.

But the fraud was permeating before I got there. An American consular officer had been jailed for selling visas, quite a sensational case at the time. Fraud was a way of life. Yet we became quite good friends with some of the immigration attorneys who came in. In fact, while I served in Taiwan, this 1980's decade, I again saw one of the old immigration attorneys for Hong Kong cases, Jack Chow, who had some pretty bad cases but always managed to keep up good relations with the visa officers.

But, yes, it created attitudes that, in retrospect, were regrettable, are regrettable. And it created a certain degree of arrogance, a colonialist mentality. And in those days, Hong Kong was very much a colony. People called Chinese "boys." The Foreign Correspondents Club and the American Club were two main scenes of activities, and they had a "colonialist" flavor. While there were friendships, certainly close friendships between many of the consulate employees and the Chinese, the Chinese intellectuals and their senior local employees and so forth, there was, on the visa front, a different set of relationships, and they were, in many respects, mutually hostile -- the visa officer angry at being exploited himself and his country being exploited from his perspective; the visa applicant, as is still the case, simply anxious one way or the other, ethics be damned, to get to the States. It's still the situation.

Q: Did you get any chance there to get into the political reporting side or anything like that?

THAYER: As visa officers, we were encouraged mildly to send along political information to the political officers. And I made good friends in the political section, several of whom are among my good friends today, and would quite often confer with them about things that I had found. Occasionally I would send up a report. But we were pretty overwhelmed with visa work, as is the case most places, and there wasn't as much production out of the visa section for political or economic purposes as there probably could have been. However, there wasn't an intersectional disdain as there is in some embassies, and there was a good deal of cooperative work.

Q: What was your attitude at that time towards the People's Republic of China, in other words Red China, at that time?

THAYER: Well, my attitude was based, you have to understand, mostly on ignorance, because I'd never had any formal study of China. But I read the FBIS and I...

Q: FBIS being?

THAYER: The Foreign Broadcast Information Service translation of Chinese broadcasts. I read that every day, along with the consulate's own translations and other material. I otherwise tried to keep up with what was going on or learn about what was going on in China. I took a course at Hong Kong University in the economy of China. A lot of my attitude, I remember, could be illustrated by a conversation I had with Ambassador Bohlen, now dead, whose wife's name was Thayer and is a second cousin of my father. He was ambassador to Manila at that time, having been shipped out by Dulles for a variety of domestic political reasons. He and his wife, Avis, came over to Hong Kong. And I remember they asked me to lunch, a very kind thing. I didn't know them well at all, but we were distantly related. I remember talking to Bohlen about my attitude toward China. I said, "Reading the FBIS every day, it makes me really despair at the U.S. and the Chinese ever working out some livable arrangement. The generation that is being schooled today" -- that was in the '50s -- "is hearing nothing but very vituperative anti-American propaganda. And so these kids are going to grow up with great antagonism, perhaps irreversible, toward the United States."

Ambassador Bohlen, in a kindly way, pooh-poohed this, saying that he didn't think that the effect would be permanent. And he said, "Anyway, Harry, you ought to remember something." He said, "Governments deal with governments, and the function of the diplomacy is to deal with the government, not with the people. And governments will not always see things in the same way as the people do." That was an interesting comment.

But my attitude was one more of curiosity rather than of hostility. I remember asking Consul General Drumright when I was on duty one Saturday morning -- Drumright being an old-line, rather right-wing Foreign Service officer who escaped the purges. And I asked him did he ever think we would go back to China during my professional lifetime. And he said, "Oh, yes." He said, "I have no doubt that we'll go back. The Chinese will become democratic again, or at least the communists will fall, and we'll reopen the same number of posts that we used to have." But my attitude was more of curiosity and learning. I really was learning, didn't pretend to be an expert. It wasn't hostility. It was interest.

Q: You were around the China hands. This was the time when it was absolutely an untouchable subject to talk about recognizing, as we all called it in those days, Red China. But what about within your cohorts and all? Did you see this as being a worthy -- I mean, not a worthy goal, but that we were probably going to recognize Communist China, or we're going to have to wait for the great revolution that was in store or whatever you want to call a non-communist government?

THAYER: I don't remember clearly any single conversation I had on this subject with my colleagues there. I think there was a general acceptance of the impossibility of doing anything with the Chinese under then current conditions, that there were a lot of tangled knots that had to be untangled. And the beginnings of that were taking place in Europe: in Geneva, then Warsaw (our bilateral ambassador-level talks). But I don't think anybody that I was aware of saw a near-term solution to it. So we were just living with it.

But, at the same time, I think most of us young fellows were in the business because we wanted to deal with the China problem and were interested in the China problem as a diplomatic problem and implicitly a problem to be solved, implicitly someday we would solve it. So I think that was the context in which we were working.

I remember some conversations about the possibilities of Chiang Kai-shek retaking the mainland, somehow going back to the mainland. Still that wasn't an important part of our thinking. The important part of the thinking was there's a problem there that had to be solved. We didn't quite know how it was going to be solved.

Q: Did you feel sort of a heavy hand at all? I mean, obviously you were at a much lower level, so you wouldn't, but that one had to really watch what one said about China? I'm thinking because of the McCarthy era and all this, that you couldn't really express how you felt.

THAYER: I didn't feel that terribly myself, because I wasn't that important. But I remember some discussion by others, older Foreign Service officers there, who did feel that they needed to pull some punches specifically because of concern about the psychology of Washington. And

whether this amounted to not reporting things that they felt rather than reporting -- I don't think it meant not reporting facts, it's just that one was cautious. And I remember at about the same time, although it was in Washington, either just before I was in Hong Kong or just after, there was some concern about being seen reading a communist publication on the bus, for example. But I wasn't terribly conscious of this as a factor in Hong Kong.

RALPH E. LINDSTROM
Economics Officer
Hong Kong (1957-1959)

Ralph E. Lindstrom was born in Minnesota in 1925. Following high school, he entered the U.S. Army, serving in the Office of Naval Intelligence. He received a bachelor's degree in political science from Harvard University in 1950 and entered the Foreign Service in 1952. His career included positions in Kabul, Hong Kong, Oberammergau, Moscow, Nairobi, and Dhahran. This interview was conducted by Charles Stuart Kennedy on October 28, 1994.

LINDSTROM: To Hong Kong. That was a complete surprise.

Q: *That was two years there, to '59.*

LINDSTROM: That turned out to be a very fortuitous and interesting assignment with new people, and new problems. And my timing there was very good. It was in the late part of '57. We had three consuls general when I was there. There was a rapid turnover and one of them was Drumright.

Q: *Everett Drumright, an old China hand.*

LINDSTROM: I remember meeting him, not a very friendly person. He wanted to know where I'd been. I had taken full advantage of my home leave, and also time to go across the Pacific on a ship, as well as the Atlantic. But, anyway, I finally got in there and I was put in the China reporting section, along with Lindsey Grant and Paul Caukle(?). Most of our reporting was, because we couldn't go into China in those days at all, based on the press. Then we would switch portfolios with the economic side of things. There was a companion political section. Tom Ainsworth was in that, and the head of the economic section was a Wristonee, a very good man, and I learned a lot from him. Anyway, my service there coincided with the Great Leap Forward in China, when they thought they really had discovered the secret of economic development and were smelting iron and steel, if they could in the back yard. By then their relationship with the Soviets had really soured. We didn't know much about that at that time but subsequently, of course, it became very clear that they were separating themselves from the Soviets, and the Soviets were repaying this by cutting down on Soviet assistance. So I think this in part led to this Great Leap Forward that Mao kicked off. It turned out to be, as we knew later, a tremendous failure, but at the time the propaganda was such, and it was so hard to get in and see what was really happening, that people in the western world began to believe it. That they finally had

found the secret of rapid economic development. So I ended up being right in the middle of reporting, and the New York Times in particular, and some of the other papers, became believers and were publishing daily stories about the successes of the Chinese which we in the consulate general tried to rebut, and tried to put into perspective. But it was difficult. We didn't have hard numbers.

Q: *It's so easy now to look back and say, of course this thing was stupid. What they were doing was melting down steel and iron products which had been already done, and producing basically just hunks of unusable metal. I would have thought the New York Times or some economist would have tried to make some of these little furnaces themselves and see what happened.*

LINDSTROM: No, I don't recall anybody having done that. Again, it was very much of a closed society, and the propaganda was pretty effective. People thought they were going to take over all the export markets in the Far East, which they may do now, but this is 40 years later when it's a much stronger country. But in those days, they were a very poor country. I was talking to Ed Green about what we might do about this to put it in better perspective. And he said, "Why don't you go down to China Products..." I don't know if you know Hong Kong or not. China Products is a retail outlet for Chinese products as the name suggests and we were told by the Treasury Department in those days to never set foot in it. It would be against U.S. law to buy anything in there. But, anyway, people said I should go in there and see what's going on, what kind of things they're selling, are there shortages, or do they have availabilities, or not. So I did that over a considerable period of time. I suppose I was noticed by the Chinese, but I was never prevented and I made notes when I got back outside. I didn't go around with a note pad or anything like that. So finally I got together about a 18-20 page despatch on my findings, and it really established rather convincingly that if there was this great supply of consumer goods, and other exportable items it had vanished. It dried up in that store, which was a pretty good indicator that this whole thing was a fraud. And, of course, we learned many years later, it was just systematic lying within the Chinese bureaucracy about what they were doing, and went all the way to the top, with people apparently believing the reports that were coming in. So I felt I made my little contribution by putting that into better perspective. I got a commendation for that despatch from the Department.

Q: *Just to get a feel for it. I mean Hong Kong was, and certainly until very recently, was the place one watched China. It was the only place we had that really had feelers into China, because we had nothing in there at the time and for a long time. How did you go about your business? How did you get your information?*

LINDSTROM: Well, certainly the China mainland press was probably our biggest source. We had a big translation operation we ran in Hong Kong. In fact, Bill Thomas, one of my colleagues and Foreign Service classmates, was put in charge of that. He was a Chinese language officer. I think they had 100 people working for them. So that was one source, the China press, and very biased. Then we had many very good local employees working for us directly in the political and economic sections, who had come down from Shanghai and elsewhere. Then some of our best contacts were with the consular corps people who recognized China and who could go up there from time to time. So we cultivated them. I was on very close terms with the Australians, and people like that. They would be pleased to be debriefed when they came back from a trip to the

Canton trade fair. So that was another way of getting information. And certainly our Chinese employees, although they never did anything you could call spying, or anything like that, they could certainly help us interpret what was in the press.

Q: *As you say, papers like the New York Times were buying the propaganda. This happens from time to time. People in a way want to be true believers. It's sexy, it's different, and in a way it's a stick in the eye of the establishment in the western world. Did you in your position have any dealings with the American press, or media, that was stationed there and talk about this situation?*

LINDSTROM: Yes. I used to, again as an additional source of information, go to the Press Club regularly and meet many of the American and other correspondents and that was very important to getting a balanced understanding of it.

Q: *Did you get into, I won't say disputes, but find yourself trying to present what you felt was the true picture as opposed to how they were reporting this?*

LINDSTROM: (?) Gurden(?) was the main reporter of this stuff and certainly Ed, my boss, did try to enlighten him without too much success, and he was an old Far East hand. I don't know why he insisted on doing this. But with other press people I think we were all beginning to see that there was a fraud in the building, and we all felt a little helpless as to how to deal with the thing.

Q: *Although you're in the economic side, was there any feeling about when and if we should recognize Communist China at that time?*

LINDSTROM: I think we could read the tea leaves back home, and see that it wasn't too likely from a U.S. point of view with the China lobby, etc. The main problem was our relationship with Taiwan, and we weren't about to jettison Taiwan. I was there when the Chinese started giving these serious warnings to Taiwan, the shelling of Quemoy and Matsu. And they started counting the serious warnings for the Chinese to come and put numbers on everything. It got up to the 244th serious one, I don't know what it was, while I was there. And in those days we self censored ourselves to some extent. I don't think anyone ever told me, but we always were careful to call it Communist China, or Mainland China, certainly never People's Republic of China. So I think all of us realized that it would be a long time off before there was anything approaching a normalized relationship between the United States and China. Of course, it took Nixon and Kissinger with their later opening that finally did it.

Q: *How about Vietnam? Vietnam had sort of split, '55 is when both sides moved apart. Did you have anything to do, or see anything on Vietnam?*

LINDSTROM: Not very much. We were virtually the only non-hardship post in the area, so people from southeast Asia would come up from time to time. I didn't do any peripheral reporting on Vietnam.

Q: *We were taking a very hard line on trade with China, weren't we?*

LINDSTROM: Oh, yes. And right in the Consulate General we had this Treasury rep who was in control of foreign assets, who was making certain that we only dealt with clean money lenders. And by chance my wife and I had made very good friends on a ship coming out there with some of the `Queen's Chinese', so they called them, people who had been knighted, and were a very nice merchant family. So this gave us an entree into non-Communist Chinese society. It was very interesting, and we learned a lot about etiquette, eating and all of that in many course feast meals. Anyway, some time later our Treasury man, who was very much of a sleuth, implicated that family with buying Chinese caught shrimp, and marketing them in the United States as real clean shrimp. And that sort of temporarily soured our relationship with this family. They'd say, "Here he is in the Consulate, and he didn't even tip us off about that." Not that I would have, as I didn't know about it. The anti-Communist thing was there all the time, and very strictly enforced. There was China Products and getting permission to go in there.

FRANCIS J. TATU
Visa Officer
Hong Kong (1957-1960)

Francis J. Tatu was born in New York in 1929. He served in the US Navy from 1946-1952. Afterwards, he received his bachelor's degree from University of California in 1955. His career includes positions in Hong Kong, Laos, Taiwan, Philippines, Thailand, Washington D.C., Nepal, Vietnam, Indonesia, Malaysia, Brunei, and Australia. Mr. Tatu was interviewed by Susan Klingaman in October 2000.

TATU: We finally got to bid on assignments and I opted for Asia. I think, probably because of that Passport Office assignment, I was thought of as a consular type, so I was sent to Hong Kong as a visa officer.

Q: This was in...?

TATU: My family and I arrived there in December of 1957. There had been a great expansion of the consular section at the Consulate General under Consul General Everett Drumright. He was one of the "old China hands." He managed to protect himself whereas many of the others were run out of the Service by Senator Joseph McCarthy and his cohorts.

Q: You mean he was a survivor, more or less?

TATU: He was a survivor, and this was in the wake of the McCarthy era.

Q: He survived the purge?

TATU: Yes, he survived the purge. I may have misjudged him, but that's the way he came through to me. He had a young officer there who had a doctorate, and he had t this fellow

write a report on the Chinese immigration fraud problem. Then Drumright promised the Congress that if he had certain many millions of dollars added to the budget of the Consulate General, he would clear up the problem. Well, what happened was that the China lobby got hold of the report and decreed that it was a racist attack and made all sorts of noise about it. Consequently this young fellow was sent off to Latin America. Drumright did get his additional staffing. We had a number of superstars there who had come: as a result of the enhanced staffing. Harry Thayer, Bill Brown, who retired as ambassador to Israel after a fantastic career Dick Williams, a former radio quiz kid, who the Chinese called *da da tou*, which means 'big head.' The Chinese had slang names for everybody. I was a pipe smoker in those days, so obviously I was known as 'the pipe' among the Chinese.

Q: You mean the report on the...?

TATU: Chinese immigration fraud, yes, that was the big problem in Hong Kong, still is, as far as I'm aware. At that time immigration laws were such that a very limited number of Chinese; or other Asians were permitted to come to the States for permanent residence. This was called the "Asia Pacific Triangle," a very complicated set of considerations. I ran the visa waiting list, and I had over 30,000 applicants on the list.

Q: 30,000 people on the visa waiting list?

TATU: Yes, with no chance unless the law were to be changed. The poor people would come in to determine how they were doing, and I'd have to tell them, "It's impossible; you're not going at all," because the people who got in were those who manipulated the law through fraud. So we figured, consulting among ourselves, some of the junior officers, that any 10 people who walked into the consulate, in the scheme of things the frauds would be the ones that got the visas. Well, there were all kinds of angles to this, but some of us chose to fight it and we were derisively known as the "fraud fighters." We would devise our own ways to expose the fraud. The other guys, the ones who derided us, took the position that "Look, they're going to get their visas anyway. Just sign anything that comes across your desk. Work an eight-hour day. What the hell." And they did, whereas some of us stayed awake nights trying to figure out how to break the fraud, because it was the law, and the non-fraud applicants deserved a chance. It wasn't that we were anti-Chinese.

Q: How many officers were in the visa section in Hong Kong?

TATU: I would give it a shot and say about 10.

Q: Any how many staff wherein the consulate general as a whole?

TATU: Gee, I don't know that figure, but I would say 200, counting all agencies and local staff.

Q: A large staff, right?

TATU: Yes, about 200, counting locals?

Q: Well, either way you want.

TATU: I would say there were probably about 100 Americans and probably a matching 100 Chinese.

Q: And what were the rest of the Americans doing?

TATU: Political, economic; it was a watching post, and there were other agencies.

Q: A China-watch post.

TATU: Yes, right. There was no other facility but Hong Kong, and some of our guys went bad, too, you know. There were all kind of bribes being offered to us all the time.

Q: Were there a number of cases where American officers were caught?

TATU: Well, I said, "some of our guys," but I can only think of one main case, who then opened up an antique shop on Connecticut Avenue with antiques that had been given to him in Hong Kong.

Q: For his services.

TATU: For his services, yes.

Q: So you were working in the visa section your entire period in Hong Kong?

TATU: Yes.

Q: Which was until?

TATU: I got out of there in 1960.

Q: Did you know any Chinese at the time?

TATU: Know any Chinese people?

Q: No, Chinese language

TATU: Oh. I should insert this. This is where I developed an interest in China and I began studying Chinese part time there. We had good language tutors, one of whom became Mrs. Dick Williams. Anyway, I got along with it pretty well and put in for the language school, Tai Chung in Taiwan. There was supposed to be an early phase in Washington where the beginning language students would demonstrate that they could maintain the tonal quality of Chinese. A lot of people flunked out on tones; they just didn't have the ear. But I bypassed that and I was all ready to go to Tai Chung, we were actually packed - we though we were

going to have home leave and go to Tai Chung - and suddenly we got orders to go direct to Laos.

Q: So you were short circuited in a sense?

TATU: In a sense, nobody consulted with me.

Q: More or less it was *decided this would be a good break for you?*

TATU: Yes, to get out of the consular "cone" - we didn't use the term "cone" in those days. But it was interesting. Apparently nobody in the consulate general, even the big shots, knew anything about Indochina. Laos: among other things they were pronouncing 'La-os. (so, much later, was President Kennedy – on TV!)' I had to go up to Hong Kong university to get background information.

Q: You mean nobody in the consulate general in Hong Kong knew anything about their next door neighbors?

TATU: Not quite "next door," but very little. That was kind of shocking.

Q: So you went there directly with no home leave?

TATU: Yes. Throughout my career, I may insert, I missed so much home leave it's staggering, and annual leave also, years on the books when I retired. So there I was in the middle of this upheaval in Laos.

JACOB WALKIN
Consular/Security Officer
Hong Kong (1958-1960)

Born and raised in Brooklyn, Mr. Walkin was educated at Cornell, Yale and the University of California. Entering the Foreign Service in 1952, he studied Serbo-Crotian at the Foreign Service Institute and was assigned to Belgrade, Yugoslavia. Subsequent assignments took him to Hong Kong, Jakarta and Surabaya. Following an assignment at the State Department in Washington, Mr. Walkin retired and began a new career as professor at Auburn University.

Q: Well, let's move on. In 1958 you went to Hong Kong.

WALKIN: I was assigned as general investigator of Chinese fraud, there were quite a few of us, and this is what I did for one year. I made periodic trips into Calone and talked to various Chinese. I learned Cantonese, by the way, while I was there and that is what I did for one year. But they had a security officer who proved to be drunkard and they just sent him home, they had to, and the Consul General at the time, Jerry Lewis Holmes had to pick somebody to replace him.

I thought nothing of it at the time, but it so happens that he picked me. Among the general investigators of Chinese fraud there to replace him and that is what I did during my last year in Hong Kong there and I was the security officer doing all the same jobs that security officers do, including by the way, lecturing to newcomers on particular security problems that we had in the consul general.

Q: What were the major security problems that we were concerned about?

WALKIN: There was a general question of general security and Chinese spies for the area but also the usual security officer duties of investigating particular employees, employees to be, to ensure that they were not spies or working in any way for the Chinese communists and I also gave periodic lectures on the particular problems affecting us in the Consulate General in Hong Kong. I had quite a crowd and it is worth mentioning and when we were through, they just didn't want to leave, they wanted to hear more of what I had told them. I well…

Q: You are back to France now.

WALKIN: Pardon?

Q: You are talking about France now?

WALKIN: France yes. No, in Hong Kong...

Q: You mean the people who were being told the security problems?

WALKIN: The particular security problems to watch out for because they had come to work for the Consulate General in Hong Kong. This has nothing to do with France.

Q: What particular, as an investigating officer, were you working on American or/and Chinese employees in the Consulate General or were you working on the visa/fraud side?

WALKIN: No, I was not in the visa/fraud side as a security officer. Well I did the general work of a security officer, investigating, and as I started to tell you, this lecture I gave periodically to newcomers on the particular security problems that they should look out for while they were employed in Hong Kong. I certainly remember the fact that this group, I don't know, there were quite a few people in my office listening to me talk about the particular security problems of Hong Kong, they just didn't want to leave. They wanted to hear more. I am sure this fellow reached Consul General Holmes and all the other people with whom I worked while there. I mention it as something likely to remember quite vividly, this particular incident. I did general security work and I continued to make trips into Hong Kong. I caught the attention once of Holmes when I reported back to my reporting officer, who was Sam Gilstrap, the Deputy Consul General, about an incident of which I had run into an American Chinese in Calhoun who had been sent there by, it may have been ATS who sent him there, to check on, as a secret agent so to speak, of there's, checking on potential spies. He spoke Cantonese fluently. I probably started talking to him in Cantonese and when he learned that we were Americans, we started talking in English but he had been sent there without the knowledge of the Consulate. When I reported this

to Sam Gilstrap, when I got back and he reported it to Holmes, Holmes immediately sent for me and I told him in detail, just what I had learned that he was an American and they had been sent by some agency other than State and was working secretly there and Holmes exploded because he had not been told about this. He just listened to me and I know that I never saw that young man again. He was probably immediately withdrawn.

Q: Were we concerned at that time with attempts of the Communist Chinese to place employees in the Consulate General?

WALKIN: Oh, no question about that, before anybody could be employed, I as the security officer, engaged in long investigations of individuals and wrote reports on individuals who had applied to work in the Consulate General

Q: Did we get much support from the British?

WALKIN: Oh, yes, I personally didn't have much contact with the British but I am sure we did. We were generally sympathetic to them and their own administration of Hong Kong as a colony of theirs.

KENNETH N. ROGERS
Consular Officer
Hong Kong (1959-1962)

Kenneth N. Rogers was born in New York in 1931. He received his BA from Ohio State University in 1953, and his UJD from George Washington University in 1958. His career includes postings abroad in Hong Kong, Saigon, Luanda, Kingston, and Tangier. He was interviewed on October 21, 1997, by Charles Stuart Kennedy.

Q: You were in Hong Kong from when to when?

ROGERS: I would say approximately September 1959 to January 1961.

Q: What type of work were you doing there?

ROGERS: Consular work and immigration fraud analysis. It was interesting, but just being in Hong Kong and being a part of that culture was fascinating.

Q: Could you tell me a bit about immigration and fraud problems in Hong Kong? This was a major occupation of a lot of people.

ROGERS: Briefly, when Chinese males were recruited, mostly from the Canton area, to work on railroads and mines in the west in the 1860s and 1870s and on, each time they would make a trip back and forth, they would register that they had a son. There may very well have

been no such son, but they would build these phantom families for immigration purposes. They were called "slot sons." So, then, a relative or a person would buy that slot and migrate by derivative citizenship and get to the U.S. illegally. So, the plan was to analyze whether or not these people really were the persons they claimed to be. It was terribly difficult. We had very elaborate methods, but I don't think many of them worked.

Q: You had town books and asked where the well was, etc.

ROGERS: Exactly right.

Q: These were built up with great care. Almost everybody came from really a very small number of villages.

ROGERS: Right. It's called the Seyip, six counties, all around the area between Canton city and Macao, a great triangle. I think I recall, 90% of Chinese Americans up until 1945 were from that region. It's different now. But that was fun and interesting. I was a little annoyed at what I felt to be a corrupt practice of paying people to give what I believed were false statements. I would never do that. I said, "Wait a minute. You're going to give this guy $5 Hong Kong to tell me that this man isn't the person he claimed to be? He doesn't know anything about it. We're not going to that." That was just an evil practice. But that was the system that sort of developed over the years. It was called the Documents Verification Unit. So, I did that for two years. It was exciting and interesting. I got around Hong Kong a great deal.

Q: This Document Verification Center... This is really very important in the immigration scheme of things. What was the feeling among the officers there? These are a bunch of crooks and we've got to get them? Let's do the best we can?

ROGERS: About half of the people involved in that had come from Europe, where they were refugee officers who had been integrated into the Foreign Service, the Refugee Relief Program (RRP). They were rather severe and unbelieving. I think they had been doing this sort of thing too long and become jaded and unsympathetic. I said, "Are we trying to find out the truth or keep people out?" They said, "Keep people out." Part of their task in Europe was not migration to the U.S., but getting people back, if possible, to where they came from in Europe before being dispersed by World War II - and if that place were no longer available or safe, then migration elsewhere. But they were sort of police oriented in that respect. A handful of young FSOs were also doing that. Some of them became very famous. John Negroponte was one. Our consul general was a wonderful person, Julius Cecil Holmes. We really loved him. He was a great guy, was very kind to us. I made many lasting friendships there as well.

Q: What were you getting and absorbing at the consulate from your interviews and just getting around and about what was then known as communist China?

ROGERS: Many of the people who came in were, indeed, border crossers who then wanted to make this connection to go to the U.S. Some of them were of interest, but we detailed

them to the person in our unit who was from the CIA who interviewed them. I was never in the room when that happened. He would decide whether or not they had anything of merit or value or utility in his interview, see what they could glean from it. Almost all of the illegal border crossers were from that region, it being so difficult to move from one region of China to another. We had one story which turned out to be not so that I always remembered. One refugee said that the Polish consul in Canton wanted to defect. That was very exciting. We would want to get in on that, get him through, and so forth, but that didn't happen.

Q: Did you have any contact with the China watchers at that point?

ROGERS: Oh, yes. Many of them worked their way up. Several of them became consul general in Hong Kong eventually. Richard Williams was one of our colleagues. He became later our first ambassador to Mongolia, although non-resident. Two or three others became very, very active in China. At that time, there were not very many assignments available for the Chinese language officers. There was one position in Warsaw for a while.

Q: As an interpreter for the relations talks.

ROGERS: Yes. Then, of course, Taiwan, but they probably were overproducing in anticipation that eventually they would staff up in China. That did eventually happen, at which time half those fellows were retired.

Q: Was there much discussion at that time within the Foreign Service people who were sitting here on the outskirts of China proper talking about whether we should or should not recognize them?

ROGERS: I don't recall that. The Korean War hadn't been over that long. There was a lot of concern about the militancy of China in other parts of East Asia and the experience with Korea. There were still a lot missing from the Korean War. Then, China in turn was going through one chaotic, crushing situation after another, which made their whole system one of disorder, a great leap forward and two behind, and a thousand flowers bloomed, that sort of thing.

Q: Also, during this period, in 1960, there was the debate between Kennedy and Nixon over what to do about Quemoy and Matsu, the disputed islands between China and Taiwan. Did that play out at all where you were?

ROGERS: I don't recall that. No, it was just the great monolith, the great concern of what they would do. There was hostility left over from the Korean War.

Q: Did Vietnam raise any blips on your radar at that time?

ROGERS: Mine personally, yes, for a very strange reason. I was an FSO-8 for five years, because I was still on language probation. I was going to be terminated, so I said, "I would rather really try again to pass this stupid French exam." So, I took annual leave, bought a ticket on a French ship called "The Laos," and sailed off to Saigon. This was prearranged

with friends there. I stayed with a wonderful teacher from Alliance Française who within three weeks had me speaking beautiful French. I had all the fundamentals. The grace and the skill of handling it, whipping out subjunctives and impressing people with that. I knew the regional language supervisor was coming through Hong Kong. I got back just in time. He passed me on the spot. With great amusement, I got two letters on the same day: "I'm sorry to say thanks for your five years, but you are out of here." The other one said, "Congratulations on passing the French test. Carry on." I was promoted every 10 months thereafter. I went right through four promotion boards, one after the other. I guess they tried to make up for that lost time.

NATALE H. BELLOCCHI
Administrative Officer
Hong Kong (1959-1960)

Chief of Commercial Section
Hong Kong (1968-1970)

Deputy Principal Officer
Hong Kong (1979-1981)

Ambassador Natale H. Bellocchi was born in Little Falls, New York in 1926. He received a degree in industrical management from Georgia Tech in 1944 and was soon drafted into the U.S. Army to serve in a rifle platoon during the Korean War. His Foreign Service career included positions in Hong Kong, Laos, Vietnam, Taiwan, Japan, India, and an ambassadorship to Botswana. Ambassador Bellocchi was interviewed by Charles Stuart Kennedy on March 21, 1995.

Q: *When did you move out of the courier service?*

BELLOCCHI: After the second time in Europe, I went back to Manila for a very short time. I signed up and took the Foreign Service exam again, and passed the written so I said I thought it would be good if I got into a regular job in the Foreign Service to prepare myself for it. So they assigned me to Hong Kong, and I directly transferred to Hong Kong as administrative officer assistant, or something like that. I had taken the FSO written exam and passed, so then I went to Washington for my orals. Another courier from Europe was having his orals and was in Washington at the same time. I went in first, took the orals and they wanted to know if I was interested in specializing or in general Foreign Service work. Thinking that was the best, I said "No, I would really like to specialize. I've been in Asia and I really would like to get into Asia." They said, "Unfortunately we're not really looking for specialists now, we're looking for generalists." Whoops, there goes that one. But I actually felt better. I was crushed for a while, but I went out and the next day a fellow courier took his orals, and I told him what had happened, and said, "They're looking for generalists, so you better be careful what you say." They asked him the same question, and he said, "General work in the Foreign Service." And they said, "Well, we're really look for specialists." It was just that they had over-recruited and they weren't

taking anyone on. And then they stopped giving the oral exam. The next year they didn't have it. So I had to wait actually two more years before going through that process again.

Q: *What were you doing in Hong Kong? We're still in Hong Kong during this period.*

BELLOCCHI: It was strictly administrative work, motor pool, housing. It was in the 1959-60 time frame, so Hong Kong was a fascinating place to be.

Q: *Who was Consul General when you were there?*

BELLOCCHI: Holmes. His son became Assistant Secretary and did very well in the Foreign Service. Holmes used to wear a high stiff collar. I can't remember now...but it was a time when there were so many applicants for visas. People were still called refugees in those days. Now they're illegal immigrants. Our visa section used to have a Documents Verification Unit. They'd do all kinds of things that were absolutely not lawful.

Q: *Catching people with their cram books...*

BELLOCCHI: Getting into somebody's bedroom and looking at documents and things of that nature. I mean it was done with the knowledge of the Hong Kong authorities, of course. And to the credit of the Consul General, he put a stop to it and disbanded that whole unit.

Q: *We can come back to that. You had a chance to really focus on China.*

BELLOCCHI: In those days China was forbidden.

Q: *Were you within the group there?*

BELLOCCHI: Oh yes. All the China language officers, I used to pal around with quite a bit because in my assignments in Manila I used to have a Chinese teacher...I started to learn Chinese there and it was mostly using writing because I would be gone for most of the time. So whenever I got to Manila I'd have a few lessons and she'd give me a whole bunch of assignments, but it all had to do with the written Chinese. Then off I'd go for two or three weeks and back. So I really got a head start on learning Chinese at that time. So, of course, I was very fascinated with Hong Kong and all the China language officers were very helpful. In fact, one of them even let me sit in on his lessons that he took there at the Consulate General. The teacher now lives here in Washington. I actually improved quite a bit on the spoken there in Hong Kong because of that. I always had my eye on eventually learning Chinese, and after I left Hong Kong and went to Washington, and passed the orals, I was assigned to be the GSO in the embassy in Vientiane...In fact I had already been assigned as the GSO in the embassy in Vientiane before returning to Washington. When I passed the oral I said, "Now I'm an officer, am I going to get something better?" And they said, "Sorry, too late." So I had to go out there, but it was delightful. I really enjoyed it.

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Q: *Oh, absolutely. Well, Nat, you left Taipei in 1968, and you went to Hong Kong. What were you doing in Hong Kong?*

BELLOCCHI: Oh, that was a great disappointment. I was sent there to the economic section because, you know, like any Chinese language officer you're very anxious to be a China watcher, and I was anxious to be more the mainstream Foreign Service type, either economic or political. So I was delighted that I was going into the Mainland economic section of the consulate. And no sooner had I gotten there than the Department had apparently done some cutting of positions, and a position was being cut out of the Mainland economic section, and since I was the latest in I was going to be the first out. And they said they wanted me to be the assistant commercial...it's not commercial attaché in Hong Kong, the assistant chief. And I was just furious because I had been the assistant commercial attaché up in Taipei, so I held out for being the chief, and got it. I became the chief of the commercial section, and it was a disappointment for a short time because I really did want to do some China watching. Especially during the cultural revolution time when China watchers did innovative things like trying to see where the pigs were coming from in Hong Kong today. That would indicate whether or not there was something going on, where pigs normally came from! But, in fact, it doesn't matter which job you take if you develop interest in it. I started to get into the job of chief of the commercial unit, and wound up with an accomplishment, I think, quite an accomplishment getting an American Chamber of Commerce started in Hong Kong.

Q: *You mean they didn't have one until then?*

BELLOCCHI: No, they didn't have one, and there was great resistance to it. One from the policy standpoint. We didn't want to raise a high profile in Hong Kong. I thought this was patently ridiculous because the Seventh Fleet used to park ships down in the harbor every day. If we worried about profile, why weren't we worried about all those war ships in the harbor. And then even in the American business community in those days, a majority were those traders that had come down from Shanghai, they were the old timers, and they operated by the seat of their pants. They represented large corporations in America but they did their business on a personal basis like everyone does in China as you know. And American Chamber of Commerce, that was alien to their kind of thinking. They were doing fine, thank you. But there were a lot of the new multinationals that were starting to open up offices in Hong Kong. They were modern managers, and they did want an American Chamber. So I argued the case that even during the Cultural Revolution, the Hong Kong government was very much interested in knowing what was the American business community was going to do. Were they going to bug out? There was no mechanism to get a good survey quickly about what the American business community was thinking. So I used that as an argument both with Ed Martin who was then the Consul General in Hong Kong, and with the Hong Kong government Secretary for Commerce and Industry. And they finally said okay, as long as the Chamber didn't raise a high profile. The American business community didn't want to make trouble, they wanted to do business. So I took a poll of the American business community, and sure enough, a lot of people were interested in a Chamber. So I convened a meeting down in the brand new Hilton Hotel, it had just been built. Someone from the U.S. Chamber of Commerce was passing through and I used that as a crutch to get this bunch together. I told them, "I have done all the surveys, and this is what we find. But I'm with government, and an American Chamber of Commerce is a business organization. If you all, as

businessmen, are interested, I certainly have a mimeograph machine, and I'll help in any way, but its got to be you all that organize it." And much to my dismay, the first two or three businessmen that got up, big ones, were saying they really didn't like the idea. And I thought, "Well, that was the end of that exercise." But then three of them got up, and volunteered to form a committee to see what kind of opinion there was on getting the Chamber started, and if there was a majority to get it started. Well, they already had the majority because I had all the papers showing in the survey. That's what got it started, and they moved on from there. It's become one of the largest AmChams out in Asia. It has been growing every year since. So I was quite pleased with that accomplishment. I also had another reason--the day of that meeting was also the day I got married. In the morning I had the meeting, in the afternoon I got married. So I always remember that particular...

Q: *At that time, you were there from '68 to '70, why would one want a Chamber of Commerce?*

BELLOCCHI: You have to know the atmosphere in those days. There was what was called a Foreign Assets Officer out there, and this guy really took his job seriously. There were not many Mainland Chinese stores in Hong Kong in those days, but there were a few. And this guy would go down there and stand around to see if any American tourist were buying things; that was then against the law. You couldn't buy anything from Communist China in those days. But there was more, I mean important restrictions. For example, U.S. oil company tankers, if they bunkered in a Mainland port, were breaking the law. They were very upset about those restraints, while all their European competitors were making all the money. So when the AmCham opened, the Secretary of Commerce was passing through Hong Kong and we used that occasion for the grand opening of the American Chamber of Commerce on the top floor of the Hilton Hotel. Jack Wolfe, who was the Caltex representative at that time, was the first president of the AmCham. I remember the Foreign Assets Control fellow was there at that dinner, and Stans was the Commerce Secretary. And Jack Wolfe gets up, and he gives his talk, and boy, he hits Stans right between the eyes with this business of, why can't we bunker our ships just like everyone else can bunker, and added all the other constraints of the Foreign Assets Control. I thought the Foreign Assets Control fellow was going to fall off his chair because this was his whole life. So it demonstrated very quickly why have an American Chamber of Commerce. It was not just because they wanted to have influence on the Hong Kong government, they wanted to deal with their own government on some of these constraints as well. And it worked, they got that thing changed eventually.

Q: *What was the business climate like in Hong Kong at the time you were there?*

BELLOCCHI: This was in the ''70s when Hong Kong really started to take off with a lot of industries. First of all, for American business, it was a transition from the old seat of the pants Shanghai types who represented all these large corporations, to the large corporations coming in with their own offices and representing themselves. They had a professional managerial class coming in. Then U.S. manufacturers were largely the early electronics producers, like transistor radios, who were just beginning in those days to come to Hong Kong. They hired all these little young gals out there by the hundreds putting these tiny little things together. The growth of the American business community was in that area at that time.

Q: *Were you picking up the feeling of say the Hong Kong business people more than the Chinese and the British about how they viewed what was going in China, and how they viewed the future?*

BELLOCCHI: It's funny, maybe its changed now, but in my time the Americans and the British community weren't all that close. I mean it wasn't an adversarial relationship, by no means, but they had their friends and we had ours, and there really wasn't that much mix between the British community and ourselves. There was much more mix with the Hong Kong Chinese than there was with the British. There were a few exceptions, the political advisor in the government was a Foreign Service type and we both knew professionally how to operate with each other. But the rest, no. The colonials, the government, the view they had of the Americans was that we were a little bit too strong. But the Chinese Hong Kong, we got to know very very well indeed. You know, you make friends in Hong Kong and they really are life-long friends. We still communicate with some of our friends there.

Q: *Are they a breed apart, did you find?*

BELLOCCHI: The last tour I had, it was not following this one that you're talking about, I had a subsequent tour in Hong Kong when China was opened, and talking with the Hong Kong Chinese business men, and the Chinese Chinese business men from Mainland China, if you can call them that, and their respective thinking were like two ships passing in the night. Really the mentality is totally different. Now I think there's been a much stronger mixture since then, but yes, they were a breed apart. They were optimistic about Hong Kong, no matter what happened they always felt, stick it out. And they usually won out because things got even better. Yes, very much a breed apart.

Q: *What about the view you were getting from our China watchers? You were part of the consulate general there, the cultural revolutions was in full swing, wasn't it?*

BELLOCCHI: During that tour, yes.

Q: *How were we seeing it then, as what they were doing?*

BELLOCCHI: Well, of course, it was sheer turmoil that was going on up there, but in China, there was a constant search for little tidbits of information about precisely what it was that was going on. The famous one is my colleagues watching the pigs that were coming in from the Mainland, and saying these pigs were coming from a different place than they used to come from, therefore there must be some problem up in the original area. And that was the way we worked. People would go down to the railroad station and look for Chinese newspapers that maybe were left behind; and others that had contacts with tourist agencies to get to one of the groups coming back from China to see if they could cull some newspapers and magazines. That was the way we were trying to read what was going on in China. It was for many a big mysterious place. Tourists would go out to the border and look across the border--they used to pay for that, to just look across the border to see China. Every day we'd walk past the Bank of China, as the Consulate General was just up the hill from the Bank of China. It was a mysterious place, and we used to see people go in and out of it, but nobody, nobody ever saw the inside of it.

It was quite different. Most of the people in Hong Kong, let's face it, were refugees from Red China. You watched the change in the flags that were flown on National Day. The first tour I had in Hong Kong was around 1960. On double ten, the Nationalist Day, all of the flags were the nationalist Chinese flags, and were all over the colony. But on October 1st, the PRC day, you saw very few Chinese flags. Well, by the second tour in '68, that was already beginning to change very substantially.

Q: *The Hong Kongese were not looking towards Taiwan, but looking towards...*

BELLOCCHI: ...the outside world. It's a mystery. Singapore is the same. If you get an analysis on China from Singapore, I always thought because they don't really understand China that well. And Hong Kong was the same. And Taiwan, that could have been on Mars as far as the people in Hong Kong were concerned. I remember Herb Levin a few years before, had brought a cook down from Taiwan, and he spoke Mandarin. They moved into an apartment, and wanted to get an air conditioner set up. So they called some workers in while the cook was there. He spoke Mandarin, and they up and walked out. They thought this guy is from Mainland China and they didn't want anything to do with him. So someone from Taiwan would come down and speak Mandarin, and the Kong people would assume he's from the Mainland. They didn't think about Taiwan at all, it was just off their radar scope. To a certain degree it's now changed, there are so many tourists from Taiwan going into China through Hong Kong, and there's so much trade from Taiwan going into Mainland China that more Hong Kong people do know that Taiwan exists.

Q: *What about the Vietnam war? This was going full blast, as a matter of fact I went through Hong Kong at this time a couple of times. I was Consul General in Saigon, and I'd drop by and used to go to the Mainland Chinese...*

BELLOCCHI: ...Yes, China Products.

Q: *... stores and got little Mao books which I'd give to my ___*

BELLOCCHI: China Products. Cigarette lighters, and everything had Mao on them. Yes, there was a lot of R&R in Hong Kong, so it was commercially quite a boom to Hong Kong with all these troops coming in for leave.

Q: *Was there any feeling with yourself and the other staff about what we were doing in Vietnam?*

BELLOCCHI: Oh, that reflected in our staff, but not in Hong Kong. In Hong Kong as long as they were making money they were happy. Among the younger officers there were some, as I recall, there were demonstrations in which some of our officers actually went out with the demonstrators. It was peaceful demonstration, they weren't throwing eggs or anything. But that was appalling to many of us. God, what is going on here? We're really falling apart. But nothing serious. But sure, there was a change in attitude.

Q: *How about among the Chinese experts? It was almost a given that the North Vietnamese, the Chinese, were sort of together like 'lips and teeth'. Yet once the North Vietnamese won, the Chinese and the Vietnamese were at war.*

BELLOCCHI: Back to their natural state.

Q: *But was this thought about?*

BELLOCCHI: No. There was very little about it, there was always the fact that the North Vietnamese were getting all this support from China, and both were communists, therefore they had to be good friends. This type of thinking, not unusual. I mean, there was a sign that we used in U.S. buildings in Vietnam that said, we don't have 12 years of experience in Vietnam, we have one year experience twelve times. Our people in South Vietnam, I think, were not reporting that there was any real differences between communist China and communist North Vietnam. I think only later did become clear that in fact that was the case. But as long as the Chinese were feeding weapons to the north it didn't really matter.

Q: *Was there any concern--again, I only speak about this at the time, '68 to '70 period--that the bombings that we were doing, and the various things, might drag China into the war?*

BELLOCCHI: I'm sure there was. I didn't perceive them in the kind of work that I was doing, but there must have been a concern about dragging China into it. I think it was pretty clear China didn't have to come in, all they had to do was feed weapons to the North Vietnamese. They didn't have to get involved themselves. I didn't sense any hesitancy about it during my time there, however.

Q: *Back on the commercial side, where was our thrust at the time? Were we trying to attract Americans to export to Hong Kong? Or were we working almost the other side of this?*

BELLOCCHI: That, inevitably, yes. We were trying to attract the U.S. exports. We had catalogue shows, and things of that nature, to encourage American exports. We had the World Trade Directories, or whatever it was called, all the different things that Commerce usually has for these things. But we also were promoting Hong Kong as a regional center for our multinationals. I remember writing a big report on Hong Kong as a regional center. Taiwan is now boosting this sort of thing, but in those days it was Hong Kong. I also wrote a comparison of Hong Kong and Singapore as a regional operations center. And many of our companies willy-nilly were using Hong Kong for that purpose for very pragmatic reasons. It was practically a tax free place, a free port. So on paper they could do a lot of business throughout Asia and take the profit in Hong Kong where the tax was lowest. Of course, the countries in southeast Asia weren't terribly happy with that kind of arrangement, but our companies were doing quite well.

Q: *Was there concern during this period that the cultural revolution might bring out mobs in the streets in Hong Kong?*

BELLOCCHI: Absolutely. The British were very concerned about things like the riots that actually took place. You know they also had them long before in '56. They had riots when there was a large fire in the refugee camps...they were called refugees in those days, not illegal immigrants. They lived on the hillsides. And then there were riots that dealt with the KMT boosters rioting over something. So the British were always extremely concerned about security.

They had a big enough problem without having that sort of thing. So they were quite concerned of losing control. When the riots took place during the cultural revolution it was very serious. They even had to come down to the Americans and said, they hoped the American businessmen would not leave. They must have had to swallowing a lot of pride, but they were quite worried.

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Q: *Then after India, where?*

BELLOCCHI: Hong Kong.

Q: *Back to Hong Kong.*

BELLOCCHI: It was my last assignment in Hong Kong. Tom Shoesmith, then the Consul General, called me in India and he said, "Would you like to come and be the deputy?"

Q: *This was '79 to '81.*

BELLOCCHI: I'd worked with Tom before. Tom was the DCM in Tokyo when I was in Tokyo, so he called, And I said, "Sure, I'd love to get back into the China area." I went back to be the deputy principal officer, as it's called there.

Q: *What does the deputy principal office...*

BELLOCCHI: It's a separate consulate general. It was nominally under the US embassy in the UK, but actually it was one of the two, I think, Consulates General that report directly back to Washington.

Q: *Jerusalem and Hong Kong.*

BELLOCCHI: Yes, so the Consul General is considered a chief of mission.

Q: *'79 to '81, what was the situation in Hong Kong?*

BELLOCCHI: Well, by that time we were just opening up with China. Oh, the tales we would hear from Taipei on that, were really sad. I've always been affected quite frankly, even in my present job, by the very crude way we handled that situation in Taipei. I'm not saying the decision was wrong. The decision, of course, was almost inevitable that we were going to be recognizing China. But the way we handled even our own people. I'm not talking about the crude way we handled the Taiwan side of it. That's politics. But our own people practically were treated like an enemy. Washington cut off communications, they weren't getting their pay. I mean, there was no rational reason why, just because they're in Taipei, our people should be treated that way.

I think if you talk with some of the people who were there at the time, they really felt that they had suddenly been cast out. It could have been done in a much more gradual way. It was a done

deed. We could have just gradually brought our people out, made changes, developed a system. This organization I'm in now was just being developed. Instead we decided to lower the boom, bang, everything had to be stopped immediately, leaving all those people out there high, wide and dry. It was awful. We were just hearing about this in Hong Kong and the way it was being done. And then we were all finding all this business new. We could actually walk into the Bank of China lobby and look. That was forbidden territory before. And people were starting to go into China across the Lowu bridge, walk across the bridge and catch the train on the other side. It was really very interesting, and I got to know some, but not many, of the Chinese commercial people. Not like today, it was all strange for them too.

It was a different world, and Hong Kong by that time itself had changed considerably.

Q: *In what way had it changed?*

BELLOCCHI: It had become much more of a big metropolitan place than it had been in the past. They were tearing down buildings that were only 10-15 years old. I remember seeing the third generation building going up just across from the consulate, in that one spot. It was the third building that I knew of that was in that spot in the time I knew Hong Kong. It was going on all over the country that way, and there was big business going on. Hong Kong had become a very important entrepot. So it was much busier, the American Chamber of Commerce had grown enormously at that time. We spent a lot of time promoting American business. As I recall, we had something like 16 different U.S. government agencies in Hong Kong, all with regional responsibilities, because you could fly in and out of Hong Kong so easily. Everybody seemed to have a regional office in Hong Kong, and trying to keep all those people together in some fashion...frankly I think we only had a broad country team meeting maybe a couple times a month because it was huge. And nobody ever said anything, because nobody knew what the other guy was doing anyway half the time. I suspect there's quite an exodus now.

Q: *What was the feeling towards the unification with China?*

BELLOCCHI: Oh, you mean Hong Kong's unification. When I was there it was still a little bit down the road. But Hong Kong never operated very long on a long term anyway. Even the business community always looked at the next two, or three, or four years and expected to get their money back. So when you're talking about 12 or 14 years down the road, that's long term. Even things like the tunnel...for years and years in Hong Kong you'd hear about the need to build a bridge from Hong Kong to Kowloon, etc., and nobody would ever build a bridge. And then they talked about the tunnel, and the government certainly wasn't going to come up with that kind of money. They didn't do things like that. If someone wanted it, the private sector would have to do it, and they did. A group of them got together, and I remember watching how they were lowering those things in the tunnel when they were building it. They opened that tunnel after I left but in subsequent visits that I made there, I was told the companies that invested in that first tunnel got their money back the first year. They were just coining money, and it was all private. Incredible.

Q: *How about China watching during this '79 to '81 period?*

BELLOCCHI: It was still there, but I think there was a larger effort now to justify its existence because suddenly China had opened up and you could go inside and see these things. But I think at that time still, after the initial urge of saying, "Okay, let's shut down and move up to there", there were second thoughts. First of all, there was no place for all these people up there in Beijing. Our people were living in the hotels. And secondly, there was beginning to be an understanding that even if you're there you don't know too much about what's going on. It's such a closed society that you could probably see even better from out in Hong Kong than you could up there. So, the China operations continued. It was somewhat smaller, but it still continued quite a bit. As far as I know it still does.

Q: *Were there any great events during this particular time that really impacted on you?*

BELLOCCHI: That impacted on us? I can't think of any that took place.

Q: *This is the Carter period still.*

BELLOCCHI: No, Carter came to India while I was in India. I remember the campaign because the American business community out there was very heavily Republican in the campaign. So it straddled Carter and Reagan.

Q: *Was Reagan elected when you were there?*

BELLOCCHI: Yes.

Q: *He had been from California, a right-wing conservative, and very tied to Taiwan. For years this had been an act of faith. How did you all, dealing with China, China and the mega picture, feel about the advent of Reagan?*

BELLOCCHI: There may have been some thinking, but I don't really recall much discussion of that. Taiwan was still Mars from the standpoint of the Hong Kong perspective. It was really someplace else that didn't attract attention. So even within the consulate I don't think there was all that much discussion of, what does that mean for the China relationship? And I was back in Washington by the time the 1982 communique was signed.

Q: *I'd like to backtrack quickly. You mentioned you were in India when Carter visited. Presidential visits are always interesting. Can you tell me a little about your experience?*

BELLOCCHI: Yes, it was hilarious because I was acting DCM for a while at that time of preparing for the visit. We were notified that Carter was going to stop. They told us that he would have, including newsmen, around 250-270 people with him. So I went over to the protocol officer, I remember his name was Peter Sinai, who was later, I think, DCM here in the Indian embassy. I talked about the visit of Carter. They were happy that Carter was going to stop in Delhi, and I said he was going to bring 270 people. And he said, "What! 270 people, where are you going to put them?" Well, I said, "I hope we can get a hotel for them, and we'd like to have them all together." He said, "That's impossible." And he named the different hotels that they had, and he said they'd have to be broken up, we can't possibly just move out people. But after a week

he finally called and said, "Let's get together." But before I went out there I had gotten a message from Washington that there were going to be a few more. So when I got over to Peter Sinai, he said, "Well, we've struggled and we've finally got rooms in the Ashoka hotel for 270 people." And I said that I had just gotten a message that there would be 525 people. He almost fell off his chair. Anyway, it was unbelievable. The only thing they could finally do was just take over the whole hotel. They had to move all these people out, and it must have created havoc for the tourist industry.

In addition to which the press, of course, was going to be at a hotel. We had to lay a cable from the embassy to another hotel, not too long a distance, about 2 or 3 blocks. But they actually had to dig a trench, just like we do in laying cables, tear up the road and laid a huge cable from the embassy to the hotel, and then resurface. All of this had to be paid for by us. The Indians weren't going to do it. They said, you want it, you pay for it. We had to lay that cable for communications. All that enormous undertaking for just a two day visit.

The Indians have the Rashtrapati Bhavan as their presidential palace, built by the British. The Viceroy used to live there, a huge place. Half of it is the residence of the president of India, and the other half is the guest house for state visitors. So Carter was put in the guest house, in the Rashtrapati Bhavan. All the security people, ours and theirs, were all around that place. In those days the Minister of Health in India, I can't remember his name, but he was a character - he used to wear a woman's stocking on his head - but not a dummy by any means. He was a bright guy, but he was just an eccentric. He would make these speeches that always got news play. Here's Carter in the Rashtrapati Bhavan, and he'd had a certain hour to rest, and he comes out after his rest period, and said, "Who was that fellow who was in there talking to me?" The Secret Service just about flipped. It was the Minister of Health, and he'd walked in to the Rashtrapati Bhavana through all the security people, walked into the suite with our President and spent an hour talking to Carter. Anyway, it was one of these hilarious things. He was a harmless fellow. He had an interesting conversation with Carter, and Carter didn't even know who he was talking to.

Q: *Back to Hong Kong. As you say, everything was short term there, but was there a pretty solid cadre of China watchers?*

BELLOCCHI: Oh, yes. You mean in the consulate.

Q: *Looking at it from an administrative point of view, you must have had Hong Kong Chinese who'd been working there for so long that you never could move that apparatus because they wouldn't move up to Beijing. From looking at papers and the whole thing, in many ways I would think there probably would have been even more work because you could get more stuff out of there.*

BELLOCCHI: You could get more stuff out, but of course, they did some of it up in Beijing, and then they shipped a lot to the States. The budget problem was such that they couldn't increase the staff. Washington was always cutting. There was still plenty of reporting although less than the major newspaper that we used to read all the time, The People's Daily, and that was easily accessible up in Beijing. But there was still a lot of...

Q: *...provincial reporting.*

BELLOCCHI: ...provincial reporting and all the others that still had to be done.

Q: *I was thinking we might cut it off at this point. You left Hong Kong in '81.*

DAVID DEAN
Consular Officer
Hong Kong (1959-1962)

Deputy Principal Officer
Hong Kong (1970-1974)

David Dean was born in New York City in 1925 and graduated from Harvard. He entered the Foreign Service in 1951. He served in numerous posts including Kuala Lumpur, Rotterdam, Taichung, Hong Kong and Taipei. He was interviewed by Charles Stuart Kennedy in 1998.

DEAN: I was assigned to Hong Kong and was happy to go there.

Q: Hong Kong was the pre-eminent China watching place wasn't it?

DEAN: That's right and that is the job I got, in the economic section. My friend Paul Popple, it happens, was the head of that section. Later he left and I took his place.

Q: By the way, you were there from '59 to...

DEAN: '62. That was a fascinating time because I did get involved in what was happening on the mainland and saw the results of the Hundred Flowers Bloom campaign.

I also saw the results of the commune policy and of the Great Leap Forward, which was an abject failure. Coupled with very bad weather, it created famine conditions in many parts of China. There was a steady stream of refugees coming into Hong Kong. One of our jobs was to study the refugee interviews that the British special branch conducted and to find out about conditions in China. Most of these people were refugees for economic reasons; it wasn't for political reasons. It was because of their livelihood; they had none and they had to find some way of feeding their families. Literally thousands and thousands of refugees came into Hong Kong until it got so bad that in 1962 the British army and the police put up barbed wire to keep people out as they just couldn't take any more. People were swimming across the bay, trying to avoid the sharks, trying to get smuggled in by so-called snake boats. They were trying everything. Once they touched base in those days, they were home free. The British would not expel them if they landed. That wasn't true later.

Q: Can you talk a bit about how the economic section worked, I mean what you were looking at

in China and how you were getting your information?

DEAN: We got our information from a whole series of sources. We produced a translation of the Chinese press. It was quite an elaborate group that translated articles of interest from various papers. We'd get those papers from all sorts of places, even from the market, a fish wrapped in paper. It might be an old provincial newspaper which we could use. We did a big translation service of the Chinese press and distributed it to universities and academicians and others for their research, too. Later we had to charge them for it, but at that time I believe it was free. Then we used the FBIS translations of Chinese radio, the Foreign Broadcast Information Service. That was based on Okinawa and we got a lot of their published material. Then we used, as I said, the Special Branch reports of the refugees, and we tried to use whatever other sources of information we could get. I would say that our general overall assessment of what was going on in China was reasonably accurate. It may not have been specifically accurate, but it was reasonably accurate for the economy in the various provinces. We had a very good agricultural officer, Bryce Meeker, who worked with us. He was really expert. He had been in Hungary during the Soviet invasion of Hungary. Later, he was to go on to Russia. He was very capable and hard working, and he added a great deal to our assessment. A lot of the problem really wasn't in the industry but was in the agriculture sector and he followed those developments very carefully. We followed also their foreign trade such as it was at that time. Of course, we had this stricture against Americans buying anything from China so we had a Treasury official in Hong Kong, Charlie DeSevalas, who made sure that everyone at the consulate general or even the public, Americans living in Hong Kong, knew the Treasury Department strictures against buying things from China. I would say it was an exciting period for us because, although a lot of what we did was analytical, we did see enough people who had been in China for one reason or another and we had enough sources of information to put together a pretty good picture of what was happening. Of course we liaised with Australian intelligence and British intelligence, and we had a very large contingent of CIA [Central Intelligence Agency] in our consulate general. The consulate general was huge, with a staff of several hundred Americans and Chinese.

Q: Who was the Consul General at that post?

DEAN: Well, there were different Consul Generals from 1959-63. Marshall Green was Consul General for part of the time and then Julius Holmes was Consul General for part of the time. My wife had worked before we were married in London for Julius Holmes, so she knew him quite well. She was his secretary there. So we became very friendly with him and with Marshall Green, too. They were interested in what was happening on the mainland, and our section was putting out a great deal of the information.

Q: In many ways what you were putting out, the economic side was the real story wasn't it?

DEAN: Yes it was, but there was a problem here because a lot of people, analysts back in Washington, were believing the Chinese claims about their economic success during the Great Leap Forward. We were debunking these claims, you see, so there was a certain amount of tension between those people who thought China was doing just marvelously and those who knew from talking to people who had seen the situation that it was doing very poorly, in fact tragically. It wasn't until later that the numbers of 30-40 million people dying during this period

were confirmed. It was very interesting. There were lots of good newspapermen. Joe Alsop was there hovering around thinking China was going to break up because of the crisis resulting from the failure of the Great Leap Forward. Stan Karnow was there with Time Magazine, Jerry Schecter, Bob Elegant, all of whom later became quite well known, all writing about what was happening in China. The focus of our Consulate General was really on China although we were negotiating with Hong Kong on the first textile agreement limiting the shipment of textiles to the U.S. We negotiated that. Our economic section had two parts. One was the China analysis section, the other dealing with Hong Kong issues. Then, later I became head of both of these sections. We dealt a lot with the British government on textile restraints and a lot of other issues. Of course at that time, our navy was using Hong Kong as an R and R base. Navy ships were always in port and as a result, we had very good relationships with the British military. They were very hospitable to our men and we would always go around to the functions they hosted. It was a very lively scene at that time. I think more and more people were concentrating on China. I remember one of my friends was a British police officer, who later became a civil servant. In '62, the police were busy trying to keep Chinese refugees out of Hong Kong. He was involved in that effort, trying to keep people out and also interrogating people. Later on, in '66, he was abducted by a radical group during the Cultural Revolution, which, in spite of orders from Peking, was spilling over into Hong Kong. The Hong Kong government got him back, I think, with an apology, but it was a tense time for him and for his family and friends.

Q: I wonder right now, I am reading this book by Dr. Lee on the personal life of Chairman Mao. In a way you find it incredible, going to something like the backyard furnaces. They were melting down pots and really not turning it into anything. You have the feeling that nobody was able to ask the question, well, this is all fine but what does this mean? Were you wondering about the thought process of these people who were going so crazy?

DEAN: Yes. You see, Mao Zedong was great for theory but terrible for practice, partially because his theories were so bent. That book will indicate, if you have gotten far into it, that he was like the Chinese emperor. No one would dare approach him with a complaint or criticism. Frankly, they were even reluctant to approach him to ask him for instructions. Once he laid down the general line, they would go out and scurry and try to do what they thought he meant, and lots of people just didn't know. It is a most amazing book. I would suspect, based on what little I know, it is fairly accurate.

Q: I am told you knew there were some problems, but I was wondering, here is a China watcher, you are looking at these people who are considered the Han race, great merchants and all this - it is as though they have gone nuts.

DEAN: Well, some of the Chinese knew this. For instance, in '62, Peng Dehui, who was one of their most famous marshals, objected to what they were doing. He said the statistics everybody was putting out from the communes and from the factories were just unbelievable. During that time Mao dismissed the whole state statistical bureau because it had also objected, but Peng Dehui was a very important official. However, he was purged in an anti-rightist campaign. Even though he was purged, others of similar view, like Liu Shaoqi, who very soon took over from Mao as the president, also believed that the Great Leap Forward was a terrible mistake. Later on, Liu was purged for his views. A lot of people in China understood, just as we did in Hong Kong,

that things were going crazy. It was just a terrible waste and a terrible tragedy. We knew that and reported it. I think gradually people came to understand, even in China, that it was just dreadful. There was a period around '64 when the rightists had come back in after the anti-rightist campaign that had dismissed Peng Dehui, but then they got purged themselves. That is a later story.

Q: Could you talk about the problem back in Washington. I mean, there were talks about how well the Chinese were able to mobilize, in the United States, mobilize all their people and maybe they are on to something, even barefoot doctors.

DEAN: People thought they might be on to something but, you see, I think that it was wholly inaccurate and based on just wishful thinking and not on the facts. People who had consulted any of our reports knew they wouldn't succeed. Of course we couldn't prove that what maybe 1,000 people said in their debriefings was accurate, that they portrayed developments in the rest of China. It is like picking up a handful of sand and counting the grains and wondering if they can count for the whole country. But it was an indicator. Also the provincial newspapers were indicators, as were the reports of visitors.

Q: Did you find some people in the academic world or the political world wondering maybe "This is pretty marvelous?" There is always this love affair between the United States and China.

DEAN: You always get some people who believe that. Sometimes people draw up their opinions without enough facts to substantiate them. You are always getting differences of opinion in the China field. Look at today. So, that has been sort of normal, since 1949. I think that, looking back on that time, our Consulate General people did a very good job of using what information they had to project an analysis of what was going on. And, we had good relations with the Hong Kong government and the intelligence services., so we were able not only to carry out our analysis of the mainland but also our mostly economic work pertaining to Hong Kong.

Q: What about in this '59-'62 period, you did have the election of 1960. One always thinks of Nixon and Kennedy and the Quemoy debates. When one looks back, I can't remember who was doing what or why it was such an issue, but it was one of those things that cropped up. Did that play at all with you?

DEAN: No, it didn't really seem to have too much resonance. Most people felt that Kennedy had won that debate primarily because of the way Nixon looked. I mean he had very poor make up and a dismal look, so it wasn't really the substance that made Kennedy win, it was the PR part. When Kennedy came in, there was some thought that he might be thinking of changing policy toward China, but if he had been thinking of it, nothing came out of it. There wasn't, as far as I know, much going on. The reason for that rumor is that Walter McConaughy was the Assistant Secretary for East Asia Affairs at that time. I worked for him later. He is a fine gentleman, but he was thought of as being a very strong supporter of Taiwan. He was moved from his job. I think Roger Hilsman was put in his place. It was thought that the move was part of a rethinking the China policy. If my recollection is correct, that is what gave some credibility to those rumors.

Q: Someone in one of these oral histories said, and this is of course third hand, that Eisenhower when he talked to Kennedy after Kennedy was elected said, you know in international affairs I am going to support you. If you make a move toward China, I'm not going to. I don't know if there is any truth to that, but Kennedy really won the election by a hair and wasn't really very adventurous on this.

DEAN: I guess he inherited the Bay of Pigs. Of course, it took place on his watch, but I think it was already in train. But, I don't know if you would call Vietnam adventurous or not.

Q: No, it was sort of a reaction.

DEAN: Maybe he inherited that, too.

Q: Yes, Dien Bien Phu was in '54, but I mean things sort of grew, it wasn't as though he...

DEAN: But that is how all these international crises develop. They just don't usually flare up unformed; they take root, and they gradually appear.

Q: Well, you were somewhat removed, but did the enthusiasm for government and all that that came with Kennedy, infuse the Foreign Service where you were or were you just too far away and too...

DEAN: I think it was an uplifting time. People felt hopeful about the future. I'm not talking about just China policy but the future in general. To a lot of youth, it was a breath of fresh air; people felt that this was a good omen for the future, but I don't think it affected our day by day work or changed anything in Hong Kong.

Q: What about Hong Kong and these textile agreements? Hong Kong by this time had reached the stage where textiles seem to be a moveable thing going to poor areas.

DEAN: Before then, you see, when the communists took over on the mainland in 1949, many of the Shanghai textile magnates moved down to Hong Kong. Very fortunately, a lot of the new equipment they had ordered was on the high seas, and they had it diverted to Hong Kong, so they were able to start business right away. They built up an enormous business to a point where our economists were worrying a great deal about the flood of textiles that were coming into the States and driving our own textile industries out of business. So, we focused on Asia, although a lot of the textiles were coming from Italy and other places. We concentrated on Hong Kong and decided on an agreement that would limit the amount of increase of Hong Kong textile exports per year. After a lot of heartburn in Hong Kong, because the textile magnates there didn't want to be limited, the British decided they would sign an agreement for doing this. They gave quotas to each of the textile manufacturers. Those quotas have been bought and sold in subsequent years. It has worked very well except that a lot of these businesses established factories in Thailand or Taiwan or other places, even Africa, and started manufacturing textiles for export to the United States. In a way, we may have cured the Hong Kong problem but then we had to make textile agreements with Korea and Thailand and everybody else. It is like suddenly 1,000 heads were springing up and you have to deal with all of them.

Q: When you were doing this at this time, you were dealing with the British, and how were the British dealing with the magnates who were mostly Chinese?

DEAN: That is right. We were dealing mostly with the British. They usually would have some Chinese staff too. In their legislative counsel or executive council meetings, they would have several Chinese bankers as well as prominent businessmen. They would discuss these things to the nth degree. Gradually the British were able to persuade everybody that there was no alternative, that they had to do this, and in the long run, it wouldn't be bad because they had a guaranteed increase. That has worked quite well for them. So, the industry prospered. They didn't overproduce; they knew what the limits were and they ran up to them. They would negotiate with us frequently on different categories, taking things from one category and putting them into another or expanding the categories; gloves, hats, different sports apparel. So, they did very well with the textile agreements. It seems restrictive and against free trade on the basis of it, but in many ways it benefitted their industry.

Q: Did the dynamics here, the British were doing the negotiating, did you had the feeling that the Hong Kong Chinese merchants were part of the process.

DEAN: Yes, they had to bring them into some of the negotiations. We dealt with the British Director of Commerce and Industry and with the Financial Secretary and with the Chief Secretary. I think that negotiations were pretty hard, but from our point of view, they were successful. John Lacey, my predecessor, did a lot of these negotiations. He was very even tempered and kept to our position and wore the others down. Eventually they saw the light.

Q: I thought we might stop at this point, and we'll pick it up next time when you are leaving Hong Kong in 1962. Where did you go?

DEAN: I came back to the Department.

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Q: Well, in 1970, you were back in the world again.

DEAN: That's right. Even before I had gone to the senior seminar the EA Bureau asked me if I would go to Hong Kong as the Deputy Principal Officer, and I agreed to, so I was back in Hong Kong in 1970 and stayed there until 1974, mostly doing my best to help manage a very large office. We must have had several hundred people if you combine the 250 Americans with several hundred Chinese. It was a big operation. A large part of it was concentrated on analyzing what was happening politically and economically and militarily within China. It was at that time, our largest China watching post. I have spoken earlier about some of our sources. Some of them were the same, but we had additional sources by then. There was more travel by American citizens to China. We had opportunity to interview them and to see many other foreign travelers who came through Hong Kong who had been on visits to China, so we had more information. Many of them had spoken both to central and local officials, so we found out quite a bit more about what was happening. It was pretty obvious there was an easing of tensions between the

U.S. and China. This was even before Kissinger's visit.

Q: Kissinger's visit was during this period.

DEAN: That is right. It was in 1971. Kissinger had secretly visited China. John Holdridge was with him. Holdridge's book, Crossing the Divide, details that trip. Kissinger had ostensibly been on a trip to Pakistan and allegedly became ill, but actually he was spirited away to the airport and flew to Beijing where he met with Zhou En-lai. Of course, most people in the Department, including Marshall Green who was the Assistant Secretary and ourselves in Hong Kong who were supposed to know what was going on, knew nothing of Kissinger's trip or the results of it. However, one of my friends in Hong Kong was L.P. Sung, a newspaper publisher of a very small paper. He had previously been in the intelligence service for the Nationalists and then the communists. He could have been working for both of them for all I know. We were having lunch in a small restaurant where we used to meet periodically. He said, "You know, there is going to be a very high level visit from Washington to Beijing." I said, "Oh?' He said, "Yes, the highest level." My friend was well connected with the NCNA people. They were the Chinese communist newspaper and intelligence arm. He said, "Yes, I have got this on very good authority." Of course at this time that was sort of a big shocker. Nobody thought that things would move as quickly as that. We all read President Nixon's article in "Foreign Affairs," but we hadn't realized things were moving that fast. We weren't in the loop on that type of closely held information. So, I went back to the Consulate General. It just so happened we were having our country team meeting, and I told them what I had heard and asked, “Should we report this to Washington?” Then it was decided by David Osborn, who was our Consul General, not to do so.” He said, “they probably know about it if it is true.” David Osborn was, I think, one of the most brilliant people I have ever met in the Foreign Service or elsewhere. He was a great linguist. He had served in Japan and spoke excellent Japanese and excellent Chinese. He also spoke the Cantonese dialect which he learned in Hong Kong to such a degree that he would go on the radio program and indulge in banter, a humorous dialogue, with the radio station host. Later, when he became Ambassador to Burma, he learned Burmese, too. He always thought that everybody else had the similar type of keen mind as he did. He would send reports or ideas or suggestions back to the Department that would go from one logical point to the other without filling in the valleys or thought processes in between and expect his readers to be equally as intelligent as he was, so that he didn't need to fill in all the argumentation. I kept on telling him that his assumption that everyone would understand wasn't necessarily the case. I got several comments or feedback from the Department saying they didn't understand why he had gone from point A to point B to point C. It was a pleasure to work for him. But, getting back to Kissinger's visit and the aftermath.

Shortly after L. P. Sung had told me that an important top level visitor was coming from Washington to Peking, we received a flash message. It was about three or four days later, telling us to listen to the radio in twenty minutes. That was Nixon's famous radio and television address here in the States, in which he revealed that he was going to go to China to bring about a change in U.S. relations with China. Well, this was exciting news, and pretty soon we were involved in preparations for the visit. Then, after the visit, there was subsequently an agreement that we would set up an official liaison office in Beijing. David Bruce was the first ambassador. He was given the personal rank of Ambassador for his new job. It was a new concept in diplomacy, the Liaison office had all the diplomatic privileges and immunities and what have you, but the U.S.

still didn't have diplomatic relations with China. We just had an official liaison office and they had their official liaison office in Washington, both represented by an ambassador. The Consulate General in Hong Kong was involved with getting David Bruce and his wife up to Beijing and provided a lot of administrative backup for them as they were just getting started. We were involved in helping with the establishment of the liaison office. They were rather short staffed, so they called on us for various things. For example, for the first time an American official was to be permitted to go to the annual Canton trade fair, so I went to represent the U.S. from the Consulate General because the liaison office couldn't spare anybody at that time. The Chinese reluctantly agreed that I could go. It was an eye opener for me because at that time Guangdong (Canton) looked like a very old fashioned city that time had passed by, there was very little traffic. It reminded me of Kuala Lumpur in the '50s in many ways. It certainly was not the bustling industrial center that it has become today with massive traffic jams, huge numbers of people crowding the streets, and fantastic pollution in the air and in the water. It has greatly changed in such a short period of time. I'm talking about the great change from 1973 until today. At any rate, a great deal of our effort was designed to try to help our office in Beijing get settled, but also we continued our reporting because the liaison office was not ready yet to take over a large amount of the China reporting.

Q: Also I would suspect that being in Hong Kong in those days, you were in a better place to report rather than being trapped in the capital.

DEAN: True, and that proved to be the case even later on. John Holdridge went to Beijing as the deputy. He was Kissinger's nominee. Kissinger was the National Security Council advisor to the President. But, Alfred Jenkins went as a second deputy. He was Secretary of State Rogers' appointment. The two, Kissinger and Rogers, couldn't agree on who should be the DCM, so they sent two DCMs. It shows you a little bit about the bureaucratic push-pull between the National Security Council and the State Department. I think the State Department really had not been informed at all about Kissinger's private visit and the President's intention to move ahead. The White House kept that very close and under wraps. No one knew about it except Kissinger and Richard Solomon and Holdridge. I think this shows the beginning of the divide between the National Security Council and the State Department. Later on Kissinger became Secretary of State, but he diverted most of the State Department officials who dealt with China by tasking them to write NIE drafts and other papers while he merrily went his own way with his own policy without waiting for any conclusions from Department desk officers. It was a very interesting way to keep the bureaucracy busy, but rather disheartening.

Q: Let's talk a bit about this period '70-'74. What was happening in China at that time?

DEAN: Beginning around the end of 1965 and into '66 China had embarked on the Cultural Revolution. It was, as I said earlier, Mao's efforts to strike down bureaucratic opponents and his opponents in the party, so he used young high school and even elementary school students, the young Red Guards, to storm the headquarters of the party and the bureaucracy and to drag out the responsible officials, vilify them, and pelt them with mud. In some cases, they were killed. Even in 1970, the Cultural Revolution had up and down, and additional surges of terror. Zhou En-lai was apparently trying to calm things down. Deng Xiaoping had already fallen and so had Liu Shaoqi and many other important officials. Things were in a relatively chaotic state. Dr. Lee,

in his book about Mao Zedong, goes into that at some length. We were following developments, trying to find out where the Cultural Revolution would lead. Eventually it went on for 10 years. The universities were closed. The libraries were sealed. Nobody got an education. Everybody was busy on trains going from one place to another to storm one center of the party or to destroy temples. The slogan was, "Knock down the old and up with the new," so they destroyed a lot of China's most beautiful artifacts. It was really a terrible crime committed against their own civilization. We were seeing the results of this, and we had many reports from relatives and visitors.

Q: This was not a closed society in this regard.

DEAN: No. It was widely publicized. It was in their papers, on their television, and broadcasts on the radio. It was everywhere. Everyone knew. Visitors, relatives would be just distraught at what was happening to the intellectuals who were being purged. The economy was really suffering because the government's attention was focused elsewhere, on the Red Guards and their task to destroy Mao's enemies. It was a very crucial period and we were reporting on all these events. Eventually, when John Holdridge and the others were established in Beijing, we kept reporting Zhou En-lai was under attack because he had advocated once again resuming the examination process to get into the university. The papers were attacking him, not by name, but were saying Confucius was trying to restore the entrance examinations for the universities. Some of the provincial papers up in Liaoning were leading this attack, and we were reporting on all of this. It was very clear from our analysis of what was going on in Beijing that the left wing of the party led by Jiang Qing (Madame Mao), and her cohorts were really trying to oust Zhou En-lai and the recently returned Deng Xiaoping, so that the leftist policies of supporting constant revolution, and constant struggle to prevent backsliding into bourgeoisie thinking and practices would prevail. They were really vicious in their attacks on Zhou. Zhou En-lai was ill; he was suffering from cancer. A couple of years later, he died. It was so obvious to us in Hong Kong that this infighting was going on. John Holdridge kept sending emissaries down from Beijing to our Consulate General in Hong Kong. He sent Fitzgerald, the Australian Ambassador, and he sent Howland, the New Zealand Ambassador, with messages for us to calm down, not to make such an issue of in-fighting. He said everything was peaceful on the streets of Beijing, that their people didn't think anything was going on and that we were unnecessarily alarming Washington. Of course it was clear, that at the liaison office everybody wanted the new relationship to work, and it would work much better if everything was stable.

Q: And they had their contacts, and they didn't want to see these contacts knocked down.

DEAN: Well, they thought that we were exaggerating. They didn't have many contacts, which I discovered when I went there later myself, the only contacts our office in Beijing had were the other diplomats. They might get some information from a fellow citizen who happened to be a businessman or someone passing through. Basically they had few, if any, Chinese contacts on whom to base their views. They didn't get the provincial papers that we were getting either. Later on in John Holdridge's book, Crossing the Divide, John said that he knew from the very moment he got there that there was this attack on Zhou En-lai and constant internal strife. This is, I think, memory failing him because he protested so much that when the new Consul General, Chuck Cross, came out to replace David Osborn, Cross said the Department thought that Hong Kong

was wrong in its assessment of what was happening. I think the CIA analysts were the only ones who thought we were right. But in this case the Department, the people on the desk and in the INR thought we were wrong. When I was in Beijing some years later, and the Gang of Four had just been arrested, big wall posters went up all over the city and they explained with excruciating detail all the ins and outs of the attack on Zhou En-lai for restoring the examinations, or doing everything that Chiang Qing and company had criticized him for, so we had a complete, detailed account of that period which I think proved without a slightest doubt that Hong Kong's analysis of the leadership in Beijing was completely accurate. We had a very good staff. We had Bob Drexler, an excellent draftsman, very concise and succinct; Jay Taylor, who was very good on projecting things into the future, and Sherrod McCall, who was excellent on short term projections. It was a terrific group of officers. Jay Taylor is in this area now. He is writing a biography of Chiang Ching-kuo and has sent the final draft to the Harvard University Press. Sherrod McCall is on the west coast, in San Francisco. He is guest lecturer on Chinese ships along the China coast and southeast Asia. Getting back to the point I was making, pretty soon Chuck Cross understood where we were coming from and he didn't try to interfere or change our analysis.

Q: I think it is an important thing to look at because dealing with China and visions of what happened to the old China hands, here you were reporting essentially chaos.

DEAN: Yes, a real serious leadership struggle. It was probably the beginning of the struggle for succession.

Q: By this point halfway through at least, Kissinger became Secretary of State. When you got these pleas from Peking and Washington, did this interfere with your reporting?

DEAN: No, we felt we were right, and we had newspaper evidence and some hearsay, but then radio broadcasts and other things that seemed to indicate our analysis was correct. We didn't change it nor did, Chuck Cross try to get us to change it. We just carried on. This was in '74, and just two years later, history proved that we were right.

Q: I'm trying to capture the attitude of the China hands. Here you have this immense nation which was not our friend which was going through a very chaotic time which meant it was very badly weakened. Was there any shout of almost pleasure at China's chaos because what is bad for this country means that it is essentially less of a threat for us.

DEAN: No, that was not our motive in reporting on the leadership struggle. I think most people who were working in the Consulate General at that time were very much in favor of better relationships between Washington and Beijing. Most people also believed that if China just dissolved into chaos, it could create many more problems for us than if it had a reasonably stable government, even though it was a communist one at that point. So, I think people were positively inclined toward China, at least those with whom I was working. There was no desire to create problems for the Washington-Beijing relationship. On the other hand, we felt Washington should know what was happening, so that they could base their assessments on facts instead of on hopes.

Q: Well now, as you were doing this reporting, were you seeing any of this encourage a Chinese xenophobia and criticism of the opening to the United States which had been sponsored by Mao? Still, I think this would be a turn that could have happened.

DEAN: Well, it was happening to a certain degree because all Chinese who had had an education in the United States or had some contact with the U.S. were dragged out and criticized. There was one professor named Robert Winter at Peking University. He had been teaching English there since 1926 or '27. He was a very elderly man at that time. They dragged him out and criticized him, imprisoned him in his room. Several other Chinese professors at Peida either committed suicide or were thrown into the pool at the university and drowned. It was a serious attack on the intellectuals and a really tense time for all the people. People were worried about what was going to happen as a result of these clashes in the top leadership. Were they going to spread as the Cultural Revolution had already spread over the country, was Madame Mao's influence going to prevail and would their future be even worse than the past had been?

Q: Was Madam Mao (Chiang Qing) pretty well identified as the leader there?

DEAN: She was well identified as the leader of the extreme left. There is no question there. She and her Shanghai clique really held a lot of power, and she had much influence because of her close connection with Mao Zedong. Mao was rather mercurial, too. At one point he would swing over one way and then swing over the other way. She tried to keep him influenced to the most extreme policy. I think at that time he was beginning to fail mentally, too. So she was a dangerous woman and perceived as such, not just by the leadership but by large numbers of the populace, who knew what was going on. Of course, hundreds of millions did not know, and had no idea, living in the countryside or in far-off places. Others who were in Beijing and the larger cities, such as Shanghai, had a pretty clear idea of the big power struggle.

Q: How were your contacts in Hong Kong? I mean how was Hong Kong responding to this, both the government at the British level and down below?

DEAN: I think they were responding with alarm. They could see a repeat of the 1962 situation where they had to set up barbed wire and have the police and the army push back masses of people who were trying to cross the border into Hong Kong as a result of the failure of the Great Leap Forward. They foresaw that similar things would happen again if the Cultural Revolution did leak over into Hong Kong. It was mostly during the period when I was in Taipei. During that period my friend Trevor Bedford was snatched. He was a high ranking policeman who was kidnapped by the Red Guards and later released. In Hong Kong there were bombs left in certain places and some prominent individuals had live snakes put into their mailboxes in packages. Open them up and there is a poisonous snake. So, there were all sorts of threats and things like that. The regime in Beijing was trying to prevent the Cultural Revolution from affecting Hong Kong. Hong Kong was still the source of a great deal of China’s foreign exchange and their trade, so they wanted to preserve it, but it proved impossible to control everybody. Things just became chaotic. People were worried about the future. Was their future going to be one of disintegration and chaos, or were they going to be able to ride out this period? It was a tense time, I think, and for the intellectuals it was a period of extreme worry.

Many of them were sent down to the countryside to work in pig styes. I remember one woman I met some years later. She had been sent to far-off Inner Mongolia. The local peasants hated the people who came down from the cities. Mostly they were intellectuals; they had no idea how to farm. Their hands weren't ready for hard work nor their health, and they were just extra mouths to feed, so they were really not received very well. They were set to the most menial work. She was cleaning out pig styes and all sorts of the rotten jobs you can find on a farm, but she did it willingly and built herself a reputation. Some years later, they voted to send her back to school teaching. She had been a school teacher in Shanghai. But it was true of everything. Children were betraying their parents, denouncing them as bourgeoisie capitalists or denouncing them for having said this or that, and the parents would be sent down to the countryside to slave away on farms. The whole place was so disrupted.

I don't know if I mentioned earlier, but I went to Jinan, which is the capital of Shandong province. There is a hill, called the 1000 Buddha Mountain outside the city. Over the centuries Buddhist statues, huge ones and small ones, had been carved in the stone. The Red Guards had smashed off the heads of every single one of these statues using dynamite if it was a really big one or axes if it was smaller, so the whole place was destroyed. Many other cultural sites were destroyed as well. In some cases the army came out and protected temples and other buildings on orders from their local commanders. Sometimes army units were fighting against each other. Many temples, many priceless scrolls, and all sorts of artifacts were destroyed during this period. I think that the human destruction, destruction of their history, and the fact that the schools were closed for ten years, made this period one of the darkest times one can think of in Chinese history. It had such a major effect on the future in terms of losing a great pool of educated people, and also the attack on the intellectuals left China without much guidance in that area. It has taken a long time to build back. So, I think China really suffered enormously during the Cultural Revolution. In my view, you have to blame it completely on Mao Zedong and his policies. It is just as you see in Dr. Lee's book, Mao acted like an emperor, aloof and isolated. People were even afraid to approach him. When they did, it took months to get him to focus on any policy that would improve the lot of China's people. In Hong Kong at that time we were just doing the best we could to give an honest assessment of what was happening in the mainland. As for Hong Kong itself, we had very good relations with the British government and with the Chinese members of that government, as well as with Chinese merchants, bankers, lawyers, either professionals and with the media as well. We worked hard on all of these contacts, and one of our major targets was the American Chamber of Commerce. They had good information and we would exchange ours with them, and we tried to build up really close ties with the Chamber and to help them as much as we could. I feel Hong Kong and Taiwan were two places I have been where the relationship with the American Chamber was very close indeed, and invaluable.

Q: Was the Consulate General feeling the pressure of the people of Hong Kong, particularly those with money, to make sure they had American passports and green cards?

DEAN: Yes. A lot of them tried to do that. They could get E-visas if they were investing in the United States, because Hong Kong was a British crown colony at that time, so they could get treaty trader visas. Many of the wealthy Chinese had children in the United States, and it was easy for them to get permanent residence. For tax reasons, most of them did not, but they all had visitor's visas to go if something happened.

Q: They were all keeping their...

DEAN: That's right. Some of them had their seagoing yachts ready to get on and go. They could reach the Philippines or elsewhere. Most people felt they would have enough warning. Except for the incidents I mentioned when the Cultural Revolution spilled over but was contained by the police and the army, there wasn't that feeling of panic in Hong Kong or the fear that Hong Kong was going to be overwhelmed. The incidents I spoke of happened in '67 and '68. By the time we are talking about in the early '70s, Hong Kong was more worried about its trade and it economy. The stock market had fallen through the floor, having gone up very high, it had come down very low. Many people lost their money. But, things on the mainland seemed to be settling down. Zhou En-lai was back. His influence seemed to be apparent, and the flow of the Red Guards was beginning to recede. The frenetic sending of people off to the countryside was beginning to stop, but people hadn't come back. Things seemed to be calmer, and this is the period when we established our Liaison Office. But, under the surface, as I mentioned, things were seething and bubbling and ready to break open again. It was a fascinating period of time. We were very busy, as you can imagine, in the Consulate General, not only with the visa applicants and the business interests, but with the analysis of what was happening economically as well as politically on the mainland, and with our support of the new Liaison Office in Beijing and our efforts to help as much as we could.

Q: Did the war in Vietnam play any part in what you were doing?

DEAN: Yes, of course. It was a major factor. We had an enormous number of ship visits. Hong Kong was an R&R place for the navy. Ships that had gone down to the Vietnam area had come back, so their crews had R&R. It was an R&R post for lots of people from Vietnam, too. Soldiers and others came from Vietnam for rest and recuperation. That was an important area. I think Hong Kong merchants benefited a lot. They were making equipment for the military in Vietnam. Everything from web belts to buckles and boots, everything you could think of, so in a way they prospered with the Vietnam War. Of course, behind all of this was the reason for the Nixon-Kissinger opening to China. They not only wanted to use China as a barrier to the Soviet Union's expansionism, but as a way of trying to resolve the Vietnam War. That was one of their primary reasons for the new policy. I think everybody understood that, at least in our office, so Vietnam was tied in to everything that was happening at that time, and Hong Kong did have a role in the ways that I mentioned.

Q: With China hands, of which you were one, Hong Kong was always the greatest concentration, was there a new rise in morale and chomping at the bit because all of a sudden China was opening up?

DEAN: I think most people in Hong Kong were pleased that China was opening up, as was the American public. I think there was a great wave of approval when President Nixon made his announcement about his forthcoming visit, but I think we were sort of realistic because the Chinese are not that easy to deal with. We found that even during Nixon's visit there were hard negotiations going on about the Shanghai Communiqué. Marshal Green by that time had been brought into the net with John Holdridge and others, and the Chinese were really very tough on

the question of Taiwan and other specific issues. I think that no one thought it was going to be easy. I had a great deal of experience dealing with the Chinese in Warsaw already. I didn't think it was going to be easy. The Chinese government wasn't settled then. It was impossible to see smooth sailing. The best we could hope for was gradual incremental progress in the relationship, and that is what we did hope for. I think most people in our Embassy in Taipei, as well as Hong Kong and most of the Department, felt these moves were good for the United States, that it was in the U.S. national interest to move in this direction, so I feel there was almost a unanimity. There were a few people, of course, who kept thinking about the past instead of the future, but they were in a very distinct minority at that time. Still, some people were suspicious about China and whether the relationship would work, what China would do in the future, and whether it would be able to recover from the Cultural Revolution. Who knew? There really was a lot of guesswork going on then.

Q: Well, you left there in '74.

DEAN: That's right, I went back to the Department.

JOHN A. LACEY
Economic Officer
Hong Kong (1960-1964)

John A. Lacey was born in Illinois in 1917. He joined the Department of State in 1950 and the Foreign Service in 1955. He served in Taiwan, Hong Kong, Singapore, Australia, and Rangoon. He was interviewed by Henry Precht in 1989.

Q: *Okay, well, then you left Washington. You were destined for Hong Kong as chief economic officer.*

LACEY: I might say now that the two best bosses I have ever served under in the Foreign Service were, both in Hong Kong. The first was Julius Holmes, whose name is very familiar to you as the great man -- now deceased -- that he was. And Marshall Green.

But, at the time, it was Julius Holmes who was the Consul General. I was chief of the economics section. Sam Gilstrap was deputy principal officer. Fortunately for me family affairs called Sam home. I don't know what happened, but I was informed by Sam Gilstrap that Mr. Holmes wanted me to be his DPO. I was very excited about the prospect. I called the Consul General's secretary, Emma Johnson, and said with excitement, "How soon can I see Mr. Holmes to find out what I am going to do?"

And she said, "Right away."

So I was ushered into the Consul General's office and Julius -- did you ever work with him?

Q: *No, I knew his son, Alan.*

LACEY: Well, Julius was a small man really who affected height by wearing higher heels than normal. He affected Pince-nez glasses and was every word the English gentleman that he purported to be. He had been Minister Counselor of Embassy in London for six years. So he knew the ropes backwards and forwards.

I dashed in and found him in his office reading a magazine. After exchange of amenities, I said, "Mr. Holmes, how can I serve you?"

He said, "Very simple. I have four rules. One, I am the boss. Two, I am lazy, and I expect you to do all the work. Three, if anything good goes on around here, I want the credit for it. Fourthly, if anything goes awry, I sure as hell want to know why."

Henry, that was the best instruction I ever received from any senior officer because that gave me carte blanche to run the show. I kept Julius' trust. I kept him informed of everything that was important. I drafted some of his personal telegrams, which he always changed because he had a great command of words. I could tell many stories about Julius which I won't take time to relate. Let me tell one though because I think it is indicative of the man and the quality of Foreign Service Officer who best serves Uncle Sam.

Julius and his wife, Henrieta, were expecting their two children for Christmas that winter of 1960. I knew how much they were looking forward to it. I knew also the great disappointment they suffered and felt when they learned that neither child, boy and a girl, were able to join them. So I said to Mr. Holmes, "Well, if you want to celebrate Christmas at the Lacey household, you are certainly invited. But I must warn you, you must be there at least eight o'clock because my two daughters will be impatient to open the presents."

So exactly at eight, up drove the ConGen's car. I opened the side that Henrieta Holmes was on, and my wife opened the other side. Both of them immaculately dressed. He dressed in morning coat, morning trousers, English cravat, and top hat. He bowed to us each formally by way of greeting but said nothing. Walked into our attractive little house on Shousan Hill Road, where my two daughters were eagerly awaiting him. He stepped before my two daughters, took off his top hat and made deep bows to each. He then put it back on his head tapping the top. And then he turned to Lorene and me and said by way of explanation, "We always wear top hats in Kansas on Christmas." He was a great guy. [Laughter]

My job as deputy principal officer was one of the best jobs I ever had. We had a large Consulate General. I think it numbered 145 officers and secretaries. Now of those 145, only a handful were Department of State. The rest were other agencies, and you could imagine which agencies predominated. And, yet, under Julius Holmes' leadership, we had a very effective group of China watchers. That was our main mission.

Much of our reporting was regarded as gospel in Washington, at least by some people, as the final word on the China scene. I remember a contretemps that we had with the Department of Agriculture, or maybe the Department of Commerce, over China's food grain production. We had aboard a fine officer by the name of Brice Meeker who guesstimated -- not just guesstimated

but estimated -- that China's production in 1960-'61 was on the order of 130,000 metric tons of grain. CIA experts disagreed radically. They felt the figure was much too low. But, as it turned out, we were right; they were wrong. That was the quality of our reporting on China, generally.

After Julius Holmes left, we were blessed with the leadership of Marshall Green, whom you know well. You know him to be the ebullient, pun-cracking, wise-cracking serious officer that he is. Of all the people that I have ever served under, Marshall was the only one who studiously reflected on the past. He kept copious notes on his most recent tour which was DCM in South Korea Embassy Seoul. He would go over those notes time and time again, rework them, read them, and discuss them with me. I would offer questions, not criticism, but things that occurred to me. We made a fine team.

Another one of Marshall's traits was his ability to handle visiting congressmen. We had untold numbers of VIPs, mostly congressmen, but also generals and admirals and ICA directors by the dozens. I remember keeping track of the one month that I was chargé over the Christmas season. My wife and I entertained 142 official parties, not including their wives and friends.

Q: *Were most of them there on serious business?*

LACEY: I'm glad you asked.

Q: *Or were they Christmas shopping?*

LACEY: Well, thanks to Marshall Green, primarily, we made it a point of assuming that they were there seriously concerned about China. But first I have to go back to Julius Holmes, who started the practice. But under Marshall, whose refinements were enormous, we automatically assumed that every single congressional mission, called CODEL, you remember, was there to really learn about China and the U.S. mission in the Far East rather than to shop. Of course, we knew better.

Q: *In your heart of hearts.*

LACEY: But nevertheless, we insisted upon briefing every single group that came to Hong Kong. We had worked out a one-half hour topnotch briefing mission in which we gave the political, economic, sociological, and strategic information available and our interpretation thereof in terms of the U.S. interests in China. And what's more, those CODELs, for the most part, if they weren't asleep welcoming this insight.

Q: *How good was the work of the Hong Kong Consulate General as a listening post? Your frank assessment --*

LACEY: Well, at that time --

Q: *When you looked at the developing Sino-Soviet rift or internal turmoil in China, how reliable was the information? Did it come out through people traveling out of China or what was it? The radio or press? What was it?*

LACEY: It was surprising how much direct information came out of all places, from all over China. There was, for example, in 1962 an extreme drought, a critical water shortage in the South China provinces. It reached the point where the government had to erect cordons of barbed wire, or whatever it is called, around the border of Hong Kong proper to try to hold back the refugees who nevertheless managed to break through regardless because the situation was desperate. Those refugees were interrogated both directly and indirectly by officers in the ConGen and by other contacts we had, including the British by the way.

I can't say enough for the British administration at that time who shared even more vested interest in what was going on in South China than did Uncle Sam because the British colony of Hong Kong was dependent upon water, dependent upon food, both of which came from Mainland China. There was a constant commerce between the two. There are many practical issues that concerned the British administration in the colony of Hong Kong.

They, in turn, shared with us much of their information that they got surreptitiously. Not openly, but they shared it with us. So I would say in terms of our availability to information, the Hong Kong ConGen was probably the center of information as far as American interests were concerned.

Speaking of the American public, we had in Hong Kong excellent working relations with the Fourth Estate. Stanley Karnow was one who was outstandingly good, Bob Elegant another Stan Rich a third, Fessler a fourth. A small group of us had lunch in the old Foreign Service Officers' Club, which was a former house of a taipan, rich Chinese gentleman. "Love is a Many Splendored Thing" was filmed there. Once a week, a group of us lunched including people interested in China and including, especially, foreign correspondents. The relationship that we officials had with these foreign correspondents was invaluable. Unlike today, one could say, "This is off the record," and give them the background without fear of being trapped in any kind of news leak. They could be trusted. It was another source of information because it worked both ways. They would also repeat stuff to us based upon their many contacts. So to repeat, we had good information.

Now as for interpreting that information, I think we made two grave mistakes. First of all, I for one at least, was inclined because of my earlier NIS exposure in Washington to give the Chicoms too much credit for having more power than in fact proved to be the case. When Khrushchev broke off directly with Mao Zedong, I didn't appreciate the significance of that development both in terms of the effect upon China and also the effect of a threatened Sino-Soviet bloc stance against the United States. I think we should have learned earlier than we did -- or at least it should have been built into our briefing earlier than it was -- the notion that now the Sino-Soviet bloc is broken up, China became a wholly different kettle of fish or kettle of dragons.

Q: *It was at this period also when we began to take the first steps towards our heavy involvement in Vietnam, was it not?*

LACEY: Yes. The Vietnam build-up, under primarily President Kennedy, was something for which I have ever since felt personally embarrassed and personally ashamed. Just this noon when

we lunched with the two presidents of Ashland College, former President Glenn Clayton raised the question of the importance of Taoism in China. I pontificated by saying, "Yes, the Te of the Tao Te Ching means virtue. But it also is translatable in terms of power, power not in the military, iron-fist sense, but power in the moral sense of acceptability on the part of the public."

I think going back to the Vietnam War, I was thinking like a Taoist when I argued as I did, and also some of my colleagues did that the only thing that the Chicoms understand is power. We must stand up to them. Well, I fail to translate power in U.S. Pentagon terms because in their terms, power was guns.

Q: *In American terms.*

LACEY: Yes, in American terms. Kennedy was, I think, responsible for transforming what had been a Military Aid Advisory Group (MAAG) in Vietnam into a combat force.

Q: *Why did he do that? Why did we feel it necessary to declare the area of Indochina a strategic zone of high importance to the United States and to invest so much treasure and lives in what turned out to be a futile effort to block the communist-led independence movement?*

LACEY: Henry, I come back to a simplistic answer. I think, then as now and hopefully less so in the future, I think the American people generally and certainly too many of our officials are ignorant of what is really going on in Asia. Therefore, our politicians are able to exploit that indifference or ignorance in terms of responding to domestic pressures rather than to developments in Asia. I think the domestic pressure was caught up in a sort of frenetic, emotional thought that we are going to stand firm for democracy. We are going to stand firm against authoritarianism.

Q: *Now, your contacts in Hong Kong in the business community there, bankers and government officials, were they supportive of these gradual slow moves in the beginning for the U.S. to replace the French in their involvement with the Vietnamese?*

LACEY: I think the word, "supportive," is too strong. I think the business community of Hong Kong -- which meant both the Americans and the local people, who were mostly Chinese but also Parsi and Jews -- saw this as a moneymaker. They were able to enjoy the prosperity that spun off from our involvement in Vietnam.

As our involvement in Vietnam grew to the hundreds of thousands, the recreational programs that the Army or the Pentagon sponsored for morale purposes involved many R&R trips throughout Asia including Hong Kong. Somewhere I read that only 2 percent of troops sent to Vietnam actually saw combat. The 98 percent "bolstered morale."

Q: *So Hong Kong stood to benefit the same way the Japanese benefited from the Korean War. That is, acquiring capital to help them develop and expand their economy.*

LACEY: Yes, I would say that.

Q: *You went from Hong Kong to serve as consul general. You were your own boss there in Singapore, is that right?*

LACEY: Yes. But I have more to say about Hong Kong.

Marshall Green did me the great honor of remarking that I underplayed my role as a bridge between mainland China and the Colony of Hong Kong. In one respect he was right. One could say that in January, 1960 when I arrived, Hong Kong was a remote outpost of empire, important principally because of the impact of the Colony's textile producers on British industry. The ConGen's principal function up to my arrival was China watching.

But as the newly arrived Chief of the Economic Section I inherited a situation in which the Hong Kong Government authorities were being propelled into radically new situations. The momentum of Mao's revolution showed signs of waning. Instead of fleeing from Hong Kong as did many American firms. Big enterprises like Chase Manhattan were seeking to return and I facilitated those endeavors. Whereas the American business community in Hong Kong numbered at most 200 firms when I arrived that number close to or possibly exceeded 1000 in mid 1964 when I left for Singapore.

And the Hong Kong Government itself was being drawn into the international textile market. Hong Kong's textile industries were dominated by Chinese entrepreneurs who with their looms fled Shannhai from advancing Chicom armies. They joined forces with Hong Kong based manufacturers, making some 45 major textile firms. Textiles represented about 50% of the Colony's exports. As Economic Section Chief I stepped into a heated textile battle between Hong Kong and the USA. Shortly after I arrived -- it may have been my very first day on duty -- the feisty editor of the Hong Kong Standard, K.T. Wu, printed a heated front page editorial that screamed, "Who Stole Hong Kong's Shirt?"

Hong Kong's ire was directed increasingly at the U.S. government as Uncle Sam turned its fangs away from Japan, which was moving into heavier industry, toward Hong Kong. Fortunately for me, the Lacey's had become close friends of the Hong Kong Financial Secretary, John (later Sir John) Cowperthwaite and his attractive wife Sheila, as outspoken as she was beautiful. John had intimated, despite his fierce belief in laissez faire, that quotas perhaps were not too evil. At least they enabled Hong Kong manufacturers to set garment categories among themselves rather than being subject to New York dealers playing one off against another.

That argument became my battle cry as I wined and dined the leaders of Hong Kong's textile community. I also briefed Under Secretary of State George Ball when he came to Hong Kong (July, 1961?). I arranged a high tea at the Peninsula Hotel in his honor, invited textile leaders and suggested to Ball that frankness was the best course in questions and answers. That occasion helped reduce the ire. (An account of this tea party and Ball's role as the Department's chief textile negotiator is recorded in his memoirs, pp 188-193, "The Past Has Another Pattern.")

One evening as the textile tensions between the U.S. and Hong Kong were reaching a climax over quotas, I strolled in walking shorts down Shouson Hill road to the Cowperthwaites who lived below us. That day the ConGen had received an urgent telegram directing us to expedite

negotiations. That was on my mind as I called upon Cowperthwaite. One brandy led to another as our textile discussions became more vague. I left at 3:00 a.m. but before stumbling into bed I drafted my recollections of Cowperthwaite's points. Next morning I reworked my notes and made an appointment to see the Financial Secretary at 10:30 a.m. Said John, to who I had shown my draft cable to D.C., "Did I say all that?" When I nodded my head in agreement, John made a few grammatical changes but did not change the heart of the cable which was sent to Washington after clearing the content with the ConGen.

I should explain here that one of the several tricks I learned from Julius Holmes was what he called "the art of connivance." The essential purpose of connivance was to establish trust with the host government by first showing contemplated reports to Washington to your counterpart, primarily to insure that your reporting was accurate but also to establish good working relations with the host government.

This particular report was received in Washington as a generally accurate statement of the Colony's position which the Hong Kong government accepted. And that is how the U.S. government signed the first "Long Term Cotton Textile Agreement on the Export of Hong Kong's Products to the U.S.A.

I have much more to say about my Hong Kong tour, but let's move on to Singapore.

MARK S. PRATT
Mainland Economic Officer
Hong Kong (1960-1963)

Mr. Pratt was born and raised in Massachusetts and educated at Harvard, Brown, Sorbonne and Georgetown Universities. Entering the Foreign Service in 1956, he studied Chinese and was posted to Hong Kong. Throughout his career Mr. Pratt dealt with Far East and Southeast Asian affairs, serving in Taichung, Hong Kong, Vientiane, Paris, Taipei and Guangzhou (Canto), where he was Consul General. His Washington assignments also concerned Southeast Asian matters. Mr. Pratt was interviewed by Charles Stuart Kennedy in 1999.

Q: *Well, when you got to Hong Kong, what was your job?*

PRATT: I was in the Mainland Economic Section. They have changed their setup several times, but this was the Mainland reporting unit.

Q: *Who was consul general when you were there?*

PRATT: Let's see. Julius Holmes started out. Then Marshall Green. We had Sam Gilstrap there acting, I believe, for a time. He was deputy Consul General when I first arrived, and he was back on leave in the States, so I lived in his house down on Deepwater Bay, and he, I think, was acting then as Consul General for a time until Marshall Green arrived from Korea.

Q: *In many ways the politics were much less the story on the Mainland than the economics were, while you were there, because of the collapse of the Great Leap Forward.*

PRATT: Well, of course, as in most Communist societies, it's very difficult to separate the two things because the principal thing which most political leaders are concerned about is economics. But how you solve economic questions is, of course, a political question. So of course, one of the key things we had problems with is that it was very, very difficult to get any information about the internal political workings. We did have, of course, a very active intelligence operation going on, mostly done by the British, screening refugees out from the Mainland. One of the great figures of modern study of China, Father Madani, ran his China news analysis, which was an enormous influence on how everybody was looking at the Mainland, because he, of course, tried to look behind - took what they said and then tried to figure out what was in the minds of the people who were writing it.

In any case, we did get a certain amount of information, for example, about the Lushan meeting, where Mao was criticized for the Great Leap Forward. Peng Dehuai was subsequently . . . [end of tape]

So we realized that there were political things going on. We had a very, very gifted Chinese, who had studied at Harvard and had gone back and was working as a local employee in our political section and was one of the most gifted persons in reading the tea leaves. We would look at the photographs and do whatever people used to do in Moscow with Kremlinology and try to figure out just what the role of Chung Min [Ed:?] was at this particular point because of where he stood in relationship to Mao, and who was being eclipsed by whom, and whom did Mao walk by without shaking the hand of the person, and so forth.

And so we were, indeed, trying to work on the political side of this, and like, say, the British did get a read-out of the Lushan meeting, apparently, indirectly from somebody who actually attended it. So you could get little hints about the politics.

Q: *Could you talk about what you later learned about the Lushan meeting that made it so important?*

PRATT: Well, this was the major big fight that Mao had. Mao, of course, had generally been able to get everybody to go along with him, even, for example, in the earlier attacks on Rao Shushi and Gao Gang. Nonetheless, he had been able to get almost everybody to go along with this. But the Great Leap Forward was something which he had launched on his own, and it was very, very difficult to get him to pull back from this. And they had a meeting, ostensibly to try to figure out how to handle this, and it was turned by Mao into something where he was able to get out of positions of real authority those who had opposed his view, at the same time that he was able to pull back from the Great Leap Forward. But he was able, as I say, to use it to take care of, eliminate the critics. In other words, there is nothing worse than being right when you are dealing with someone like Mao because you had better not be right until he's right.

Q: *Was there any feeling within the American watching establishment of China early on - I'm*

talking really about before your time, but you were getting reflections of this - that, gee, maybe the Chinese have got something? I remember, you know, there was a little talk about these hearthside furnaces and barefoot doctors and all this, really by people who didn't know what the hell they were talking about - we're talking about Americans - but was there any that, people thought maybe because the Chinese are so big, maybe they're on to something?

PRATT: Not in our consulate, because I think we had practically nobody who had come to that view. Even our Chinese local employees were constantly being told to approach these claims with a critical eye, not to just try to do puffery about China. But we know that not only in the United States, but for example, the Japanese . . . The Japanese had long held a very pro-China section. This, of course, was generally people reacting to the old military people and what they considered to be the *anti*-Chinese attitude of the military. But we had one Japanese we heard, because we had very close relations with the Japanese consulate general in Hong Kong because we were both looking at the same problems there in China, and we basically shared similar views. But one very prominent Japanese, when the initial claims of the Great Leap Forward came out, showing enormous advances and great achievements and so on, hailed it as being proof that the Chinese system was the best in the world and that Japan could learn a great deal from the Chinese. And then Zhou Enlai came out and retracted the claims, and this Japanese said, "Zhou Enlai is a liar. They really did make these great accomplishments, and now he is lying. We don't know why he's doing it, but Zhou Enlai is being the liar."

Q: *Was this a sort of Asian nationalism, too, do you think? I mean, the Asians can do it better than the Americans, the West, or something, do you think, from the Japanese point of view?*

PRATT: Well, the Japanese point of view, I think it was just part of internal Japanese politics. In other words, they felt that in Japan, society has several threads through it, and one of the military ones, and the old Samurai traditions, and so on; and then you've got some of the other people, who really are opposed to this particular group, and their way of showing it is to say China is another alternative. Japan has always borrowed from China and Korea as well as producing a lot of things on its own. And we then, afterwards, I think, went through a very strong "Japanese system is better than any other system," which you can see in Ezra Vogel's *Japan Number One.* This is, I think, something where Japan can say no, and things of that sort. And now, of course, China can say no. So I think that, yes, there is a partly anti-Western bit to it, but also there's an aspect of the internal politics of your own country. We could see it with, say, Pat Buchanan, what silly ideas he can come up with, which pretend to be drawn from foreign reality. In other words, Hitler was really right and should have just been able to have taken over Eastern Europe, and he had no intention of doing anything against France.

Q: *Oh, no.*

PRATT: Oh, no. Well, in any case, this is using foreign matters to decide internal matters. The other aspect, I think, is still this nostalgia for Marxism and a nostalgia for how you can get a socialism where you're not quite sure what the socialism is - whether it's Hitler's socialism or Stalin's socialism or Fabian socialism -

Q: *It's government control, basically.*

PRATT: It's the most intelligent way. Of course, the thing to do is to get the most intelligent people into the government and then let them run things, and don't let things get tied up with dirty money, which is what capitalists always do.

Q: *I must say that as I've interviewed people who have dealt with things around the world, one does come away with the impression that Communist was a disaster, but particularly intellectual socialism as applied to a government has probably done far more harm than the Communist system did.*

PRATT: Well, the Communist system is merely another aspect of it, and of course I think one sees the desire to have the government alter things through its subsidies but without really seeing that some subsidies are either not needed or the unintended consequences are worse than the intended benefits. And so I think it's not just, shall we say, full-fledged socialism (as if one really can figure out what that would be).

Q: *Well, tell me, you're sitting there in Hong Kong, looking at the economy of China - what was the typical day like? What would you do?*

PRATT: Well, obviously, we would get certain telegrams in from around the world about various things which other people were learning. We would get the newspapers in. We had our local employees who were supposed to scan all the newspapers every morning and bring us in a report on what they considered to be the significant bits of information they got out from the regular newspapers. Then later on they would get the ones which . . . We had a big operation to buy local newspapers from various parts of China, which were, of course, not permitted, legally, to be exported from China, but we were able, of course (the Chinese being interested in money as they are), to pay smugglers to get newspapers and periodicals out, and we would be checking those and so forth, seeing if anything of great significance. We would be comparing notes with our fellows. We had, for example, a regular weekly luncheon meeting of the persons working on China where we would move around from restaurant to restaurant, each person supposedly trying to find a new and as yet undiscovered restaurant with some great new specialties and so on.

Q: *The members of this group would be from other consulates?*

PRATT: Sure. And also on some occasions some from the British Government as well. It had a regular membership, and we traded lots of notes because, of course, at that time we had nobody going into China. But the Germans had plenty of people going in. The Canadians had people going in, and the French, and so on. So we would often get very interesting information from them as well, particularly bearing on trade. But trade also, of course, was a key aspect of what was going on with the Great Leap Forward.

One of the political-economic questions was the departure of the Soviet experts from China, and I was asked to do a piece on that shortly after I arrived, and of course I had very little to go on at that point. I had just arrived from Taiwan. But it just did not seem sensible for us to have the Soviet experts thrown out by China despite the attack on the Soviet Union which Mao had launched with his "Long Live Leninism." In any case, this was obviously something where you

had to listen to the facts, and the facts were that they were going. And of course, it did turn out, we did learn later, that it wasn't Mao who threw them out; it was Khrushchev who had withdrawn them because he wasn't going to have Mao dragging him through the mud and attacking him and yet expecting to get full benefit from assistance from the Soviet Union.

So that was one of the political economic things which one had to work on, and a more important one even was the sale of grain and fertilizer to China as the result of the Great Leap Forward. We heard stories finally, after this had started, that it was Zhou Enlai who had been able to persuade Mao to alter the basic trade policy which Mao had enunciated, which was that China would not import anything which it produced itself and would export, to gain money, what it needed in order to buy what it could not produce itself. Mao was therefore wedded to a very sort of narrow, not very economically sound policy, and Zhou Enlai was able to persuade him to trade Chinese rice, to sell it on the open market, in order to purchase foreign wheat, because of course there was a great shortfall of foodstuffs, and he was about to demonstrate that they could buy two tons of wheat for every ton of rice they exported, and Mao, of course, found this challenged his whole concept of foreign trade, but he went along with it, but only after the military substantiated Zhou Enlai's claim that the danger of unrest in the cities was considerable. They had already squeezed as much out of the countryside as they could, and while the military could control the countryside and if 30 million died, 30 million died, but if they had unrest in the cities because of starvation, the military could not answer for it. And so this is what persuaded Mao, finally, to permit the exports in order to purchase grain. Of course, grain they purchased from France, from Australia, from Canada. At this time, we in the consulate tried very hard to get the new Kennedy Administration to be willing to adopt a policy of providing American grain. This grain was at that time being sold, but to sell it you had to make sure that you did it in a way which . . . Peking, for example, swore the French to secrecy. I found out about it anyway, and the French commissioner, or assistant commissioner, I guess it was, who was handling it at that time, was absolutely furious. He said, "How could you find this out. We made sure that nobody knew about it." Well, we did. I've forgotten just what the source was, but this was something which the Chinese were very much trying to keep secret. But then, of course, it was definitely too big to be kept secret very long. So we said there should be some U.S. indication that we could also be of assistance because, indeed, it is a famine situation in China. But of course, the people working around Kennedy, while clearly he would like to do something of this sort and clearly wanted to get closer to a policy - I won't say of "engagement" because the term did not exist in that sense at that time - but nonetheless wished to have an opening to China. As you may remember, when he first came and referred to the "government of the people on Taiwan," very clearly not using the "Republic of China." But he was persuaded that Congress, including the Democrats in Congress, would go through the roof if he did not cast this in such a fashion that it would be refused. So they had him make the offer of grain for China in such a way that the Chinese could only refuse. And this was, therefore, a connection of both politics within China and politics within the United States which, unfortunately, the Chinese rose to meet the challenge, and of course Washington did not.

Q: *Well, now, particularly at this stage, 1960-63, how were the consulate general people dealing with this, including yourself, reading the relations between the Soviet Union and China?*

PRATT: Well, very early on, of course, we had known that there was this "Long Live Leninism,"

and therefore a big Sino-Soviet split. We could not, however, get this popularized in Washington. I think, if anything, probably the most important factor was Dean Rusk. We knew the Yugoslav representative - called the trade representative - and an Austrian married to a Yugoslav, I think it was, and it was very clear that the fight was very important. We did not know all the details. We did not know, for example, the degree to which Mao was resentful of how he personally had been treated by Khrushchev. A lot of these stories were spreading around as gossip, but we didn't know how much weight to give to any of them, but it was very clear, certainly from the time in 1960, when these Soviet technicians were withdrawn, that it had gone just beyond an ideological sort of conflict.

So we believed that, and of course, we also believed that China was not part of this great web going from Moscow to Peking down to Hanoi - because of course by 1963 (in fact, from 1962) the focus had very much shifted to Indochina from China.

Q: *Well, now, you mentioned Yugoslav. I served in Yugoslavia from 1962 to 1967. At that time there was a feeling that the Yugoslavs were probably the most astute reporters on the scene in Beijing, reflecting what was happening. In other words, Yugoslavs were important players from our point of view. Was this just when we were in Yugoslavia, "Yugo-centric," or was this a –*

PRATT: No, it's because they, of course, as nominally Communist, and particularly in Peking they would view them as "national" Communists, which of course the Chinese considered themselves to be, they were no longer ready to take instruction from Comintern, and therefore, from their point of view, the Yugoslavs were sort of some of the "good" Communists. So indeed, they were the ones who, of course, broke the story about the departure of the Soviet experts. They saw them off at the station. Of course, they also, most of them, spoke good Russian, and they also spoke good English, French, or what-have-you.

Q: *So they had an entrée in both camps.*

PRATT: That's right, and as you may be aware, that was the time in the 1960's when Peking sent a certain number of students to study economic matters in Yugoslavia. And later on, they had them study in Poland, but the earliest group of the ones who were not sent to Moscow were sent to Belgrade.

Q: *What was the impression while you were there of Zhou Enlai, of his role?*

PRATT: It was a very high estimate - one, of course, of intelligence and, two, of suppleness. And I don't think he had a PR man because he didn't need one. Almost all the Chinese had a very high opinion of him, and I think, of course, Mao was obviously for many people a problem figure. They would view him as a god or as a devil. But a sort of educated, sophisticated, intelligent, supple Mandarin was the reputation of Zhou Enlai. I gather that a lot of newer material shows him to be far more of a kind of toady to Mao and not really having the guts to defend a lot of people whom he perhaps might have been able to defend, including Liu Shaoji. But the point was he apparently considered that he was one of the few people who could keep things from getting too far out. Even, for example, during the Cultural Revolution, he was able to defend the various museums in China and to put them off limits to the Red Guards, who wanted to destroy the

museums as another representation of what was old. And he was able just to pick up the telephone and ask a military man to try to keep the Red Guards out of the museums. So fine, you know, his reputation in the earlier period was of shifting to be able to get along with Mao, but nonetheless finding the best way to avoid real disasters. There is, I think, a story about he was able to even get Mao to realize that there was a great famine in the countryside, and using his own guard - I think that story is in the book by Mao's doctor -

Q: The Private Life of Chairman Mao - *fascinating book.*

PRATT: That's right. I think that book is very interesting. Obviously, the man could not understand all the politics going on, but nonetheless, he was like many Chinese, very astute in many ways. In any case, this is the sort of image which Chou had. We didn't know that story at that time, but we did hear the story that he was the one who was able to persuade Mao to change his attitude towards imports in order to permit them to import wheat to feed the cities through that horrible 1960's winter.

Q: *One of the things that I find interesting is that the 20th Century has been visited by three people responsible for the death of millions - Adolf Hitler, Joseph Stalin, and Mao Zedong. And yet, I think almost everyone who looks at it, at least from the American point of view, will agree that Hitler and Stalin were monsters of the first water; Mao was not regarded that way, and yet was probably responsible for more deaths than those other two combined. How was he looked on? Were people saying, "This guy's a monster"?*

PRATT: Of course not. Look at what Henry Kissinger had to say about him. Look what the French - for example when I was in Paris later on, from 1973 to 1978, I think it was Bétancourt made a trip to Peking and came back with the most ludicrous kinds of praise for Mao, how he was a "great civilizer" and a great "world cultural figure." I think that the fact that Mao actually wrote poetry and did calligraphy and that he has four volumes of his works which pretend to be contributions to the canon of Marxism-Leninism is something which means that intellectuals feel that they have to take him seriously because, from their point of view, he also is an "intellectual," and you can't attack him for that. And I think, sometimes it's the way some of the media people are so resentful for any attack on any journalist. Good journalist, bad journalist, betrays his sources, has people killed because of what he does - ah, but he's our fellow journalist. And I think a lot of the intellectuals would not attack him. But Hitler, he just wrote a one-time book, *Mein Kampf*. Now, I have 20-some volumes . . . I ordered Lenin's works and instead got Stalin's works, but I never could read more than three or four pages before I would go to sleep. But nonetheless all of their efforts to present Hitler and Stalin as cultivated thinking people I think were not very successful. But up until the end, you know, Jean-Paul Sartre still thought Stalin was Jim Dandy compared to the capitalists of the West.

Q: *But I must say that we had Americans, from President Nixon and Kissinger and even a man I've interviewed at great length, Winston Lord, who admit now that it was overdone, that they were practically wetting their pants when they were allowed to have an audience with Mao. This man . . . I don't know, I keep coming back to he was a monster. He killed people more indirectly than Hitler and Stalin did, but he killed more.*

PRATT: Well, the thing is, I think, probably one could say, many of his apologists do say that he did it inadvertently. He was really trying to do the right things, and yet I go back basically to the school of Talleyrand. Do you remember the story about the murder of the Duc d'Aiglon and someone said to Talleyrand, "*C'était un crime.*" And he said, "It's worse than a crime; it's a mistake." I think in politics, you really have to give very close attention to what is a mistake because that is what can often cause greater harm than any kind of personal crime. We, of course, look at Nixon and find a personal crime, the worst action, when of course really one should look at what are the big mistakes which result in far more devastation. And they can be economic mistakes. In Mao's case, just being so stupid and letting nobody get intelligent things done. Because it's not just even the Great Leap Forward. When he made the decision after the Korean War of the movement of industry to the Third Line, a program from which . . . You know, Deng Xiaoping was usually the great implementer of all of Mao's great ideas, and he was put in charge of moving all of this industry away from the border areas to the interior so it could be defended from possible attack from the coast. I visited some of these spots, even in Guangdong Province, which is close to the coast, but nonetheless they moved factories and so forth up to where there was no energy, no transportation, no raw materials, no work force, no market. And that, indeed, you could do with the slip of a pen. But it set back the economic development of China enormously. And that, of course, was again Mao's mistake made out of his way, I think, of having abstractions and ideology take the place of any kind of appreciation of the facts - which is why Deng Xiaoping was so very successful and so very innovative to say, 'Come on, let's learn from the facts.'

Q: *But at the time you were looking at this, in the 1960-63 period, was there the impression that China was a basket case? Were we concerned about the potential, or were we looking just really at the situation on the ground at the time?*

PRATT: Well, I think we were looking at it on the ground as a place which was badly run, and we did not challenge the political stability. Therefore, since we viewed that it had gone through so much suffering and it looked as though it would go through a lot more, we did not have to be concerned about its breaking up into various parts and having a real disaster, because the Great Leap Forward was a major disaster, and then, of course, we could not see down the line that there would also be the Cultural Revolution. But that seemed to be the way in which China would go: in other words, creating its own disasters, which would make it very difficult to cause disasters for others.

The one exception was the role it would play in supporting Hanoi *versus* the south. And that is, of course, in 1962, basically after the Geneva agreements in 1962, when the focus shifted from Laos to Vietnam. This appeared then to be the other role that China could play as part of a backup, the way it had been a backup in the Korean War. So we were still somewhat recovering from the Korean War, but we were looking at the internal turmoil and problems, and then the one exception to China totally harming itself was the role that they could again play in supporting some other conflict in Asia, namely the Indochina one.

Q: *How about this very important but often overlooked Indonesia? Sukarno was by many people there was a concern that Sukarno was moving Indonesia, trying to put it into the Communist camp. Was that something that crossed our radar in Hong Kong at that time?*

PRATT: It had crossed our radar a little bit earlier with the 1958 incident.

Q: *Sumatra - and the little CIA involvement.*

PRATT: Sumatra and the CIA involvement, and of course as you know, Ambassador Allison was ambassador to Indonesia at the time when John Foster Dulles refused to let him know what was going on because he said, "I'm handling this through my Brother," Allen Dulles. And that's the sort of thing which we saw, one, as being part of the "bad American system" and the bad American approach to all of this and, two, the oversimplification, because none of us really considered that any Indonesian would do anything more than try to flirt with China because of the problems politically inside Indonesia because of the Chinese. The Chinese you had to manage; you had to deal with them because they had all the money and they had all the contacts and so forth.

One of our very interesting friends in Hong Kong was a chap who had been in Shanghai and in the government, I guess, of Wang Ching-wei. Kung Yung-Li, I guess his name was. He was then located in Jakarta and running a lot of very important business things out of that area. But he was convinced, and told us, that this is merely superficial flirtation, and of course the Bandung Conference - Zhou Enlai had turned out to be such a star at that, and Mao appeared to be talking about the Second World and opposition to the U.S. particularly. Then, of course, he began to be against the Soviet Union, which meant that he could be considered not to be in favor of international Communism. And of course so much of the Communist movement in Indonesia had come *via* Holland, and therefore was Russian-oriented, connected with the Comintern and so forth. And therefore the Chinese in Peking were involved with the overall Chinese population in Indonesia, but not necessarily with the Communist aspect of it. So this was part of, shall we say, a very astute local politician trying to play with big figures on the scene, just the way Sihanouk tried to do it - not that he was playing into the hands of China. He was playing with the Chinese and exploiting Mao's grandiose idea of being the center of the Third World against the Chinese [*sic*].

Q: *Before we leave Hong Kong, sort of an overall thing: we're looking at China as the economy is going to hell and obviously very badly mismanaged - was there any sort of* Schadenfreude *or something about saying, You know, China is a big country, it's a Communist country, it doesn't like us, and the more self-created disasters the better, and let's hope they keep it up? Or did you come to identify with the Chinese enough so that you were almost rooting for forces of common sense to prevail?*

PRATT: Well, I think certainly the latter. The thing is, you don't have to really, shall we say, because you are very concerned about a people, you don't have to consider that their government is something you have to be supportive of. As you can see around here, I'm very much a lover of things Chinese - all kinds - and one of the key things I've always felt is that the Chinese have been enormously gifted in literature, in painting, in ceramics, in many aspects of art, in philosophy, thought. They have done some marvelous things in science - Needham's exaggerations notwithstanding, nonetheless they did make enormous contributions - and that goes without mentioning their cuisine. You really have to consider that the Chinese people are

one of the great, great peoples who have created a great culture. And unfortunately they have not been nearly so gifted in the past 150 or 200 years in politics. And therefore, you really have to be sorry that they have had artists which are up to their standards but unfortunately they have had very few political leaders who are up to the quality of their overall people, which is why, as I said, the Mainlanders in Taipei were so contemptuous of Chiang Kai-shek and his crew: they themselves know that their political leaders are not up to the level of what they should be. I think the United States is getting close to that these days, too, but the point is that we are obviously better and more gifted in business and science and technology than we are in politics.

But we, I think, very much were not negative about the people. In the first place, we had so many wonderful friends there. Occasionally we would have our little spats with them, when they would try to blame everything that had gone wrong in China on the United States, how if only Wedemeyer had been better or the Marshall mission had done something different they would be back in Shanghai living high at the racetrack and so on. But nonetheless, the point was that the poor, long-suffering Chinese people were the ones we were somewhat rooting for, and of course we wished that we had had a more forward-looking policy in Washington, DC, because a lot of this that was done finally by Nixon could have been started under Kennedy. Unfortunately, he had the wrong secretary of state for this, because Dean Rusk was convinced that Peking was part of just a transmission belt for world Communism from Moscow through Peking to Hanoi. And that, of course, was one of the focal points of our work in Hong Kong in the 1962-63 period, obviously when Indochina became the key preoccupation of the American Department of State rather than anything with China.

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Q: Today is the 5th of November, 1999. You wanted to add a few things about Hong Kong.

PRATT: This is in the connection Hong Kong and Indochina at that time. As you can well imagine, the focus already in 1963 was very much on Indochina. In fact, it started a bit in 1961-62 with the Laos question and the Laos agreement in Geneva, which, of course, had a China connection in your famous refusal to shake hands with Zhou Enlai and so forth. So we were there very much involved in the Indochina situation, and there were sort of three things which particularly distressed us. One was the constant assumption that China was one of the direct supporters of Hanoi. We did look at China as supporting the reunification of Vietnam as a question different from the aspiration of Hanoi to oust the French, and then the Americans, from all of former French Indochina, based on the Ho Chi Minh view that there was only one Indochinese Communist party, formed, of course, in China in 1931.

So we were not at all immune from seeing that China was indeed a factor in this, but we believed it was about as badly understood as a factor as, shall we say, the connection between Moscow and Peking. So we China hands had quite a few problems with the way in which particularly the Secretary of State and the people who were writing the stuff for the press seemed to view China and its role in Asia.

Q: *Was this division sort of apparent? I mean, were things sent in and rejected or rewritten? How did this manifest itself?*

PRATT: Not too much because we were never asked. That, of course, is one of the great things about our great political leaders: they never seem to want to hear very much, particularly if it does not agree with what it is that they are trying to present to the Congress or the press or the people. We did, however, have much greater optimism about President Kennedy because we did think that he was of a younger generation and that he would have a far more open mind, and we found, as I mentioned last time, that what he said about the "government of the people" on Taiwan was a very good signal that we would give up our nonsense of Chiang Kai-shek ruling all of the Mainland.

Well, also Hong Kong was one of the bases for a lot of the journalists who went into Vietnam and elsewhere in Indochina and then returned to their home base, where they had their wives and children and so forth, in Hong Kong. And so, of course, the same journalists, like Stanley Karnow, who wrote a book about Mao but also, of course, was very much involved in the Vietnam situation - these journalists, whom we saw on a regular basis to discuss Chinese matters, were, of course, themselves getting increasingly concerned about Vietnam, so this was very much something which was very hard to avoid there in Hong Kong.

Then we had Roger Hillsman, who had been in INR and, as I'm sure you are aware, gave away part of the store, the biographic side, to the CIA, who have never been able to do decent biographic work since. Roger Hillsman was taking over as the new assistant secretary for East Asia, and on this occasion he was sent on a familiarization trip particularly to Vietnam, but on his way out of Vietnam he stopped off in Hong Kong, and we had a session with him. And he was telling us the marvelous things being done in Vietnam, how they were going to move all the villages and fortify them and get them under the control of the government, and they were going to train all of the village leaders to see that they had responsibility upward to their government, just as they were going to train all of the people who were sent down from Saigon to feel that they were the father and mother of the people in the villages and, therefore, they would be concerned about the villagers and the villagers would be concerned about Saigon, and therefore this would, at the end of six months, resolve the great security problem they had in Vietnam. And several of us, of course, took great issue with this, and we in particular hit him on saying, well, do you think within six months you can remake a traditional Asian society, have people change their whole attitude, have all the officials who have had this bureaucratic training for some 300 years under Chinese influence, and have village leaders who for as many decades have realized that the only way they can try to be a proper village chief is to protect their villages from the depredations of the officials coming out from the central government - do you think you can change all of that within six months, whereas you say we can't really do anything about our China policy? The China policy is something which really hits deep into neither the pockets nor the minds, the hearts of the majority of the American people, and yet you cannot even make a small change in that. Hillsman said, well, he thought maybe it would take 10 years to change the China policy, and we said, you know, it's really just typical that you think that you can change a foreign society in a matter of months, whereas something which is totally peripheral to American society is going to take 10 years to accomplish. Of course, it did take almost 10 years to the year. Indeed, this was something which clearly was quite an education to most of us, who, of course, thought we knew a bit about our own United States, but we were being lectured how we were expecting too much of a president, expecting too much of American government.

Q: *Hillsman had been with the OSS (Office of Strategic Services) in Burma and seemed to be infused with the OSS spirit, you could do anything with a few good men plunked down in the middle of the jungle. This may be unfair to the gentleman, but I seem to catch that. I worked under him for a little while in dealing with Africa. But were you at least allowed to present your views, or was the consul general trying to shush you up because he didn't want to upset the new head of the East Asian Bureau?*

PRATT: Oh, no. This was pretty free-wheeling, and of course since by that time China was considered so peripheral, because the focus had gone entirely toward Vietnam, and China, which was therefore then considered part of the Vietnam question - and indeed that is after all how Nixon and Kissinger were able to get it through 10 years later, was still to have it part of a resolution of the Vietnam question rather than a matter in its own right.

Q: *I was just curious about the mindset. Was it almost a given with Hillsman and the rest of them, saying, Okay, we're stuck with this for domestic political reasons. We're not going to try to open up to China at this point, but it wasn't a matter of saying we shouldn't open up to China, or was it just a matter of practicality when you could?*

PRATT: Well, it was a question of this is not something which is in front of us. We have other questions we have to handle. And of course, they also were saying that because we are fighting this war with Vietnam, we have to demonize anyone who is considered to be connected with it. Later on, of course, we're already beginning to *détente*, to try to get a more balanced view of Moscow. But of course Moscow was far more of a direct supporter of Hanoi than was Peking. As I say, in the end, you'll find when I get to 1970, Peking was very clearly not supporting Hanoi in all of Hanoi's pretensions, and after all, they eventually had a war with Hanoi. This was the sort of things which we were trying to sensitize the people in Washington to, in which we found almost no success. Now this was not because they were trying to squelch things, but they did consider that we were, of course, narrow-minded, we had "gone native" and were considering things from the Chinese point of view, that we weren't looking at the way in which things really were in the United States. Of course, we still disagreed with that because, of course, we felt that we did have a certain idea of what the United States could and could not put up with.

Q: *At this time, while we're still in Hong Kong, I'm trying to get the mindset. One of the things I believe was bandied about at that time - I think it was even under Eisenhower - it became one of the watchwords of the Vietnam situation - was the "dominoes." And granted you were looking at China, but there was a concern that if Hanoi were to take over the south, it would just be the beginning of Cambodia, Laos, maybe Thailand, Burma, Indonesia,* et cetera et cetera. *In other words, start something going. Was the domino theory prevalent, discounted, or what, exactly?*

PRATT: Well, it was discussed, and it was considered to have a certain validity. However, we figured that each case had to be looked at separately. The reason why we were looking at Laos, because of course we had the Geneva agreement on Laos in 1962, which was something we resolved before we began to have our big involvement in Vietnam. So Laos was supposed to be the first of the dominoes rather than South Vietnam. Then, of course, Cambodia, we thought, was a very different kettle of fish, and then Thailand something yet again different. The one thing

which we did see, and we think we saw as being something which was not seen the same way in Peking as in Hanoi, was which dominoes are going to be pushed by whom? And very clearly, as I later on will say, it looked as though the Laos and Cambodian dominoes were Hanoi's, and Peking was not so happy with that. That therefore gave a rather different game than the simplistic one of Moscow-Peking-Hanoi and then the rest. And of course, as you know, the thing which gave the impetus to ASEAN was, indeed, the end of the SEATO treaty and the pullback of the U.S. so that they decided they had to do something themselves to be a little bit more cohesive. But as I was seeing when I was in Laos, Indonesia did this because it was afraid of the Chinese. Thailand did it because it was afraid of the Vietnamese. They didn't fear the Chinese; they feared the Vietnamese. And of course the Malays in Malaysia were also concerned about the Chinese. They didn't even like Lee Kwan Yu, who was a Chinese. So this was a very complicated situation, which we felt was not really very well served by having a simplistic concept of dominoes, as though all of these had the same regular shape, size, and weight. They didn't . We considered that you've really got to learn more about the details of what's going on there rather than just having a simplistic image which you can use with the press and with the great unwashed.

Q: *Well, now, Hong Kong was this center where journalists would come in and out. At this time, I'm making the assumption that most of the journalists who came were relatively serious ones, as opposed to later on, the glamour-seeking ones or with a cause or this sort of thing.*

PRATT: Sure.

Q: Were you having these dialogues that we're having right now basically with the journalists at this time?

PRATT: Yes. And we had, of course, a well-known journalist corps there, and people, of course, who subsequently had quite distinguished careers. And we indeed would get together primarily to discuss the most recent events in China. And we were, of course, at that time interested very much in what the conflicts were in the leadership, which we could figure out only slightly. The American journalists, of course, could also not go into China, so they were there in Hong Kong as much interested in talking to Germans and French, who could go into China, as we were. So indeed, yes, we had talks. As I mentioned earlier, we had one luncheon club, which was the reporters on the Mainland getting together once a week for this lunch. And then we also had the evening meetings, which would bring in the journalists and scholars. There were some good scholars either permanently in Hong Kong, at the University of Hong Kong, or temporarily in Hong Kong, farmed out from the United States. One of my friends there at that time was Conrad Brandt, who together with Schwartz and Fairbank had brought out the very important documentary history of Chinese Communism. This was a textbook which we had all gotten through, all the journalists and scholars and people at the consulate. [Ed: see Brandt, Conrad, Schwartz, Benjamin, Fairbank, John K., A Documentary History of Chinese Communism (New York: Atheneum, 1966)]

Q: *We're looking first, your impression and then your colleagues who were in the China-watching game, particularly at the consulate general. China was obviously undergoing great turmoil internally at this time, but was China seen as an expansionist . . . I mean now they had*

Tibet and Outer Mongolia was sort of in the Soviet slate. Was it seen as an expansionist or potentially expansionist régime or was it seen that it had enough to digest and this was going to keep it pretty occupied?

PRATT: Well, I'd say both of those concepts. China, when possible for it to do so and when it was convenient and helpful to do so, then indeed China can be aggressive. For example, when the Chinese came into Korea, that was perhaps considered a special case, but nonetheless it certainly was an indication that the Chinese were not going to live up to their view that they would have no troops ever outside their own borders *et cetera.* And then, of course, already there had been problems, the inner Central Asian difficulties. Xinjiang was a very difficult area and had a very peculiar history. The head there during the '40s had been a member of the Soviet Communist Party, not the Chinese Communist Party. So yes, we considered that they could indeed keep pushing, and therefore it was not surprising that they would push, shall we say, on the Vietnamese border area and also that they were involved in Burma, and the were also involved in the highlands of Thailand, although, of course, there they would say they were merely trying to root out the KMT irregulars who were still there. So indeed, China had to be considered because it was the biggest boy on the block, and therefore we really had to keep looking very carefully at where they might flex their muscles. The Korean War had not been over that long. What they tried to do earlier over Quemoy and Matsu (and therefore obviously aiming towards Taiwan) was very clear. And so we knew that Mao in the 1930s had said that after Japan was defeated Korea and Taiwan should be given their freedom, freed from the Japanese. He didn't say that that was an inalienable part of China that had to be returned to China at that time. So we knew that things had changed and had developed. So you really had to look and see each situation, what it might mean, and I think that most of the journalists also looked at it that way, although there were some who, of course, always, whatever Peking said they agreed with. We had a lot of those coming. They were like Edgar Snow, you know, the only ones who really could get into China were the ones who would parrot whatever Peking had said.

Q: *There is an Australian journalist.*

PRATT: Wilfred Burchett.

Q: *Who was sort of considered to be a tame pussycat of the Communists.*

PRATT: Oh, indeed he was, and of course we had Han Su-yen. We would occasionally have dinner with Han Su-yen, and of course whatever the latest line in Peking was she would come out with.

Q: *It was handy for you.*

PRATT: It was handy for us to know what the line was; however, we did not consider that the line was the only thing that you needed to study in order to know what they really had in mind.

Q: *I'm not sure if we covered it the last time, but about the time you were in Hong Kong there was the Indian-Chinese border war. How did we see that at the time? What did we think this was about?*

PRATT: Well, there again, it was mostly political. I went through New Delhi and saw Harold Jacobson, who had been our political officer in Hong Kong. I guess the war was still somewhat on, and he, of course, was trying very hard to give an analysis of how the Chinese viewed the situation and therefore what did the Chinese think the Indians had done. But that, of course, was not where the political line was. The political line was supportive of India, of all the Indian claims and pretensions and an attack on Peking.

Q: *Were the China watchers in Hong Kong seeing this as an effort to try to destabilize the Indian régime, or something, or were the people looking at China there seeing this as a matter of straightening out the borders?*

PRATT: Well, there is no question, as we saw it, but that the Chinese had a good case, that it was the Indians who had first moved into what had been generally considered to be Chinese territory, believing that there was a weakness in China because of internal problems there. And therefore, as Harold Jacobson was doing in New Delhi, we were trying to explain that the Chinese had a case and even if you wanted to support the Indian case, at least give the Chinese credit for having a case of their own. This was something which, of course, a lot of people took immediate positions on, one way or the other, because we had, for example, one of our colleagues there, V. D. Paranjavay, who was with the Indian Commission, and he had been a student in Peking and then interpreted for Nehru in Nehru's conversations with Zhou Enlai and so on. And he, of course, was well aware of the geography and knew what the Chinese claims were, and he saw that they had some validity, but as an Indian, of course, he felt it important, almost essential, to defend the Indian case against the Chinese case, whereas when it came to some other little dispute - with Vietnam or someplace else - he would then, of course, be supporting the Chinese because he had spent many years in Peking and spoke the language beautifully. And so he liked things Chinese, except when they liked things Indian. But our official position at that time - after all, we had a much more prestigious figure in New Delhi than we had in Hong Kong, and that was a person whose views got through to the White House and so on.

HERBERT LEVIN
Economic Officer
Hong Kong (1961-1964)

Herbert Levin was born in New York in 1930. He entered the Foreign Service in 1956. His career included posts in Hong Kong, Japan, Tanzania, Sri Lanka, and India. Mr. Levin was interviewed by Mike Springmann in 1994.

LEVIN: I went from Taichung to the Consulate General in Hong Kong. In Hong Kong I first worked on the Chinese mainland economy. We realized that even though our Hong Kong commercial officers were doing important work in trying to stimulate American exports to Hong Kong, separate analysis of the Hong Kong and Macau economies would provide insights into the Chinese economy.

For example, the Chinese prefer to eat fresh rather than frozen pork and therefore you had railroad carloads of live pigs coming into Hong Kong. When there were suggestions that there were food shortages and crop failures and so forth in China, you could see what provinces the carloads of pigs were coming from, whether they were coming like previous years, whether they were thinner or fatter, and all that kind of thing. This gave you some idea of what was going on in different parts of China which supplied food to Hong Kong.

There were literally hundreds of thousands of Chinese in Hong Kong who were exchanging letters with their families all over China. There were also visits of Hong Kong Chinese who were Cantonese to nearby parts of China which was always relatively easy. Visits to the North in those days were a bit more difficult, but nevertheless there was an enormous flow of people, mail and information between China and Hong Kong.

If one was immersed in the local Chinese community, not just studying paper about the mainland, we could do a better job and that's the way we worked.

Q: *How much pressure was there at the height of the Cold War to shade reporting, to show that China was worse off than it really was? We were allied with Chiang Kai-shek and the Republic of China, was there any of this kind of pressure in there? Because for example in Germany, people didn't want to report what the Kubla Khan were doing because it made the German government, Helmut Kohl, look bad.*

LEVIN: In Hong Kong, at the time I was there, there was absolutely none of that. Because the purging of the people who had been on the mainland was so recent, some of these people were personally known to us, like Jack Service. There was not only a lack of pressure, there was a strong effort to make sure that everybody should know that there was no pressure of that kind.

Most of the time I was in Hong Kong, the Consul General was Marshall Green. Marshall Green had come into the Foreign Service in Japan before the Second World War and he was personally and intellectually a very stimulating and honorable person. Under him, there were no improper pressures of any kind -- personal or professional.

However, in Hong Kong we were conscious of one situation of that kind not in Hong Kong. We were the R&R point for that part of the world. People liked to come to Hong Kong, because it was pleasant and in those days it was relatively cheap. We had a constant flow of people to and from Saigon. There were always a couple of Chinese language officers assigned to the Embassy in Saigon because of the importance of the Chinese community in Cholon and its ties all over the country. These people did mostly political reporting but they often were slotted in the economic section because it made it easier to justify their having access to the business oriented Chinese community.

The reporting by the Chinese language officers in Saigon, based on what the Chinese community was saying, was that the government in Saigon was extremely corrupt, that it was not becoming more effective, that there was a tremendous gap between the urban elite origin South Vietnamese army officers corps and the bulk of the ordinary soldiers of the Vietnamese army composed of peasant youths from the countryside. Based on their contacts with the Cholon Chinese business

community who traded all over South Vietnam, the Chinese language officers generally did not take an optimistic view of the abilities of the Saigon government to mobilize the country against the Communists.

The dominant group in the Embassy, the Ambassador and others in Saigon often were people assigned from France who were French speakers, because we didn't have enough Vietnamese speakers. They considered that the Chinese Language Officers, though they had not personally been on the mainland, were so conscious of the reasons that Chiang Kai-shek had failed against the Communists, that they insisted on looking at the Vietnamese situation through Chinese eyes, so to speak. They felt that the Chinese Language Officers were so intellectually overwhelmed by the recent Chinese historical experience with Communists that they couldn't judge Vietnam on its own merits. They gradually pushed these officers into the Consular and Administrative Sections and then decided that they really didn't need them at all. There were a number of Chinese Language Officers who had very bitter professional experiences in Saigon. Others, who served in operational roles in the provinces were not involved in this brawl.

I can not say for how many years this was the case in Saigon, but during the period that I was in Hong Kong there was a phasing down, and perhaps out, of the "need" for Chinese Language Officers in Saigon.

Q: *So they sent them primarily to talk to members of the local Chinese community of which there were a substantial number?*

LEVIN: Cholon, part of Saigon, was a vast Chinatown. It was the dominant economic force in the country, particularly after the diminution of French interests. These people were involved in rice milling, the movement of crops and commodities around the country, trucking companies and so forth. The Vietnamese government in Saigon and sometimes the U.S. military would tell the American Embassy that a province was loyal and pacified and completely under their control. The Cholon Chinese would tell the Chinese Language Officers that they had to pay enormous taxes to the Communists who actually ran the province, or that it was no longer possible to operate in a province where the Communists had taken over complete controls and they were pulling out. So Embassy Saigon would have this kind of reporting quite different from what it was being told by the Vietnamese government and the U.S. military.

The Chinese in Vietnam were anti-communist bourgeois minded, merchant-class Chinese. The Chinese community as a conduit for Communism was not a problem in Vietnam as, for example, it had been in Malaysia in a previous period where the Communist effort was largely through a minority of ethnic Chinese.

Q: *And then from Hong Kong you went to?*

LEVIN: From Hong Kong I went to the Embassy in Taipei in Northern Taiwan.

EARL WILSON

USIS
Hong Kong (1961-1964)

Earl Wilson was born in 1917 and raised in Washington, DC. He attended the Georgetown University School of Foreign Service and George Washington University. Mr. Wilson joined the IICA (USIS) in 1947 and spent his career in China, the Philippines, France, Thailand, Mexico, Hong Kong, Spain, Malaysia, and Washington, DC. This interview was conducted by G. Lewis Schmidt in 1988.

WILSON: Our consulate general in Hong Kong, our main observation post for viewing Communist China, which was then closed to the outside world, was bigger than 90% of our embassies around the world. The USIS program there was unique in the world. There were three distinct programs. First was called the China Reporting Program, and this was designed to get information about the People's Republic of China for dissemination to the rest of the world; second was the Chinese language program designed to reach overseas Chinese in Southeast Asia; the third was the USIS Hong Kong program conducted along somewhat traditional lines.

Just a word about these different programs. Under the China Reporting Program, we had a publication we developed called Current Scene, which was very scholarly, very factual. It was unattributed, mailed to a selected audience around the world--scholars, journalists, etc. It became a very respected and familiar name in the footnotes and bibliographies of the most serious journals dealing with contemporary Chinese affairs. We began getting Current Scene into translations, French, Spanish, Japanese, and had many outlets in those areas.

At a more popular level, we put together weekly press and graphics on things involving Communist China, and we put out a radio program on tape. Then I got the Agency to contract a New York Times stringer to do a weekly commentary about China for VOA from Hong Kong. We had a newspaper column which we contributed to the wireless file, sent out weekly around the world. We published five to ten original books and a lot of pamphlets dealing with Communist China. So in less than two years after my arrival, we were serving over 100 countries in the China Reporting Service. By the end of 1963, I reported for that year alone, we had put out close to 1 million words about Communist China, all original copy, conceived, researched, edited, illustrated, recorded, broadcast, and printed in Hong Kong. My staff got the Agency Meritorious Service Award.

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WILSON: I was saying the Agency awarded the China Reporting Program staff a Meritorious Service Award for that. I was one of five USIS officers in the Far East, they told me, selected that year to receive a bonus in-grade promotion.

The next program was the China Language Program to reach the 15 million overseas Chinese scattered in these various nations, and also work in Taiwan. We published a magazine, World Today, which was the largest non-Communist Chinese language magazine in the world. One amusing thing about that, previously they always had a Chinese movie actress on the cover. I decided I wanted to put Chinese art on the cover. For one reason, there was a healthy movement

in the various Asian countries of creative art, much of it influenced by the United States, and it was diametrically different from the social realistic art of the Communists. My Chinese editors got their friends to corner me and tell me I was making a terrible mistake, because we sold this magazine in many places. But nothing like that happened. The magazine with the art was very successful, circulation expanded. We later had an exhibition of the art covers. However, in 1964, when I left Hong Kong, the very next issue had a Chinese movie star back on the cover. In any event, the Agency killed World Today magazine in 1980, in order for Hong Kong to produce an Agency-produced magazine, Dialogue.

In the Chinese Language Program, we produced books, but I found that the book translation programs, more often than not, in these different countries did not have any coherence and reflected the bias of the officer in charge. If he liked poetry or history or whatever, that was his thing. So we concentrated on themes and the development of what I called ~"miniature bookshelves" of about 30 titles each. We had different aspects of American studies, which was becoming popular at that time. We did themes on economics, science, history, literature, etc., and had these books packaged in cardboard cartons for presentation. Eventually they went to the libraries of Chinese schools all over Southeast Asia.

In the past I found the negatives or plates for the book program had not been retained. Books wear out quickly, especially paperbacks like these. I also got RPC involved in printing these books and I developed what I came to call my "osmosis" theory. I claimed there were thousands and thousands of letters being mailed from Southeast Asia into China by the overseas Chinese, and that some of this must filter back into China. Aside from that, I said if and when we ever regained contact with Communist China, that the existence of these books that had been carefully translated into Chinese would be invaluable to us because you don't translate Walt Whitman's Leaves of Grass overnight. As a matter of fact, that did come about when we eventually went back.

The Voice of America was the main contact with the mainland Chinese, and I thought, "That's very interesting. Here we are collecting data about Communist China by experts all over the place and disseminating it to the rest of the world, but we're not saying anything back to the Chinese themselves." VOA said, well, that was very tricky because they needed cross-references and so on. I said, "Why not do as we do, stick with the facts, admit material as based on expert opinion, like crop production figures for the year." Well, they tried it for a while, but eventually backed off from doing that.

We organized a VOA Program Review Panel made up of refugees who had recently left the mainland, and we let them listen to tapes of VOA and to make comments. These comments were not always complimentary. I don't think they were very popular back in Washington.

Q: You mean within Hong Kong, you were playing back tapes of VOA broadcasts then going into China, and having the refugees coming in to Hong Kong out of mainland China listen to them and comment.

WILSON: That's right. Obviously, in Hong Kong there was no place for me to use CEP type of material, but I followed with fascination what was happening in Korea, where there was a very

careful development of an adaptation of this program. In 1961, General Park Chun He had seized power in a military coup. Here was a country where we had devoted a lot of blood and treasure, and the main paramount objective of our mission in Korea was the development of democracy. The USIS program there was the largest in Asia, and I kept in touch with what was happening. It was fascinating. I'll just sketch it quickly here.

Q: Who was the PAO in Korea at that time?

WILSON: I'm trying to remember. I can't remember off the top of my head, because the person who was mainly responsible for developing this program there, this adaptation, was Bernard Lavin, who now lives in Hawaii. When I saw him there last February, he promised me that he would write the details, because he spent a total of 12 years there, speaks fluent Korean, and knows the people very well.

Q: I don't think he was PAO at that time.

WILSON: No, he was not PAO.

Q: He later went back as PAO.

WILSON: Yes. They assembled a number of Korean intellectuals at a temple and discussed what were the main points they would like to try to communicate in the development of a democracy. They came up with five concepts: the dignity and worth of the individual; taking responsibility; cooperation and community service; respect for the law; choosing good leaders. Then they next wanted to see how they could develop the background to go with this. They had some luck, because they went over to the Central Education Research Institute, which was the research arm of the Ministry of Education, and found a man, Dr. Paik, who was head of this, had gotten his Ph.D. at Teachers College, Columbia University, and he was very familiar with the American development of the CEP. Also, they got the Director of the Korean Federation of Education Associations, which had a membership of 100,000 Korean teachers. Those were the ones who sponsored this seminar that I mentioned to come up with those concepts. From that, then, they were going to develop a teacher's manual. After a period of time, the teacher's manual was developed. This sounds very much like Mexico, doesn't it?

All was going well with the slow but sure development of this thing, when in March 1963, Chairman Park dropped a bombshell. To the dismay of the U.S. Government, he proposed substituting a referendum, rather than elections, for a four-year extension of his military government. What is not generally known, William Bundy, in an article dated October 1975, in Foreign Affairs, wrote that President Kennedy took immediate and decisive action. He told Chairman Park that if he failed to go through with the elections, the United States would seriously consider cutting off all of its support for Korea. Bundy said this was the only case he knew where this kind of ultimate threat was used to the full. And it worked. For nearly a decade, Korea did enjoy essentially a democratic system.

USIS did a lot of work which I'm sure can be found in other reports.

Q: You are discussing this program. You were in Hong Kong at that time, weren't you?

WILSON: Yes.

Q: But you were in contact with Lavin and the people in Korea?

WILSON: That's right.

Q: Helping to mastermind it from your end in Hong Kong.

WILSON: I'm a bit of an eminence gris; I maintain contact with several people around the world.

Q: Because suddenly we're talking about Korea, and as part of your Hong Kong operation, I wanted to make it clear on the tape that you were doing this in cooperation with Lavin, but from a distance.

WILSON: The nice thing, too, was my responsibility in Hong Kong for the China Reporting Program about Communist China enabled me to travel all over the Far East on that basis. Nothing stopped me from examining programs going on and to talk with different people.

As I say, I won't detail the whole thing, but finally, in the summer of 1963, Korea had another conference. The Korean government had gotten behind this thing, in general. I had a note that the entire seminar cost the U.S. Government $2,245 to get to that point. Dr. Paik, head of their Educational Research Institute, said that "no more significant project for Korean education had ever come from his institution than the Citizenship Education Project adaptation."

In January 1964, in Baguio, a Far East Public Affairs Conference was held. It was clear to me when I looked at the agenda that, what to me was very significant development in Korea, was going to be totally overlooked. So I did a little work in the corridors. By this time, Bill Phipps was the PAO in Korea. He was an old friend of mine. I proposed that he be asked to develop a detailed report on how this program had been brought about in Korea so it could be looked at in other posts for possible adaptation. In May, the Agency sent Bill's report out, and simply noted that the program had been started in Korea at a seemingly inauspicious time when a military government was in power, and the inference was that similar programs might be started even under authoritarian governments. It was a kind of do-it-yourself kit, I thought, and I wondered if any other posts would give it a try. None did.

I want to just mention Vietnam for a moment, because I was in Hong Kong from 1961 to 1964 and, of course, watching and visiting down there periodically. A number of my military friends from the War College were serving down there. I came to a couple of conclusions. We had evolved the counterinsurgency doctrine under President Kennedy, this thing that they had us all going through, and that was in opposition to Eisenhower's massive retaliation, when he talked about the atomic bomb.

Now, down there, it seemed to me our special forces, other than using conventional weapons, rifles, etc., even occasionally employing a bow and arrow or knife or sharpened bamboo sticks or

even killing with the bare hands, quite a come-down from the nuclear bomb. Then I noticed in the past our aid programs had been directed toward major economic projects--dams, highways, steel mills. Now civic action was the watchword. We were trying to influence the whole populace with good works, corrugated tin roofs, village wells, pills, blankets, you name it. Rather than defining a small part of the population as a target, they were now talking about "the people."

In Saigon all information efforts were combined under Joint U.S. Public Affairs Office, JUSPAO.

Q: What period are you speaking about now?

WILSON: This is in the early Sixties, 1961-1964. So JUSPAO was in charge of the entire information program of the Vietnamese government, and it was growing by leaps and bounds. Tom Sorensen, with his direct White House connections, was the most important man in the Agency. There was a lot of attention because of Bobby Kennedy and the support of counterinsurgency programs.

In the spring of 1963, I wrote to Sorensen again, and said that after reading a copy of the JUSPAO country plan for Vietnam, I was struck forcibly that it had nothing to say about a positive ideological element. He wrote back that he was concerned and that he was referring my letter to the Agency planning officer, where "in due course it will get the kind of deliberate consideration it deserves." Well, that officer was John McKnight. (Laughs) He was the planning officer. It took him one year to write me, and he said that he had been diverted in looking at the Agency's five-year projection for the Bureau of the Budget, and that he had to go out and do some recruiting for the Agency at different college campuses, and that when these matters were out of the way, he would get to my proposal. Well, he never did.

A year later, in the spring of 1964, our involvement in Vietnam was deepening and my time in Hong Kong running out. I wrote directly to Barry Zorthian, who was the JUSPAO director. He and I both had been in the Marines together, I knew him, he was a friend. As a matter of fact, before he was appointed, I had applied for that job with Ken Bunch and cited my qualifications, but he said it was something that the White House and State Department and others were involved in and so on. And I'm just as happy, because I think Zorthian was the man for it. Time magazine called Zorthian the third most powerful American in Saigon.

When I had been at the Agency running around, trying to stir up interest in CEP with my shoe boxes, Barry was deputy of VOA, and he was interested at that time. But when I wrote him, he wrote me back, saying, "We're hardly able to keep our heads above water," but by fall, he said, he hoped to have his manpower problem in hand, and at that time he would try to create some interest in the project. He said that he had to confess the flaws that I mentioned in his country plan were all too apparent. He said, "There is very little of a positive ideological thread," But he said, "With the personnel shortages, there just wasn't time to approach things systematically." He thought with thorough preparation, this approach could be very effective. So there's not much could be done there.

Just before leaving Hong Kong, I sent him another letter, and this time I was very specific. I suggested that he get the Agency to detail on temporary duty a USIS officer knowledgeable in the CEP adaptation in Korea, and better yet, they get some of these Korean educators to come down and work with Vietnamese educators, and that this ought to move forward very nicely. But nothing ever came of this.

Three years later, when I was sent to Vietnam representing the Far East on the second of these orientation tours, Barry invited us all to dinner, and he kiddingly told me that if I brought any sample pamphlets on ideological material, he wasn't going to let me in the door. (Laughs)

The last bit. There was a memorandum from Dan Moore, who was the new Far East Area Director. Somehow my letter to McKnight got passed to him. I knew Moore. We had worked together in Bangkok. Dan Moore wrote a memo to Carl Rowan, who was the new USIA director. Actually, it was drafted by Bernie Lavin, the guy who was the officer in Korea responsible for CEP. He said that the idea carried out in Korea might very well find application in Vietnam, that it would involve the development of a small, inexpensive manual that could be put in the hands of teachers throughout Vietnam, and that the results might strengthen the fabric of a torn society, and that ideas developed by these teachers might have a flow-over effect in the homes of the Vietnamese people, and that they agreed with Wilson that the idea merited serious consideration for Vietnam and other underdeveloped areas of the world. Nothing came of that one.

I just want to say one humorous anecdote about my time in Hong Kong, where, of course, I was painting. I was painting with Chinese brushes and inks and materials, and at one period I started using Chinese newspapers with all of the Chinese characters as a backdrop. In one of these, I did a drawing of Hong Kong Life--junks, rickshaws, etc.--and in one part of it, had a rather fat nude woman, for some reason. This and others were mounted as scrolls. The Foreign Correspondents' Club hung Hong Kong Life in its main meeting room which was in the Hilton Hotel.

Former Vice President Richard Nixon, who was traveling through the Far East for Pepsi-Cola, but really to gather information and update himself, came to Hong Kong. Although ignored by the consulate, we helped him with his press conference over at the Foreign Correspondents' Club, where the new Nixon, incidentally, made a very favorable impression on these rather suspicious newsmen. In making his presentation, he stood in front of my scroll, and I noticed this, so I told my photographer to try to get a shot. He got an excellent photo of Nixon standing there with my little fat nude woman on his right shoulder. (Laughs) I have buried that in a trunk somewhere. I don't even know where it is today.

Q: You never showed it to Nixon, anyway.

WILSON: I never showed it to Nixon. I think he might like it today.

Just one comment. In our normal program for Hong Kong, we did work quietly to nurture the growth of a Chinese university there, and we got the first American studies program. Bob Nichols was the cultural officer. We did a lot, really, in helping bring about the Chinese university there.

I had a lot of fun with the junk I got. We put antiques on it. Some called ~it "the most beautiful junk in Hong Kong."

We did put the "Let's Learn English" program on the air there with a lot of success, the one we'd started in Mexico.

Then a thing that really got me, this is probably sort of dumb, but you know, Hong Kong didn't have adequate drinking water or even industrial water. They relied on catchment basins. As the populace grew--and the Hong Kong government always said their problem was people--they simply made more catchments. Eventually, they were going to seal off one of their bays and pump the water out and use that as a catchment. At one point when we were there, this thing came pretty much to a head, because there was a terrible shortage of water, a major drought. We got only three hours of water every four days, people lined up for blocks with buckets. It was a bad situation. The U.S. began financing tankers to come in with water, and one of our aircraft carriers had a little desalinization equipment. In desperation, Hong Kong itself was getting tankers full of water.

Meanwhile, Lyndon Johnson, from Texas--the people in Texas can't talk long without mentioning water--had started four desalinization experimental plants in the United States, and nobody knew much about them. So I wrote to a friend and got a lot of information on desalinization, pamphlets, books, papers, some films, and through the Agency they got this stuff from the Department of the Interior. We began putting on special screenings at our little theater for selected audiences of this desalinization stuff, giving it to the editors and so on.

They were thinking of making a deal with the Communists to share water from Communist China, which, of course--they wouldn't need troops--could just cut off that water anytime. So that was what I was thinking of.

We got a lot of favorable editorials, etc., but the man in charge of the budget in Hong Kong was a dour Scot, very conservative, and I don't think he wanted to read any of this stuff. So anyhow, that was just a Quixote type of effort.

Really, Lew, I think that is the end of the Hong Kong period.

NEAL DONNELLY
Press Officer
Hong Kong (1961-1966)

Mr. Donnelly was born and raised in Buffalo, New York. After graduating from Canisius College he served with the US Army in Korea. He joined the United States Information Service in 1960.His assignments, primarily in the Cultural and Public Affairs field in the Far East, included Saigon, Hong Kong and Taiwan, where he served in a number of different capacities After entering the State Department Foreign Service Mr. Donnelly had a number of assignments with the

Voice of America in Washington.

Q: Speaking of things changed, your next assignment in 1961 is to go off to Hong Kong.

DONNELLY: Hong Kong, yes.

Q: Now this is a new administration; Kennedy and Johnson have come in. In fact, Johnson has just been through Saigon. In the USIA world, did that create a different view of what one's job was or the atmospherics under which you worked?

DONNELLY: Not at all. Not at my level anyway; not that I could see. Throughout my career, I think most Foreign Service people, when it comes to a job, they're not political. I think in Washington they are. I found that when I worked in Washington; that people are democrats or republicans, but for the most part in the Foreign Service, you're just a Foreign Service Officer. I never felt any ambassador or any PAO or anybody be overly political.

Q: Can you describe your duties in Hong Kong? Who were you working for and how big of a section was it?

DONNELLY: Hong Kong, again, had about ten offices and I was assigned to the press section; I was there five years and always in the press section. I sometimes had collateral duties; distribution officer at one time and motion picture officer, but that was in addition to being press officer. I was the assistant press officer and later the press officer.

My duties were, one, to supply local papers with any information from the wireless file from Washington that seemed appropriate; that would be things like text of presidential speeches or press conferences or important speeches. We had a distribution net and we'd get those out pretty quickly. Another duty was to arrange any press conferences that need be. Almost every week we'd have at least one; one person from Washington would come out that would want to give a press conference. I would alert all the newsmen, both foreign and local. I remember one time within a period of two weeks, Averell Herman gave four press conferences on his way to and back from Laos. Admiral Taylor, Bobby Kennedy, Teddy Kennedy, and even some Hollywood types like Louie Armstrong; just lots and lots of people that I can't think of at the moment, but almost every week there would be a press conference. As a press officer, if you want to be successful you have to do one thing; you have to learn to drink with the foreign press. There's an awful lot of that. And you know, if you (they don't tell you this, but you learn it quickly enough) are honest and friendly with the foreign press, they give you a break. I never had any foreign newsman try to do me in, in any way.

Q: Was there a press club in Hong Kong at that time?

DONNELLY: Yes, the press club in Hong Kong was one of the first in Asia. It was started in China and then moved to Hong Kong.

It was in an old mansion; a beautiful mansion on Robinson Road. It was in such a great spot that it was eventually sold; they didn't own the building. It was sold and a big building was put up

there, so they had to vacate it. I was there for the wake and at the wake, which was around the bar, all the news members were there – Roy Essoyan, Bob Elegant, and all these guys. They showed the movie Love is a Many Splendid Thing because that was filmed partially at that building.

Then they moved from there to a very undesirable spot along the waterfront at Li Po Chun Chambers. That didn't work and the Club lost membership. Then they moved to the new Hilton Hotel in a fourth floor conference room, function room, I guess they called it. It was very small. It had about four tables and a small bar. That didn't do too well. They bit the bullet and then took the top floor of the Hilton Hotel, the twenty-fifth floor, and that was fairly successful. From there they moved to the Mercury House when they had to leave the Hilton, and finally, the governor of Hong Kong gave them the old ice house on Ice House Street and that's where they are now. They built a very, very nice club.

Q: Can you kind of explain what the ownership and what the use of the press club was?

DONNELLY: The membership was half and half probably; I'm not sure of the percentages, but there were full members who were newsmen and then associate members who were businessmen and diplomats and things like that. I don't know what the dues were; I don't think they were very much. They made the money on the drinks. After work you'd go there and the world would come to you; everybody stopped by there. I was always late coming home because I'd stop by there.

Actually, they would elect officers each year and I was actually an officer one year. When they moved to the fourth floor in the Hilton, the membership dropped significantly and they decided eventually to put some money into trying to get a better place. In that year, I was elected without any campaigning or any idea at all of being an officer. I was elected to be either the secretary or the treasurer and I was so effective in it that I can't remember which one I was. I didn't do much.

Q: By way of dating this, the Hilton was built in Hong Kong in 1963.

DONNELLY: I attended the topping off ceremony there. They built it in 1963, I would have said '62, but maybe it's '63, but now it's torn down already. They already tore it down and put up something else; things don't last in Hong Kong.

Q: I know that because there is an interesting story about Marshall Greene, who was the consul general at that time. He had to go through the building before it was open to ensure that there was no material from communist China in this American building because of the embargo.

DONNELLY: Ah, the Certificate of Origin, CCO. Anytime you bought anything, you had to have a certificate saying it did not come from China. Joan and I gave up an opportunity to buy the most beautiful Chinese bowls because we couldn't get a CCO for them and we're kicking ourselves to this day because we didn't. We had somebody, I think from the Treasury Department, and he had an office in the consulate general and his job was to make sure everybody had a CCO, Certificate of Origin.

Q: So you're associating with the press in Hong Kong. I would assume that Hong Kong has for some time during the 1950s been one of the press centers; there's big press probably in Tokyo, big press in Hong Kong and then they split out from those two places to cover Asia.

DONNELLY: There were forty-four foreign newsmen in Hong Kong when I was there. It was the nerve center of China watching. One reason was at the consulate it was an FBIS (Foreign Broadcasting Information Service) operation, which I think is CIA (Central Intelligence Agency), of the whole broadcast service. They would buy papers from China, the provinces, and translate them and put out every day translations of Chinese newspapers. This was key to understanding China because the Chinese communists did not allow newspapers to be distributed outside the country. So, the CIA would surreptitiously buy these papers and then have them translated and every day put out translations. This was the key ingredient for newsmen; the newspaper reports. So if you were a China watcher, you wanted to be there.

Q: Now, as you're there over the years Vietnam is beginning to heat up to the south. Is this beginning to draw newspaper people or do they all decamp and go to Vietnam?

DONNELLY: They would take side trips, but they wouldn't decamp, no. They would just go, like the UPI (United Press International) guy, Charlie Smith, he would go there from time to time, but his base was Hong Kong. Vietnam had enough newsmen of their own. I think the news crew at one time was 300. When I was there, there were three American newsmen in Vietnam; three. I forget their names now. That's why there wasn't much in newspapers in America about the problems in Vietnam because unless you had an American newsman, nothing's happening.

Q: There's no sound when the tree falls in the forest there?

DONNELLY: No, nothing happens unless there's an American newsman; it's different now with CNN (Cable News Network) and international reporting. But in those days you needed an American newsman to report it. For example, in Hong Kong 1962, on September 1st there was a tremendous typhoon; Typhoon Wanda. It was the worst typhoon they had for twenty or thirty years; there was a tidal wave and 130 people died, a lot of large ocean-going transport ships were beached, cars were overturned. It was just a terrible typhoon, and as I said 130 people died. It was front page news, of course, in the Times and the Post and all over. There was lots and lots of common interest stories devoted to it. The very same day there was a flood in what was East Pakistan, (Bangladesh), and 5000 people died and that got about a half an inch because there was no American to report it, so it didn't happen. It's different now.

Q: In the press section as you're feeding the local press and trying to make sure they carry American-type of stories so they're familiar with the United States, what kinds of press are in Hong Kong for you to work with it?

DONNELLY: There are three English papers; the South China Morning Post, pro-government, pro-British; the Hong Kong Tiger Standard run by a Chinese the lady whose father invented Tiger Balm that a lot of people are familiar with, and then there was a small circulation evening paper, the China Mail. But the big ones were the South China Morning Post and the Tiger Standard. Then there were between thirty and forty Chinese papers. A couple of them were pro-

Kuomintang. Then there were some pro-Communist papers. And then there were a bunch of others that were just kind of out to make money. I wouldn't have any contact with the Communist papers, but I knew all the top reporters on the major Chinese papers and on the English papers. We'd get together quite often.

Q: I think that's my next question. How would you liaise with them?

DONNELLY: Well, they'd call me up usually. If anything happened, they'd call me and say, "Is so-and-so coming to town," "Where is so-and-so," or "Can we get to talk to…," and, "I understand that something happened. Do you have any information on something in Washington?" I might have something more on this file I could send them. I kept the book of every press inquiry I got and I'd write down what the inquiry was in a big book. I probably would get all of thirty or forty inquiries a day because there were so many papers and I guess they felt comfortable calling.

Q: So actually the USIA operation in Hong Kong is fairly substantial even though we're only talking about Hong Kong.

DONNELLY: It was substantial. There were always a lot of navy boats in town and there would be a lot of requests to go on the navy boats and talk to one of the officers or the navy would always want to arrange a concert; they would have a band that they would like for play for the school kids or something and I'd help arrange that. As I said, the newsmen would like to go on the boats; I don't know what they'd do on there. If there was any incident with a Marine or a sailor, I'd have to answer the press on whatever they asked.

After this terrible typhoon, Wanda, there were these boats all over the place; big liberty ships on dry land all over the island. A reporter called me up and said, "The navy ships are in port. Could you get us a helicopter ride to go photographing it?" By God, I called up the navy and they said, "Yes." So we went up, I think I took about ten reporters up, we flew all over the island and the New Territories and they snapped a lot of pictures of these boats.

Q: Were there other venues for socializing with the local press?

DONNELLY: All sorts of dinners and of course the local press would come in to the correspondent's club as well.

Q: They would see you, too, as access to Marshall Greene and whatever the problem was?

DONNELLY: For example, there was an American citizen who wandered into China and was held there awhile. The press asked me to arrange seeing her when she got out. That was one of the problems I had there with this lady. We found out that she was deranged and the consular officer wanted to shield her from the press and the press wanted to talk to her because she's an American that had been into China when Americans couldn't go into China. That was a problem.

Some of the Korean turncoats would come out one by one and I and the political officer would go to the border at Loh Wu and meet them and bring them back. The press would want to talk to

them and I'd find out whether these guys wanted to talk to the press and I'd make them available. There were about four that came out when I was there; the last one was a guy by the name of White, I think, if I recall correctly. And then people like Downey; Downey was one of the CIA agents who had been in China a long time. His mother was allowed to go see him and they wanted to talk to her so I asked her if she wanted to talk to them and that sort of stuff. So there was always a lot going on with the press. With forty foreign newsmen and about thirty or forty newspapers, there was just lots and lots of contact.

Q: I presume you're turning that around and alerting the political section or the consul general, "Hey, this is the buzz on the street; this is something."

DONNELLY: When there was any buzz, but there weren't many secrets in Hong Kong. There was no real agitation in Hong Kong until about '65 when they started to have the riots, and there wasn't much to report on the streets or anything.

Q: I'm under the impression that there was a fairly steady refugee influx in the '62 period.

DONNELLY: In May of 1962 there was something we called the Exodus. China had, I think it might have been because of the backyard furnaces debacle or something, but they had a real famine situation in south China and people wanted to flee to Hong Kong to eat, really. The Chinese, for reasons which nobody understood, let their guard down. They usually stopped people at the border, but those guys just decided to let their guard down and in a month, I think the figures are 120,000 people crossed into Hong Kong and they threw back 60,000. It was a tremendous influx and then all of a sudden just as strangely as they had dropped their guns, the guards picked them up again and stopped the Exodus. But that left, I think, about 60,000 people. They were called illegal immigrants and they were, over the course of months and years, legalized. Hong Kong has always had a refugee population; people living in shacks on the hills. They've done a good job of the settlement of all sorts of substantial structures.

There were, during the wind up of the Vietnam War, the boat people. I was gone then.

Q: That was later. But you were there for the start of the great Cultural Revolution and that sort of stuff. If you were a China watcher you went to Hong Kong to watch that.

DONNELLY: Yes, and that was the preoccupation, obviously, of our political section.

Q: Did you bump into many American academics that were using China as a watching?

DONNELLY: Yes, there were some, but those types would go see the political officer; they wouldn't see me. I was too involved with the press. We did have a couple that would come in our office and use our facilities and ask a question or two, but they really wanted to see the political officer.

Q: Having worked there, I think you were there '61 to '66, did you have your favorites among the local and the foreign press who seemed to be well plugged in?

DONNELLY: Any press officer realizes you have to know who you can trust. Yes, there are people I trusted and people I didn't trust. I guess the answer to your question is yes.

Q: You started out as the assistant press section officer and then you were the head of the whole press section?

DONNELLY: Well, the press section was under the information officer, but we operated pretty much independently.

Q: Who was head of USIA at that time?

DONNELLY: Bob Clark had just left and Jerry Stryker was acting. Then Earl Wilson came in and he was there for a couple years, and then Ken Boyle.

Q: Actually, how is it that you were there for almost five years? That's a long tour.

DONNELLY: My whole career has been happenstance; I didn't plan anything. I don't know; it just happened. I was in Taiwan for eleven years and people don't understand that, but it just sort of happened.

Q: Well, certainly personnel is sending you messages, "Shouldn't you move on?" or where your boss says, "Hey, I want Neal here."

DONNELLY: I was actually ordered out of Kaohsiung to Taipei during my second Kaohsiung tour. I was ordered by Bob Nichols. Of course we can get into this when we get to Taiwan, but after I had my first tour in Kaohsiung, I wanted to go back. USIS didn't want to send me, but the ambassador wanted me to go back, so I did; you do what the ambassador wants. Then I had a tour in Washington and the PAO asked me to come back to Taipei as cultural officer and so I did. While I was there in the second tour we had the normalization; they kept me on. It's all happenstance.

Q: Right, but getting back to Hong Kong, most tours are two year tours and most people that we interview say, "Ah, the third year you know everything and it's no fun anymore." Well here you are five years in Hong Kong doing exactly the same job. Did you feel a little burnout or…

DONNELLY: Anybody that can't have fun in Hong Kong shouldn't be a Foreign Service Officer. When I went in, the tours were two years, but Kennedy appointed Edward R. Murrow as the head of USIA and he decided to save money he would make the tour three years. So, I went over expecting a two year tour and was told I was there three years and then I went on home leave and then went I went back, Edward R. Murrow had gone and the new head of USIA switched it back to two years. So that's why I was there five years.

Q: So actually that just represents two tours.

DONNELLY: Two tours, yes.

Q: After Hong Kong then, you get a work break.

LOUIS P. GOELZ
Consular Officer
Hong Kong (1961-1966)

Louis P. Goelz was born in Philadelphia on February 25, 1927. After military service he graduated from La Salle College and Georgetown University. He joined the Foreign Service in 1955. He served in Lima, Hong Kong, Sao Paulo Belen Para, Mexico City, Nuevo Laredo, Tehran, and Seoul. He also served at INR, and the Visa Office and was assigned to the NATO Defense College for a year. He retired in 1992 and was interviewed by Charles Stuart Kennedy in July 1992 and February, 1993.

GOELZ: '61. I went out to Hong Kong. I was assigned to Hong Kong to a consular position and I stayed in Hong Kong until 1966, about that time.

Q: *Hong Kong is sort of unique in the visa business. Could you explain what the situation was during this particular period?*

GOELZ: This particular period in the beginning was very unique because we were running a refugee program, as well, and actually it was the consular section that was issuing the papers, and running the program. We didn't have RP in those days, or anything remotely resembling it.

Q: *RP is the Bureau of Refugee Affairs.*

GOELZ: So we were tasked to handle it. It was a program that had been inaugurated by President Kennedy, and had a lot of urgency attached to it -- I believe for political reasons but the idea was to issue as many Chinese visas as was possible. The workload was heavy. We used to have to work sometimes 10 hours a day, 6 or 7 days a week to keep up with the workload that was dumped on us.

Q: *Where would the pressure be coming from to issue Chinese visas? Because there never had been a humongous voting Chinese lobby the way there was, for example, for Italy.*

GOELZ: I agree, but there was some pressure being brought, mostly from California. There was political pressure being brought to bear against the White House, and the White House was responding to it. They wanted that program started, and they wanted it done as soon as possible.

Q: *Who were the refugees?*

GOELZ: Most people in Hong Kong were refugees at that particular period of time, and anybody who left the Mainland at any time who could qualify at certain dates and circumstances involved. Anybody could qualify; the fortunate or unfortunate part of...the problem was that most of our

local employees qualified, and went to the States.

Q: *Fraud was not a major problem?*

GOELZ: Oh, it was a very big problem in Hong Kong, and in all Chinese cases. A lot of fraud, of course, concerning citizenship and the issuance of passports, and passport applications. During the time that I was in Hong Kong I spent the first six months to a year in the immigrant visa section working on these refugee cases. After that I headed the passport unit because we were falling behind in our evaluation of citizenship cases. A lot of that concerned fraud, of course, and we had investigative services. We also had there an investigative unit, the only one in the world dealing directly with immigration fraud at that time. We had about 10-12 Chinese investigators who worked for us. We also had what we called "outside men" who were sort of informers and undercover investigators for us. I headed that unit myself for about two years supervising the investigations into fraudulent citizenship, and visa entitlements. It was a very interesting sideline.

Q: *Well on this, I've heard stories about raids on peoples' places in order to catch their briefing book, or whatever.*

GOELZ: Right. This happened earlier on. By the time I got there and got appointed as chief...one of the reasons I was placed as head of the section was because they wanted to put a new aspect to the whole situation. The local Hong Kong government had been unhappy with what was going on because it violated the rights of those under British authority and even the British nationals who were resident there. They were not real happy. It got to the point, when I took over the unit that we were not allowed to go and visit anybody's place of residence. This was done either by our investigators who got permission from the people they were checking on, or by our "outside men" who would investigate sub rosa to see what the situation was. It was a very interesting time, and the work was extremely interesting because it was very different.

There is one aspect of it that might be especially notable. That was that this particular unit over a period of years had a list of all the villages in Toishan especially, but also in several of the other counties around Hong Kong where most of the Chinese going to the United States came from. In these villages one of the peculiarities was that each village, as small as it was, had a particular family name. So if you lived in that village your name should be so-and-so. We had a book that we actually published with the cooperation of the Immigration and Naturalization Service, they provided the money. We provided a list of all of these villages with the family name or names that would name more names that were found in that particular village. It was a most successful tool in breaking fraudulent cases. Because what would happen, somebody would set up a paper trail of one of the persons in a particular village, but try to use their own name. They were caught every time. INS used it, and may still use it as far as I know. It was a very useful tool for them as well.

Q: *Were there attempts to pay off, I mean, corruption within the investigating unit?*

GOELZ: Was there ever! I had to fire the chief investigator during the two years I was there, and also about five to six investigators who we found out were taking bribes on the side. It's to be

expected, though, in something like that unit.

Q: *What was the impact of this on you, Lou? Here you're working, you know these people want to get out, and would use any means possible and as you say, we both served in some of the same places. It's very understandable why somebody would do anything in order to get out, and paying officials is a way of life. How did this affect you at that time?*

GOELZ: Do you mean did it sour me on visas, and visa applicants? Not really. It was as much a challenge as anything else, me against them to see who is going to win. They won more often than I did, of course. But it was still an interesting challenge. It was something useful. Developing tools to help with the work I thought was especially useful. Just turning down cases because somebody may not be giving you full information, is not really the answer. The answer was to go after the fraud, the deep rooted corruption, and the...well, what do you want to call it, just the various ways they used to get themselves to the United States. The Chinese are very nice people once you get to know them. Although I never learned the language, I knew a little Cantonese but not much. But the Chinese we were exposed to in Hong Kong, and elsewhere, turned out to be very nice people. I enjoyed my five years in Hong Kong.

Q: *What was your impression...I think a consular officer, particularly over a period of time, gets one of the best feels for how a group of people settle in the United States. Because you're looking at their affidavits and support. What was your impression of how the Chinese were doing during the '60s?*

GOELZ: The Chinese were doing quite well, quite well indeed, and were getting to the United States, and especially as you say from the affidavits and support of those who were in the States for those who were coming to join their immediate families or relatives. They started out with nothing, and wound up with everything. We had one local employee who I knew fairly well, in fact I hired him in Hong Kong, who went under this refugee program to the States. He got married just before he left, and he went to the United States on board a ship with his wife and $100. He landed in the San Francisco area where he had relatives whom he was working with. They raised flowers down south of San Francisco. Today that same local employee is a multimillionaire. He got involved in real estate in San Francisco, and made a fortune. They did well, very well indeed.

Q: *It's always encouraging to work with a group like that. You feel that you're putting people in who are going to be marginal. You left about '66?*

WILLILAM H. GLEYSTEEN
Economic Officer
Hong Kong (1962-1965)

Ambassador Gleysteen was born in China of Missionary parents. Educated at Yale and Harvard Universities, he entered the Foreign Service in 1951. After service in the State Department's Executive Secretariat, Mr. Gleysteen studied

Chinese and was subsequently posted to Taipei, Hong Kong, and to Seoul, Korea, where he served as Ambassador from 1978 to 1981. He also served in Washington with the National Security Council and in the State Department as Deputy Assistant Secretary for East Asian Affairs. The Ambassador was interviewed by Thomas Stern in 1997.

Q: *In 1962, you were assigned to Hong Kong as an economic officer. How did you manage to get such an assignment that made sense in career terms?*

GLEYSTEEN: During my whole career, I think I was rather lucky in being assigned to positions that made sense for me and for the Foreign Service. I knew from my friends that Hong Kong was about to have a major turn-over in staff. There was talk of my replacing David Dean - a schoolmate and a language school fellow graduate. I also knew the consul general, Marshall Green, and some of the right people in the Department. So everything worked well from my point of view.

In Hong Kong I was one of two deputies in the China Section headed by John Holdridge. I supervised reporting on the PRC's economy; the much smaller Hong Kong Section handled reporting on Hong Kong. In our section of "China watchers" I recall only one officer who had special economic training. All I had was basic economics at the undergraduate level plus my Taiwan experience. Although we were amateurs in economic theory, our lack of expertise was not a major drawback. We had a commonsense grasp of our subject which had a heavy political content. The distinction between political and economic was blurred in our work.

We had a local staff of about 15 people, who were highly competent. Some were professional economists -university trained. We paid them well by Foreign Service, not commercial, standards. Their services were an indispensable part of our operations. We included the local staff in our discussions to a degree that would not have been permitted in other posts. They did things that the American staff could not do - e.g. reading far more voraciously and extensively in Chinese than we were able to. What made this unique collaboration possible was that in the main we used unclassified material open to all.

I first met Marshall Green in Washington about ten years earlier while serving in S/S - after his return from London to work in the EA Bureau. Then I had quite a bit of contact with him while he was DCM in Seoul and I was in Tokyo. My early impressions of Marshall were consistent with the image he had in the Department: a lively, amusing, upwardly mobile, very ambitious officer. Looking from the outside, I think Marshall did a good job as DCM in Seoul, except perhaps during the first stage of Park Chung Hee's coup. In Hong Kong, I only had a very brief exposure because he left soon after my arrival. During this brief period, I felt Marshall was sound in his assessment of the China issues.

Our paths crossed again in the late 1960s and early 1970s. He was the assistant secretary for EA; I was the East Asia director in INR. I saw him daily, briefing him on the latest developments in the area. I spent at least half an hour with him and often more. I developed a great deal of respect for him. Throughout every phase of his life, he was cheerful and a master of puns - even at funerals.

My second consul general was Ed Rice, a friendly hands-on officer. Ed was one of the early "China hands." He had a number of out-of-area assignments, but had returned to EA to be a deputy assistant secretary before coming to Hong Kong. He had known Chinese well, although by the time he reached Hong Kong, his language skills had deteriorated.

John Holdridge was in charge of what in Beijing would have been called the political and economic sections. Heyward Isham, a Soviet expert, supervised the political side and I the economic. There were 5 or 6 officers in each unit. After about a year, Holdridge left for home leave and a period of duty on a personnel panel-probably a promotion board-which about half a year. At Rice's request, I filled in for Holdridge. It was somewhat awkward, because Isham and I were the same rank, born in the same month, went to same university and graduated in the same year - although we didn't know each other. I was chosen over him simply because I was a China officer and he was not.

When Holdridge returned, I went back to my economic assignment for a short period before leaving Hong Kong. Substituting for Holdridge was very useful for me; Ed Rice seemed satisfied and I worked with him on a major despatch, analyzing our interests in China and recommending a shift in our recognition policy. Both of us were proud of our hard work, which was the intellectual high point of my assignment. My inquiries later in Washington suggest that Dean Rusk and Co. hadn’t seen it or brushed it aside.

In addition to our China reporting, the consulate general had a normal operation dealing with Hong Kong itself, including political, economic, and consular functions. There was a little overlap between the two operations, but we got along very well. Essentially the Hong Kong consulate general consisted of two institutions, both supervised by the consul general. It was a large operation.

We lived in enviable circumstances. Hong Kong was the most comfortable of my posts. The CG building was fairly new and well maintained. It was quite spacious; every officer had a small private office. The building was located downtown in a choice area near good restaurants. We had individual houses for the most part, but also occupied small apartments in various lovely places. I lived in a double apartment complex on Deepwater Bay, which was not too hard to take. Other people lived in Stanley, Repulse Bay, and downtown. The DCM lived on a hill side overlooking Deepwater Bay. The CG lived part way up the Peak. Living may not have been luxurious, but it was far better than adequate. No one should have complained.

Hong Kong, in the 1962-65 period, was beginning to shine - a new development. I remember visiting Hong Kong in 1953 when people were dismissing it as place that "wouldn't make it" much past the end of the Korean War. It was having severe economic problems caused by the enormous refugee influx; it couldn't pull itself together. But we should not forget that in the early 1950s Korea was ridiculed as a "basket case", Taiwan was a dictatorship with severe problems, and even Japan had not yet taken off economically. People tend to forget those rugged days. Starting with the mid-1950s, Hong Kong began to blossom - becoming the trade gateway into the PRC, providing a savvy base for foreign companies that wished to work in East Asia and China, and serving as one of the first locations for modern labor intensive export industries. Hong Kong

lived under the rule of law, with an independent judiciary based on English law. By the time I was later stationed in Hong Kong, it was a thriving, vital city. The business community was very vigorous. There was already considerable affluence in the Chinese community, indicated by the ever increasing number of privately owned boats in various harbors and new cars on the street. It was already clear that the Chinese were becoming the predominant element.

The American business community was heavily focused on banking. There were considerable business opportunities for US banks in Hong Kong, but they were also interested in being ready if and when China would open up for them. Many major American companies located their Asian headquarters in Hong Kong. In the same way as banks, these companies did business in Hong Kong, but they were also readying themselves to invest in the PRC when the time was right.

In many respects the rules for US contact with the mainland were silly. We were all barred from doing any business with the PRC, leaving that growing field to others. For example, we could not buy goods made in the PRC, even if sold in Hong Kong. Food consumed in Hong Kong was more or less exempted. American firms, such as banking, had to be careful that none of their transactions involved the PRC or its citizens. That was not easy, but I think the American firms did their best to keep within US rules. All American transactions were monitored by the consulate general; we had a treasury attache with a staff that was strict on the issue of trade with the PRC. I thought it was a very foolish policy. But it was implemented with great vigor - except, of course, on senators and congressmen.

I might say a word about the problems and challenges of remote reporting on China from Hong Kong. In those days virtually no Americans were allowed to go to the PRC. No officials were permitted to do so, and the rare exceptions were doctors or other professionals who had a good reason and political connections in Washington. The Japanese and the Europeans, even if they did not have diplomatic relations, freely allowed their citizens to visit and do business in the PRC. Our rules were an enormous barrier to travel and a self-inflicted handicap to our understanding of China. Nevertheless, once you overcame feeling foolish, there were plenty of opportunities for useful work. We had to be vacuum cleaners, pulling in any information about the PRC we could. We would talk to every interesting traveler. We would meet endlessly in hotel rooms or invite them to the consulate general or our homes. We would cover every minute of their stay in the PRC. Our big net covered many Japanese, European, Australian, New Zealand and some Americans - like journalists - who got in, one way another.

With practice we became pretty good in the choice of interlocutors, so we were able to focus on those who had something to say. Some were gold mines. They were perceptive; they might had high level contacts up to the highest, including Mao. They knew what to look for. Some of them traveled periodically to the PRC, giving them and us, a sense of perspective. There were only a few of these, but they were the gems.

For the most part, people were willing to share information and views with us. We had a good reputation, unlike the Cold War headquarters mentality and ideology prevalent in Washington. The consulate general had built up an almost academic reputation over the years; its staff was considered sensible and their judgments had proven pretty good. Many consuls general

contributed to this aura. In my time, I felt lucky to inherit it and worked hard to sustain it. Our sources were usually cooperative; quite a few liked coming in to the consulate general, although we always offered to meet them elsewhere. As far as I know, none of our contacts were barred from travel to the PRC because of us, although it was always a concern. We tried to protect people whose comments could be easily traced back to them - a remark by Mao Zedong could be easily traced back because only a few would have had the opportunity to hear it. Generally, however, our activities were very transparent.

The second aspect of the job was to be an intelligent reader, mostly in translation but selectively in Chinese as well. We were allowed legally to buy Chinese communist publications - a great privilege! We read for hours on end. We had a very, very large translating operation that was only closed recently. Every day, there would be reams and reams of material coming out of that section and by wireless from a parallel operation in Okinawa. Much of the stuff was quite good and useful. I did my own reading whenever I could, thereby maintaining some fluency in the language in which I was trained. This was the only time in my career that I did that - reading original political and economic materials coming from the PRC. I concentrated on certain key publications; I wasn't good enough to skim huge volumes of material.

We drew from academic sources everywhere in the world for help with our analysis. If it was not in English, we would have it translated. We had intelligence operations paralleling our work; the intelligence community was less fettered by restrictions than we were, and I found their product useful. It was not the answer to a prayer, but it did add to our knowledge. The information collected was freely shared with us; I had good relations with the station chief.

We exchanged information with other countries, primarily Western European ones and Japan. We worked closely with the British whose operations were quite similar to ours, although they had the advantage of having intelligence representation in the PRC. In terms of quality, I generally found the Japanese most insightful - perhaps a subjective hangover from my previous assignment. I maintained contact with the Japanese consul generals and their deputies. If I had to rank various countries in terms of their usefulness for us I would mention Great Britain first, followed by Japan, and then Western European countries. They were all very cooperative and very useful.

We generally did not interview refugees directly, because the British had a skilled refugee screening program that produced large quantities of material. Information collected from refugees included a great deal of junk and often lacked perspective. Refugees were not necessarily representative of the mainland Chinese population or balanced observers of the China scene. Many academics-e.g. Ezra Vogel, Doak Barnett, Jerry Cohen-interviewed refugees at length. I was happy to glean their results rather than go through the drudgery of their interviews. Occasionally, I myself talked to a particularly interesting refugee.

Perhaps colored by my own interests, my sense of priorities in Hong Kong was: first, interpreting events within China; second, trying to influence our China policy by conveying the Asian pieces of the context; third, providing insight on the Chinese approach to the Soviet Union, Indochina, Taiwan, Hong Kong itself, and East Asia generally.

Although I know of no institution that did it better, I must admit we did only a passable job of interpreting what was happening within China. Despite the lurches of Mao Zedong's leadership and the mind-boggling nature of some of his policies, we usually were able - with a time lapse - to use refugees and traveler reports, publications, and occasional snippets of good intelligence to give Washington a fair sense of what was actually happening in the country. But there were always big gaps; and we had few clues to help decipher what was going within the inner councils of the leadership. Our self-imposed absence from China and ban on contacts with Chinese didn't help. Our biggest failures were in the area of prediction. There were titanic shifts and events, such as the "Great Leap Forward and "Cultural Revolution," that we did not anticipate. Yet no one really did; it would have been a miracle if we had.

When I arrived in Hong Kong, the PRC was suffering from the collapse of the "Great Leap Forward." That zany policy, begun in 1958, was an act of hubris on Mao's part that rapidly backfired into a major disaster for China. The intensity of forced agricultural production, the formation of massive communes, and the resort to crazy shortcuts - such as the melting down of every bit of cast iron to make useless backyard steel, deep plowing that quickly ruined the soil, etc - took a very heavy toll and throughly discredited the regime. Analysts say that as many as 20 million people may have starved to death. At least several millions died from man-made and natural disaster. I don't think anyone really knows, but it was really a cruel period for the Chinese people. North Korean policies some times remind me of Mao's.

A surprising number of people in the West were slow to recognize the insanity of the "Great Leap." During the initial fanfare a number of romantics, journalists, and even some in our intelligence community speculated that some elements of the "Great Leap Forward" might actually work; I thought they were nuts. After the collapse, a different crew of Westerners, following Taiwan's lead, postulated the possible demise the of the PRC. This was less ridiculous but still dangerously misleading. I believe the consulate general's solid reporting contributed significantly to the commonsense views reflected within the government and much of the media.

Similarly I think we did a pretty good job in picking up bits and pieces of information in the aftermath of the "Great Leap," including various reforms with which the PRC was experimenting. Of course, we had far more difficulty trying to figure out what was going at the top. There appeared to be a serious struggle for leadership of the party and the government. Along with several others, I was quite sensitive to this most important issue; our best source for analysis was Chinese publications. I wish I had done my research more boldly because the "Great Leap Forward" was the precursor to the "Cultural Revolution" -another program devised by Mao over opposition from more pragmatic leaders. The first signs of the new upheaval appeared just as I was leaving Hong Kong. They looked peculiar to us and we reported them, never being able to relate one odd development to another with enough coherence, thereby failing to see the shape of the horrendous "Cultural Revolution." I kick myself for having failed to do that. Analyzing what was going on in Beijing's Forbidden City was very difficult for everybody in the outside world - and for most Chinese. But over the years, I think the consulate general deserves good marks for its analysis of the general situation in China.

Our track record on foreign policy matters was okay - probably a cut better than okay. We had a sound appreciation of Sino-Soviet relations - considerably more accurate than some in

Washington. We had a fair understanding of the PRC's approach to Indochina as well as its military capacities.

Most important to me and in contrast to Embassy Taipei, the consulate general was open minded and relaxed in its approach to US policy toward China. Consul General Holmes, a distinguished newcomer to Asia who preceded Marshall Green, broke the taboos in talking about our policy toward the PRC, and from then on the consulate general openly pushed for a more pragmatic policy. Marshall Green did so in a variety of ways, and, as I have already mentioned, Ed Rice and I sent Washington a message similar to Holmes's, less elegant perhaps but written with considerable wisdom about Asia. Those messages would look pedestrian today; at the time they were quite bold.

I came into the Department in 1951, during the Korean war. I was deeply troubled by communist aggression on the peninsula and wrestled with what we might do. I was not happy about the course of events, but it seemed inevitable to me that in due time, we would have to establish relations with the PRC - in some form immediately to be followed by "normal" in due time. We were out of step with the vast majority of other countries. From the beginning of my foreign service career, I was uncomfortable with our PRC policy. It was a cloud over me at my early posts. Dutifully, I carried out US policy as best I could, but I was quite out of sympathy until 1971. This didn't mean I "liked" the PRC regime or that I condoned its crude pressure on the Nationalist off-shore islands or Taiwan. But since the PRC seemed well ensconced, I felt it was short-sighted not have some kind of relationship with it.
When I was interrogated in early 1955 by Scott McLeod's investigators about my alleged sympathy toward the Chinese Communists (see remarks regarding my experience in S/S), I made the following comment:

Q:..Concerning my own views on Communist China, I stated that communism and communism in China were an anathema and disappointment to me. Since the Chinese Nationalist Government was the one I grew up with and because of my family views, it was naturally the one I "supported." From 1945 to 1949 I was mad and sad about its ineffectiveness. After 1949-50 I began to think we probably would have to recognize Communist China diplomatically, as unpleasant and hostile as it was and would be. The Korean War removed this consideration. I went to on to explain that at present it would be disastrous to recognize Communist China because of the tension surrounding Quemoy, Matsu, and Formosa, but I said I thought we should think through the problem for a future date...

GLEYSTEEN: These remarks are quoted from an angry memorandum I wrote to myself on February 3, 1955 to record of a most unpleasant experience. During the next 8 years in Taiwan and Japan I became thoroughly convinced the time had arrived to change an outmoded policy. I saw normalization with the PRC as a process that would develop over years, reflecting the new reality in East Asia, devoid of any adverse moral connotation, and following the practice of most of the world. The choice was simply this: should we have a perpetual wall between two important countries or did we have to deal with the reality of a communist regime in China. If the latter, then wouldn't it better to have official relations with it? Our existing policy closed its eyes to the facts on the ground. In addition, I thought that we were paying a penalty in having much of our dialogue with the PRC often conducted through third parties - the process of using

an intermediary lost us opportunities and made for miscommunications because some of the third parties had their own agendas. I thought about and talked a lot about the consequences for the balance of power. In those days I did not foresee China shifting quickly from its hostility toward us, and I doubted a policy change would have a major beneficial effect on our dealings with the USSR. Yet I thought it would be a move in the in the right direction, and I was sure it would ease our relations with allies such as Japan.

It took Richard Nixon and Henry Kissinger to put all the pieces in play - for their own reasons and in a strategic framework that exaggerated the benefits. When the breakthrough came with Kissinger's trip to Beijing in 1971, our obsession with "the menace of China" was replaced by an overly simple view of the PRC as part of a united anti-Soviet front. Like others, I understood the new policy in terms of our Cold War interests; I was happy that the US was finally going to normalize relations with the PRC. At the same time, I sensed that the anti-Soviet rationale for the opening to the PRC might be interpreted excessively and lead us to mishandle our relations with Beijing. It is a complicated subject, but I believe that I was right in these concerns, which came to the fore in both the Ford and Carter administrations; I participated in some of the discussions that I will get to later.

The change in US policy toward China should have made long before 1971-72, and we would have been better off if it had been done openly rather than in secret. Despite being pushed to the sidelines while Kissinger and Nixon did it, I am really grateful to them for their bold action. As for Consulate General Hong Kong during the 1960s, I would say we contributed significantly to preparations for the change - both through our analysis of the China context and our policy recommendations. A lot of energy went into the effort.

Friction in Sino-Soviet relations, which burst into public debate while I was in Hong Kong, fascinated everybody, even those in Washington who could hardly believe what was happening. It is hard to remember now the role of the Americans who fought so hard to interpret the Sino-Soviet "bloc" as two communist regimes both marching in the same direction mostly under Soviet leadership. From every scrap of information that we collected, it looked like these people were way off-base. CG Hong Kong deserves kudos for its quite objective picture of reality - portraying the tremendous strains between the PRC and the Soviet Union, which were heading toward a climax of some sort, with actual fighting to take place along their borders in 1969. In addition to the public diatribe conducted in the names of Khrushchev and Mao, there was all sorts of intelligence about troubles dating back to 1954 and earlier. For all its conviction about a Sino-Soviet monolith, I must say in fairness, that we were never instructed by Washington to hew any party line - unlike the editorial work by MacArthur in Embassy Tokyo or the censorship exercised in Embassy Taipei.

My own views on Sino-Soviet relations were importantly influenced during graduate school at Yale. When I was an undergraduate, I had an orthodox Cold War view of the problem. I assumed that Stalin and his cohorts played a major role in setting Asia's fires - which in fact they did. And I assumed China was cooperatively involved, as a kind of junior partner. But in graduate school I had a chance to do considerable reading on the earlier communist period that highlighted the independence of the Chinese communist movement. I became convinced, as some scholars had, that independence, rivalry, and friction were the reality between the two nations. Essentially, I

thought that each would go in its own way, following its national interest more than ideology. That meant that on some issues, there would be a partnership, but often the two would find themselves on the opposite sides. By the time I reached Hong Kong, my views were pretty close to what historically seems to have been the pattern.

After a checkered record of support in the early years, the Soviets finally assisted Mao come to power in the late 1940s. But rarely did the Soviets do all they could have done. In the post-war period, the Soviets pillaged Manchuria for its industrial equipment and later demanded certain territorial concessions from the Chinese - including some of the same things the Russian Empire demanded of Imperial China in 19th Century. I was impressed by the replay of this clash of nationalisms. When the more obvious signs of strain began to appear - in the mid-1950s, and even more pronouncedly in the late-1950s with Khrushchev's public refusal to back Mao in the Taiwan Straits - I thought we faced two major powers that would go their own ways, guided, as I said, mostly by their national interests. Despite my analysis, I was still amazed in the late 1960s when they carried this behavior close to the point of a major war and sought to enlist our weight into the contest.

While I was in Hong Kong the consulate general also spent much time speculating how the Chinese would deal with various events in Vietnam and the Taiwan Straits. The Taiwan off-shore islands had again became a subject of US-PRC tension. The PRC was in bad shape economically. The People's Liberation Army (PLA) was suffering as a consequence of the "Great Leap Forward" and its aftermath; so it was hitting bottom as a consequential military force. At the same time, Vietnam was becoming an increasing problem for the PRC because of our military build up. The PRC sent substantial assistance to the North Vietnamese, a very complicated process. Given these conditions, there was discussion in Taiwan of taking advantage of the PRC's preoccupations and weaknesses through a variety of provocative actions. The U.S., as I remember it, made a statement, probably in the Warsaw or Prague Talks in 1963 or 1964, that we would not support any Taiwan action raising the level of tensions. That was well received by the PRC. These and other events gave us in Hong Kong an opportunity to assess the PRC's mind set and possible moves, which we did very conscientiously.

One of our most consuming and tricky challenges was to assess likely Chinese behavior in Vietnam. Washington was obviously concerned about what the PRC might do militarily if we intervened more directly in Vietnam. Stimulated by my Geneva Conference days, I tried to keep up with Indochina even though it was not part of my normal portfolio. While in Tokyo I had managed a rather long visit to Vietnam. I went twice while in Hong Kong and several times more after returning to Washington. I traveled to many regions of the country as well as Saigon, talked to all levels of the military, met at length with our embassy staff, etc.

In general, the consulate general, specifically including Rice and me, felt that the PRC was being very cautious and demonstrating little evidence of intention to intervene militarily. This was a crucial judgment on our part, because Washington was trying to assess how much risk we were running as we escalated our military presence in Vietnam from an advisory role to combat with US forces. Of course, we put in caveats - one being the obvious need to be prepared if our judgment proved wrong. Although I was fairly confident of our prediction, it bothered me personally. Effectively, we were assisting those in our government who favored deeper

involvement in Vietnam. With a brief lapse in 1965, I was opposed to such entanglement.

Incidentally, our assessment of the PRC-Vietnam relationship got me into a running argument with those in INR and the intelligence community who worried about Chinese intervention as in the Korean War. Alan Whiting, who was INR's director for East Asia, disagreed strongly with us. He had written a famous book on the PRC's intervention in the Korean war; he tried to apply the same lessons to the Vietnam situation and came to an entirely different conclusion than I and most of my colleagues. Our debate conducted by cable got into the press from sources "who did not wish to be identified." I deduced and later confirmed that Whiting was briefing reliable journalists "on background." I did the same, giving the *New York Times* some good stories. In retrospect, I think we were both a bit foolish.

As for your question about our access to information and the degree of our influence in Washington, I would say that the consulate general was well served with information, while the effect of our recommendations was less than desired. Our analyses of the general situation in the PRC got broad circulation and were widely respected but they didn't reach the highest levels of the Department; they were fodder for the analysts in EA, INR and other parts of the intelligence community. We had some disputes with Washington over the national intelligence estimates which did not always match ours. CIA would tell us that we were wrong and they were right, if only because they had many more resources to devote to the PRC - and anyway, headquarters is always right! These disagreements were not a big problem for us; they were arguments among peers and we really didn't give that much of a damn about what the bureaucracy in Washington believed.

On issues affecting bilateral relations - on which we wrote some wonderful reports - the consul general often helped in their drafting and signed them out in his name. That plus restrictive circulation helped get attention - at least at the assistant secretary level. I don't know how they were viewed at higher levels; at least there was no attempt to stop us from our analysis or to tell us to hew the line.

On issues such as possible military engagement between the PRC and Taiwan or China and Vietnam, our reports were thoroughly read in Washington. We would get specific questions, some of which indicated certain biases, which was alright because we were not hemmed in our responses. In the case of US-Vietnam relations, I believe our important messages reached high levels in the government.

I also remember being impressed by how much traffic we received on Vietnam, including intelligence material. We were near Vietnam, but we had a detachment that our people in Saigon did not. So we some times submitted interesting comments, even though our immediate responsibility was the PRC. For example, after the Tonkin Gulf incident, Ed Rice inspired and supervised some careful analysis by our section plus the military attaches and CIA Station. As I recall them, our comments would look good today in light of what we have since learned about the incident. We were never convinced that there were in fact military clashes in the Gulf; we suspected that the US was seizing on isolated indicators to escalate our military intervention. We relied heavily on intercepts of Vietnamese communications, technical intelligence gathering, and Beijing's attitude. This intelligence was rapidly available to us in Hong Kong because we were

part of the collection system.

I admired Rice for team efforts such as this one. In other instances he also signed off on messages, even the more strident ones and those he knew would draw opposition. I don't want to leave the impression that we were heroes in Hong Kong. Most often we were only one voice in the cacophony of noises emanating from groups of China watchers.

Let me address the question of how much influence the United States had on China during this time. In the 1962-65 period, our influence was significant. On the fundamental aspects of our policy - the embargo and containment of the PRC - although we could not control other countries, we severely complicated the PRC's efforts to broaden its relationship with the outside world. All of our military and economic goods, all of our technology as well as most of the developed world's military and technical exports, were deflected away from the PRC, thus impeding its economic and military development. As the leader of the "Free World," we did exercise a negative influence on the PRC, even if it meant an increasing tension with some of our allies who did not see the PRC as the enemy, as we did. Some aspects of this policy of denial - for example, the complete trade embargo - were inconsistent with my views on recognition of the PRC.

In the international sphere, our policy of not recognizing the PRC-keeping it out of the UN, handicapping it in all fora - was a joke - on us. We were kidding ourselves if we thought we could keep the PRC isolated for any length of time. Our policy was the dominant one in the developed world, but most countries found easy ways around it - as did many Americans. It was a doomed policy - just encouraging people to cheat. When the policy change finally came in 1971, everyone was ready for it.

As for the PRC's domestic policies, we had no visible impact. We probably provided the hard liners in the PRC with a justification for their policy. We may have had a negative impact on PRC domestic policies, helping hard liners take their crude approach to domestic issues as part of an anti-US campaign.

Three times - the Korean war, the off-shore islands crises, and Vietnam - we engaged in or threatened combat against the PRC. That certainly influenced Chinese views of the world around it. Although our ignorance helped to bring the Chinese into the Korean war, I have always felt - and still do today in light of historical documents now available - that we were right to assist South Korea defend itself in 1950. Over the longer term, our actions in Korea had a definite impact on PRC policies, influencing Chinese behavior on the off-shore island crises and in Vietnam. Our firm stance in Korea gave us some credibility in Beijing. In short our influence on the PRC was certainly heightened by our forceful military posture in East Asia; it compelled PRC policy makers to take our military presence into account.

I should make a summary statement on my tour in Hong Kong. Of all of the posts in which I served, except perhaps Korea which had some unique problems, I found that the intellectual quality of the consulate general work was outstanding. The consuls general insisted that the staff maintain an objective view and that contributed to enlightened reporting. My colleagues knew their stuff. Reporting from Hong Kong was very special; I don't think I saw that same level of

insight again. The staff had a sense of participation on substantive issues that was great for everybody. The staff in Hong Kong was carefully chosen. It was a good team and worked well together. The intelligence community in Hong Kong was well integrated with the rest of the American staff. It was a good show. Even the military attaches, of which there were many, were part of the team, although they sometimes could be difficult with their own agenda. They had too much money and quite often ran clumsy covert operations without experience, thereby getting the U.S. government in trouble.

When I arrived in Hong Kong, Oscar Armstrong was the deputy consul general. He was followed by John Lacey. Both of them played a very useful role. They were excellent officers. As I mentioned earlier, Hong Kong had two separate entities: the "China watchers" - an embassy in exile - and those responsible for normal CG duties with the territory of Hong Kong. In that second category, we had a very active commercial operation. Then we had a large, sprawling intelligence community, which presented technical and legal challenges. The deputy CG was the keystone of keeping all in sync. I had a high regard for the officers under whom I served and for those whom I supervised.

ROBERT L. NICHOLS
Information Officer, USIS
Hong Kong (1962-1965)

Robert L. Nichols was born in Wisconsin on August 4, 1924. He served in the U.S. Navy during World War II in China and Asia. He received a bachelor's degree from Tufts University and a master's degree from The Fletcher School of Law and Diplomacy. His Foreign Service career included positions in The Philippines, The Netherlands, Hong Kong, Taiwan, Singapore. This interview was conducted by Robert Amerson on August 30, 1988.

NICHOLS: I followed my two-plus years of Chinese language training with an assignment in Hong Kong as cultural affairs officer, which, unfortunately, is not the best place to use Mandarin Chinese, because most of the Chinese in Hong Kong speak Cantonese. However, I did get to use it, and of course, it was definitely a Chinese environment and Chinese post in many respects. I was dealing with a Chinese audience there, by and large.

It was a very interesting assignment for other reasons. It was interesting because it taught me a lot about exchange programs, being a cultural affairs officer, and I was working with the type of programs I believed in -- exchanges, libraries, book translation, speakers, etc.

Q: *Hong Kong is the kind of place where a lot of Americans come to visit. You must have had a lot of American officialdom.*

NICHOLS: Every American wants to stop in Hong Kong. The entertainers were there in droves. "Satchmo" was there, Sinatra was there. He was moving or trying hard to move in Kennedy circles, so he came there to do good things for them, charity balls and the like. We made good

use of people like Sinatra and Gary Moore, but more especially of Rod Serling and Kirk Douglas who came out under our auspices. Serling -- that was an interesting experience.

I was in charge of the book translation program while we were in Hong Kong. One of the plays that had been translated into Chinese was Thornton Wilder's "Our Town." I was reminded of this recently, when I read recently about Arthur Miller's "Death of a Salesman" being done in China. Also I think that Charlton Heston was over there directing some American play in Chinese.

Well, we were offered Rod Serling as an American specialist to come to Hong Kong. What are we going to do with a Rod Serling, a "Twilight Zone" man? A very interesting person, but what are we going to do with him? Well, we had this play that had just been translated, "Our Town," and we had a college in Hong Kong, Hong Kong Baptist College, that wanted to put on this play. There was a young Chinese who had been on a Fulbright to the United States and had gone to the Yale School of Drama. He was back teaching at Baptist College. So I talked with him about it. I said, "Rod Serling's coming out. Is there any way you could use him in the development of the production of this play?"

He said, "Oh, my God, that would be marvelous." He could help explain the meaning of the play and the significance of it. He could help direct.

So when Serling came, the city got very excited about this, and Serling spent his time in Hong Kong helping direct "Our Town" in Chinese. Of course, he had to work through the Chinese Yale graduate, but what he did was get across Wilder's meanings and intentions. The thing that came across so beautifully and to which the Chinese related was the use of mime in the play. There's so much of that in "Our Town." Of course, the Chinese use mime a great deal, too. This worked out very well, and it played to huge audiences in Hong Kong, and it was a very great success.

Q: *This was in the early Sixties?*

NICHOLS: That would be 1964, somewhere around then.

Q: *After your Hong Kong assignment, what?*

DONALD M. ANDERSON
Consular Officer/Political Officer
Hong Kong (1962-1965)

Political Officer
Hong Kong (1975-1977)

Consul General
Hong Kong (1986-1990)

Donald M. Anderson was born in Iowa in 1932. He entered the Foreign Service in 1958. His career included positions in China (Hong Kong and Taiwan), India, and France. He was interviewed by Charles Stuart Kennedy on July 8 and September 2, 1992.

Q: *Well then, you did go to Hong Kong where you served from '62 to '65. What were you doing there?*

ANDERSON: Well, the conventional wisdom when we were finishing up language school was that the career-wise thing to do was to go to Taipei because that would help you solidify and consolidate your language. I decided not to do that, and I tried to get assigned to Hong Kong because I did want to work on the Mainland. I did not want to get locked into being a Taiwan specialist. So I went to Hong Kong first as a consular officer, which is the way everybody went from language school to Hong Kong...in the consular section. I did a year in the American citizen services...actually the passport section, which was a very educational experience because passport fraud in Hong Kong was a major enterprise.

Q: *How did you deal with it?*

ANDERSON: It was a fascinating thing.

Q: *Could you describe how the fraud developed, and how you dealt with it?*

ANDERSON: Basically, the origins of the passport fraud was in the late 19th century, early 20th century. There was a tremendous amount of, not immigration, but travel by people from Guangdong Province just across the border from Hong Kong, to the United States, largely working on the railroads as laborers. This group of people actually came almost entirely from two or three counties, just across the border. And when the San Francisco earthquake occurred, for example, all the birth records were lost, and all one had to do to be certified as a citizen living in San Francisco was to have two people come in and swear that you were born in San Francisco. A lot of Chinese became American citizens that way. Someone did a study once of the population of San Francisco at that time and determined that if every Chinese male in San Francisco had actually been born in San Francisco, knowing the number of Chinese females in San Francisco, that each woman would have had to given birth to 600 children. Their practice was generally to leave the wife back in the village, and go earn enough money that they were prosperous by Chinese standards; then they would come home and maybe spend a year, and then go back and work some more. During that time would sire children. And, of course, the desirable thing to have was boys, because they would then grow up and as soon as they were eligible they would go to the United States and work to continue this process of sending money back to the village. Daughters were an inconvenience, and so what would happen would be that if your brother who had stayed back in China had a son, and you came back and your wife produced a daughter, your brother's son would become your son for immigration purposes.

They developed an intricate network of fraud and in response the Consulate General in Hong Kong set up a fraud unit which was really quite an elaborate organization. The Chinese traditionally have what is called three generation papers. These are papers on usually red tissue

paper, and they have the names of all of the relatives for three generations written on them. These are exchanged at wedding ceremonies. The fraud unit started studying these things, and developed an extensive file and collection of familial relations for these three counties, particularly Toishan county which was the biggest. It reached the point where people would come in...nobody had a birth certificate or any document so you relied on secondary evidence such as photographs taken with a person, work permits, or whatever it was. They would come in and claim to be so-and-so, and the son of so-and-so. We could send the application to the fraud unit, and they would research the names and come back and say, "He is not so-and-so's son. He is his nephew, and this is his father." We would present this to the applicant and they were usually so stunned that we knew that much, that they would immediately throw up their hands. And then there was blood testing also. Blood testing became quite sophisticated, it wasn't a positive identification, but it was a negative identification. So it was a real job of sleuthing. There was very little legal work or traditional consular passport work. It was trying to figure out the family heritage of somebody.

Q: *I'm sure it gave you a much greater appreciation of the social intricacies of Chinese life too.*

ANDERSON: Indeed. Not perhaps for Chinese life in the big picture, but certainly for southern Guangdong. Cantonese life is frequently quite different than say north or other parts of China. It's very traditional, sort of old-fashioned.

Q: *How about with the language? I've always understood that there's Mandarin and Cantonese, and then a multitude of other dialects. How about Cantonese? Could you get along with it, or were you learning?*

ANDERSON: No. I must confess that for spoken work in the consular section, my Mandarin was virtually useless. They all spoke Cantonese, and in fact, many of them spoke Toishan which is a dialect of Cantonese. I could read the documents because Chinese is standard all over China.

About the language. No, I did not interview people in the language, I used an interpreter. In fact my principal interpreter and assistant knew more about U.S. citizenship law than I ever would.

Q: *This is so often the case. Then you moved to the political section?*

ANDERSON: In those days the political and economic functions were divided differently in the Consulate General because of the peculiar nature of the Consulate. We had a Hong Kong-Macau section, and a Mainland China section, and within each of those two sections we had an economic and political unit. So I was assigned for a time in the commercial section of the Hong Kong- Macau section where one of my major functions was what they called Economic Defense Officer, which was enforcing our embargo on the Mainland. It sort of meant chasing Hong Kong companies around that did business with China, and trying to prevent them from buying American products.

Q: *This was a major effort on our part.*

ANDERSON: Oh, it was one of the silliest I've ever seen. The Consul General himself got in

trouble because he had a love for Chinese export porcelain, and thought that was perfectly acceptable to buy. And we had a Treasury agent in the Consulate who warned him that he was breaking the law. That job only lasted for about six or eight months, and then the State Department contacted me and asked me if I wanted to be the next interpreter for our meetings at the ambassadorial level with the Chinese in Warsaw, Poland. It's something that I had given some thought to because I did fairly well in the basic Chinese language course. I came out of it with an S-4, R-4.

Q: *I might for the record say S-4, R-4, is speaking-4, reading- 4, is extremely high in our business. You really have to be born to get the 5-5, which is the highest.*

ANDERSON: The job rather appealed to me because at the time the officer who was doing it was posted in London in the political section, and used to fly over from London to Warsaw to do the talks. So I readily agreed that I would like to do it...it involved going back to Taiwan for an additional year of interpreter training, and then on to, I thought, London. And as a result I should add they pulled me out of the commercial section, and put me into the Mainland China political section, reporting on Mainland China's foreign relations. So I did move over to the political section for about the last year and a half that I was in Hong Kong. My stint in the political section in Hong Kong ended up really being devoted in very large part to reporting on the probability of China's entering the Vietnam war. While we were in Hong Kong the Tonkin Gulf incident happened, which produced mass rallies in Beijing and a number of very threatening editorials and speeches about the U.S. aggression against Vietnam. There were a lot of people, particularly back in Washington, who still had very fresh memories of the Chinese entry into the Korean war, and there was serious concern as to what the Chinese were going to do, and, I think basically, how far we could pursue the war in Vietnam without provoking Chinese intervention. I was sitting out in Hong Kong reading everything we could get, and trying to provide an analysis of the probability of a Chinese intervention.

Q: *I've heard people say this obvious centuries-long antipathy between the Vietnamese and the Chinese and saying you never could really expect these two to get together.*

ANDERSON: It was pretty well obscured during the war, though. They were talking about being as close as lips and teeth and all of that stuff.

Q: *Just to get a feel for this. Here you are sitting in Hong Kong reading newspapers, and listening to broadcasts, and this type of thing. How could you get any feel for what's going on? It's a controlled press...*

ANDERSON: It very definitely was an inexact science. It was almost entirely from content analysis. Looking at the terminology they were using, talking to Chinese about, "What are the implications of this type of language coming from a Chinese source?" Really just gauging whether they were drawing a line and saying, "At this point we will react," or leaving things fuzzy. It appeared to me quite clear that they were trying to leave things fairly fuzzy. And I pretty well concluded that the United States could bomb, could conduct an aerial warfare against North Vietnam, but if the United States were to cross the 17th parallel, and start driving...

Q: *This is just above Hue.*

ANDERSON: Yes, and start driving toward the Chinese border, then I think we probably would have gone too far.

Q: *As you went into these analyses, were you using as sort of a test the words that the Chinese were using during 1950 essentially in Korea, and saying, "Ok, they were saying this, and we did this..." and using this as the model to look at?*

ANDERSON: To the degree we could, but we didn't have that much. Alan Whiting wrote the book on China's entry into the Korean war, but that was later. We really didn't have the ability to do that careful an analysis. We probably should have.

Q: *You say you talked to Chinese to find out the nuances. Who were the Chinese you'd get the nuances from?*

ANDERSON: Well, I talked to the Chinese language teachers that we had. We had a Chinese local staff who assisted us with the content analysis, a very bright bunch of people that had an institutional memory of events and pronouncements by the Chinese going back sometimes 15-20 years. In fact, some of the locals that we had at the Consulate back in those days had actually come out of China with us when we left China. So they were a tremendous help. I remember one phrase, xiu xiu pang guan; quite literally it means "stand aside and watch," and I was trying to figure out whether this was a serious threat or what, and one of the Chinese said, "Well, literally, I think it probably amounts to your saying, `If you get in a fight, I'll hold your coat.'"

Q: *Who was the Consul General at that time?*

ANDERSON: Marshall Green was Consul General when I arrived. By the time I was in the political section, it was Ed Rice.

Q: *You were coming out with a sort of a conclusion. This is a very important thing, and there was a lot resting on what the Chinese were going to do, and obviously you were down the line so it wasn't all on you. But still did you feel any pressure as far as how you should call things, or not? What was the atmosphere?*

ANDERSON: No, not really. Obviously I was pretty far down the line, and my analyses weren't going out under my signature. It was being vetted by at least two more layers, and sometimes three, and this was only one input into the decision-making in Washington. INR had an input, and CIA had an input to the decision-makers in Washington. But we were looking at it from the Hong Kong perspective, and as I say, largely based on content analysis. I don't know how much impact that had, but obviously the decisions were made to go ahead.

Q: *Did you get any feel about, from where you were, about the CIA operations? Were you getting information, and how did that meld in with your activities?*

ANDERSON: The CIA operation was very important. At that point less so for Vietnam, and for

the Vietnam conflict, at least as far as inputs to me. It was important in terms of conditions inside Mainland China. There was a very extensive interview program, and the agency worked very closely with the British who obviously had a much bigger presence and were screening people coming across the border, etc. So it was a very important operation. I remember there were one or two guys that showed up who had just come out of North Vietnam, and we chased them around Hong Kong like they were gold miners, and usually they wouldn't talk to us anyway.

Q: *What was your impression of events in China at the time? The Great Leap Forward had...*

ANDERSON: It really collapsed, and economic conditions were in terrible shape. This was a period when Hong Kong was just being swamped by refugees coming across the border. I can remember our apartment looked out over the harbor, and then on to the hills of Kowloon. There was a terrible drought during this period, and we got down to water for four hours every fourth day. The brush fires on the hills you could see at night, burning up the hills. The refugees were streaming across the river that separates China from Hong Kong, and the Hong Kong government was having to cope with these thousands of refugees and began a massive housing program. We were very much involved in that as well because some of them did have claims to go to the United States. So it was a very difficult time, and we were focusing largely on the issues of the day. We were also trying to do China watching in the sense of what was happening in Beijing.

By the time I left to go back to language training in late '65, we were beginning to see some signs that something wasn't right in China, and that there were some new figures beginning to appear. But up until that time the Chinese had been able to maintain a facade of unity. I think people realized rather late that there was a tremendous power struggle going on.

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Q: *Was that the situation the whole time you were there?*

ANDERSON: Yes. I left Beijing in the summer of '75, and went to Hong Kong. The Consul General in Hong Kong asked me to come down and we amalgamated the political and economic section into a China reporting section. We were dealing with both economic and political reporting, and he asked me to come down and run that, which I did. We had relatively little operational kinds of functions, but it was a terribly interesting time from a reporting standpoint. Zhou En-lai died...I got there in early fall of '75, and Zhou En-lai died I believe it was February of '76. I can no longer remember the exact sequence, but Chu De, who was number two to Mao for many years, died. Then Mao himself died. And before that they had the Tangshan earthquake which was the enormous earthquake in the Northeast. Three weeks after Mao died we had the arrest of the Gang of Four. So 1976 was a tremendously eventful year in China, and we were ob serving from Hong Kong through the Chinese press, through intelligence.

Q: *The question always comes, Hong Kong was the preeminent China watching place for years, all of a sudden we open an office in Beijing, so what's Hong Kong doing? And why is it still doing its thing?*

ANDERSON: It's because the two bring two different kinds of attributes. In Beijing you have on-the-scenes, you have the ability to talk to people, you can get out on the streets, you're interacting with the Foreign Ministry and other ministries in the government. There is a large political relationship to be managed, which requires an on-the-spot presence of an embassy. Hong Kong, on the other hand, is outside looking in. It has a number of advantages as well. One is resources. There is a Foreign Service national staff there, a local Chinese staff many of whom have worked for the Consulate for 20 or more years, who have followed these developments and have a historical memory that is invaluable. And being Chinese they can get through Chinese materials twice as fast as any American regardless of how good his language is. And then there is the international press, and a whole China watching community there. And a very substantial intelligence operation. There are intelligence resources there that you don't have anywhere else. And its been very interesting that over a long period of time you get a different perspective from Beijing and Hong Kong. Usually Hong Kong, when developments are happening, when events are breaking, Hong Kong tends to be more on the pessimistic side that things are going wrong, or that there is a power struggle going on. And in Beijing, living right in the community, the inclination I think is to see things as being more normal than they look from the outside.

Q: *Before we leave the Nixon-Ford administration, what was Kissinger's role once he established this relationship? Did he sort of move on to other things? Did you feel that Kissinger was really on top of the China relations all the time?*

ANDERSON: Pretty much, yes. He retained a very direct interest in China, and at a minimum Kissinger, I think, sort of set a tone that really shaped the way we dealt with China for a very long time. Essentially Kissinger saw the opening to China as part of a global strategic move, and was very much interested in the triangular relationship. At the same time I think he was very affected by China in his book, and speeches I've heard him give. He was obviously very impressed with Mao and Zhou En-lai, and with their intellectual capabilities, their strategic thinking, and this kind of thing. I think they were people he felt he could commune with. Then there was very definitely an atmosphere in the U.S. government as long as Kissinger was running the show that basically in dealing with China you looked at the big picture and the strategic relationship, don't bother with details which led to, I think, a lot of people...not necessarily myself, but a lot of people feeling that we were giving away things that we didn't need to give to China. In other words, if the Chinese said, "We want this," in terms of a negotiation, the inclination was to say, "Okay," rather than have a show-down, and quibble over details, which may or may not have been wise.

Q: *What about in Hong Kong the view there of events and Vietnam and Chinese- Vietnamese relations?*

ANDERSON: At that period really Vietnam did not figure terribly large.

Q: *It was our major preoccupation, and then it just dropped over the horizon?*

ANDERSON: The Hong Kong Consulate General did not contribute to the Vietnam picture at that particular time. There were the beginnings of Vietnamese refugees, and as a matter of fact, I had one guy working for me who did nothing but Indochina matters. It was not a major focus.

Q: *You left there and came back to Washington?*

ANDERSON: Yes.

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Q: *Then just briefly, you were in the Senior Seminar from '85 to '86, and then you went back to Hong Kong as Consul General for our years from '86 to '90. Was there any change in being in Hong Kong at that time? Had the operation matured?*

ANDERSON: There were lots of changes, but not as many as many people might have expected. The assumption was at the time of normalization of relations that Hong Kong would gradually shrink, would diminish, and in some respects it did. I mean the political section and economic section was considerably smaller. But strangely enough the Consulate was at least as big, and maybe a little bigger, than I had ever known it to be. One of my roles in Hong Kong was to fend off other agencies that wanted to either set up offices, or add staff to their existing offices. It is a great regional center, I think we had 12 or 13 different government agencies represented there, and there was constant pressure to increase. The big thing, of course, that had changed substantively was the 1984 Sino-British Joint Statement a time certain had been set for Hong Kong's reversion to Beijing, which affected a whole range of things in Hong Kong, and the attitude of the Hong Kong people.

Then, of course, the other major development and major tragedy was Tiananmen which occurred in June of 1989.

Q: *This is the quelling of a major student demonstration in front of world television in the main square of Beijing. Let's talk first about the reversion. Did we have a fixed policy when the Hong Kong people would come to you and say, "What's the American assurances?" How did we play this? Because this was only two years after the statement, and people hadn't learned to live with it yet.*

ANDERSON: What happened with the statement was that there was great fear, and uncertainty, prior to the statement -- in the period '82, '83 and into early '84. Property values were affected, people were beginning to make arrangements to get out, and there was a high degree of uncertainty. My predecessor, I will say, played a significant role in presenting an image of confidence.

Q: *Who was that?*

ANDERSON: Burt Levin. Then came the Joint Declaration in 1984, and the document, I still think, was a very good document. It was well negotiated, and if the Chinese abide by the provisions of that Joint Declaration, I think Hong Kong's future is going to be okay. There was a great collective sigh of relief when that Joint Declaration came out. So I came in '86, following a period of not euphoria, but relief, and a renewed sense of confidence that things were going to be all right. But the next phase in the process, as agreed, was to begin the preparation of the basic

law for Hong Kong, in effect a mini-constitution. That process was just beginning. My feeling was that over the period that I was there, there was again something of a deterioration of confidence, in part because of the negotiations over the basic law and a growing sense that the Chinese really aren't going to leave Hong Kong alone to the degree that we hoped. And, of course, Tiananmen occurred which was a terrible shock. The democracy movement in China had a tremendous impact in Hong Kong. I can remember one Sunday there were at least 800,000 people marching peacefully down the main street of Hong Kong. There were enormous demonstrations. There was an interesting change that took place during that period because they were demonstrating for our compatriots in China, our brothers in China. This was a whole new attitude because generally Hong Kong Chinese have looked upon people across the border, in the Mainland, as sort of country bumpkins. "We're the smart guys, we're the wealthy, we're the ones who know how to do it, and all those people up in the Mainland are kind of dummies." And when the democracy movement started, there was all of a sudden in Hong Kong a feeling of being Chinese, of being part of the thing that they were seeing in Beijing. In fact, there was a lot of support, monetary and material support that went from Hong Kong into China during that period. Practically all of those tents that you saw on television in Tiananmen came from Hong Kong.

Q: *Were people looking to the United States to do something? How did they feel about how we reacted?*

ANDERSON: To what? To the 1997 issue?

Q: *To the Tiananmen Square.*

ANDERSON: Everybody watched in horror. I personally felt like I was watching a tragedy. They recognized there wasn't anything we could do in the short term in the sense of changing things. In the short term we did take actions which probably still can't really be discussed, to provide shelter, and help for people who were escaping who had been involved in it. We cooperated with a group of about five other countries to help some of these young people, and some not so young, to get through Hong Kong and get on safely to the United States or to Europe, or wherever they were going. And, of course, the President immediately announced economic sanctions, and certain steps in terms of cutting off high level visits, etc. Actually, the United States probably took as strong measures as anybody, and kept them in place, or is still keeping some of them in place longer than anybody else.

One of the very interesting things about the post-Tiananmen reaction was that probably the people who were back in doing business more or less as usual, were the Chinese from Taiwan and from Hong Kong.

Q: *You probably left there shortly after Tiananmen...*

ANDERSON: A full year later.

Q: *Were the Chinese, who were able to leave, beginning to hedge their bets more by getting out of Hong Kong?*

ANDERSON: No, the brain drain had already become a serious problem. There is a constant outward migration from Hong Kong, and a steady inward migration from the Mainland into Hong Kong so that the population has remained relatively stable. There are about 22,000 people leave every year, in the '60s, '70s, '80s. It went up to 35,000, then up to 45,000 and the last figures I saw it was running between 55,000 and 60,000, and many of these people are the best and brightest, they are people with needed skills. It's a bit of a dilemma because they want to get out, and Hong Kong is certainly not going to try and prevent them from leaving. We do not want to be seen to be contributing to the brain drain. On the other hand, Canada and Australia, and a number of other countries, were actively welcoming those people because a country like Canada, has an under population problem, and needed certain types of skills -- secretarial skills, skills in the financial field, a variety of things which are more or less mobile. It was an issue that I wrestled with much of the time.

Q: *How would you deal with it? Obviously you don't want to shout fire, but at the same time American business people, other people would come and say, whither Hong Kong? Do we have a policy, and how did you handle this?*

ANDERSON: I basically took an upbeat, optimistic approach. I think I must have answered that question several hundred times. Every business executive and business leader that came through from the States, the first question was, "What's going to happen in 1997?" My response was that basically Hong Kong is going to change. There will probably be less personal freedom, more controls, because the Chinese I don't think are capable of accepting the degree of free wheeling operations that Hong Kong has permitted. On the other hand, I don't think the Chinese are so stupid that they're going to upset the business atmosphere to the point where Hong Kong will no longer be a good place to do business, and it has so many natural advantages in terms of communications, the port, the skilled labor force, that it is almost irreplaceable, at least in the short term for China. China depends on it to a tremendous amount. So I told them, "I think we'll still be doing business after 1997."

Q: *Maybe we might cut it off here, do you think?*

ANDERSON: I certainly do.

Q: *Just one last question. Looking at it today, and maybe they have, if a young Foreign Service officer comes to you and says, "What about a career as a China specialist?" What would you tell them today?*

ANDERSON: I would tell them that if that's their interest, and they enjoy it, I would certainly do it. I have probably specialized in China more than anybody in the Service. Out of 32 years I spent about 25 in China, or China related jobs, and never regretted it.

Q: *I thank you very much.*

MORTON I. ABRAMOWITZ
Consular/Political Officer
Hong Kong (1963-1966)

Ambassador Abramowitz was born in New Jersey and educated at Stanford and Harvard Universities He entered the Foreign Service in 1960 after service in the US Army. A specialist in East Asian and Political/Military Affairs, the Ambassador held a number of senior positions in the Department of State and Department of Defense. He served as Assistant Secretary of State for Intelligence and Research and as US Ambassador to Thailand (1978-1981) and Turkey (1989-1991). He also served in Taiwan, Hong Kong and Vienna. Ambassador Abramowitz was interviewed by Thomas Stern in 2007.

Q: Your next assignment, after language training, was to the American Consulate General (CG) in Hong Kong. I think you were first assigned to the passport section.

ABRAMOWITZ: That is right. I was not very happy to be assigned to consular work again, but it was the only position open in the Consulate at the time I was available. I was told that as soon as vacancies occurred in the economic or political sections, I would be considered. That assuaged my unhappiness to some degree.

My consular job was primarily devoted to Chinese fraud cases. I did spend a little time on issuing passports to American children born overseas or other straightforward requests, but my principal focus was on fraud cases. These were generated by Chinese who would make an application swearing that they had been born in the U.S., who had been brought back to China by his or her parents; however all records to verify these stories had been usually lost or destroyed, mostly in the great San Francisco fire. Applicants would show some documentary evidence which usually had little relationship to their application.

Q: Did you have the opportunity, as you did in Taiwan, to discuss substantive issues with your "clients"?

ABRAMOWITZ: I would try to engage some applicants, particularly those that had recently come from mainland China and explore their views on conditions in the PRC. This was not a systematic process; it was a matter of opportunity primarily and I did not file regular reports, unless there was something unusual. Most of the applicants came from four small districts in Kwangtung Province. Most of the Cantonese-born Chinese now in the U.S. came from these districts. I would guess that at least half – if not much more – of the applications were fraudulent.

Since these applicants spoke Cantonese, I did not have much opportunity to use my Mandarin; I had an interpreter for interviews. I did however pursue my Mandarin studies with a tutor provided by the Consulate General. I read mainland China newspapers. In the evenings, we often tried to mingle with Chinese and then the Mandarin was somewhat helpful since Cantonese was mostly spoken. You have to remember that we were in Hong Kong only 18 years after the end of the Japanese occupation and only 14 years after Chiang Kai-shek's retreat from the mainland.

I can't say that the time in the Consular Section was very useful; it did little for career development or learning. After six months, I moved to the Political Section.

This Political Section of the CG was devoted entirely to mainland China matters. It covered both economic and political affairs in the PRC. I worked on economic issues. I liked the job. I found the economic situation in the mainland fascinating and often the subject of great debate. I was given wide discretion and allowed to pick and choose issues to focus on. I spent much time on the PRC's foreign trade especially as it impacted on Hong Kong's foreign trade and was the biggest source of Beijing's foreign exchange earnings at that time. I spent a lot of time tracking down visitors from the PRC to talk to them about economic conditions in their country. That was the most interesting part of the job.

The Political Section included both economic and political officers and was headed by John Holdridge. The chief of the economic section was Bill Gleysteen. I worked primarily for Bill which was a delight and an excellent experience. I developed a high regard for Bill's intellectual ability, his honesty and his dispassionate approach to the issues that we were analyzing. Bill was a serious, dedicated man.

John had worked on China for a long time. He was an easy man to get along with and left me pretty much to my own devices, even though he was always interested in my reports and activities. I respected his competence. The first Consul General I worked for was Marshall Green who was in Hong Kong for only a brief period after my arrival. He was replaced by Ed Rice, who was an old "China hand." I got acquainted with both of these senior officers and liked and respected both. I came to know Marshall much better during later assignments. I did not see Rich much after I left Hong Kong. He was quiet, very knowledgeable, very accessible, and very serious. I learned a lot about China from him.

We had an agricultural attaché and we spent a lot of time together studying the effects of the "Great Leap Forward" on China. Famine was a hot topic of the PRC – we made estimates of the numbers who probably died. The famine raised the question of the durability of the Chinese Communist regime.

Hong Kong was a great post, and an interesting place to live, in part because we were in effect the U.S. embassy to the PRC. I was in HK during the escalation of the Vietnam war. That raised the fundamental issue of PRC support for North Vietnam which became a major issue for our analysis. In addition, in 1964, the Chinese set off their first nuclear test which was of a course a major issue. The PRC kept us all very busy.

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Q: What were your basic sources for analysis?

ABRAMOWITZ: Our key source was the Chinese mainland press. That was enhanced by the efforts of one of our officers to purchase all written mainland material that might be available in HK. Much of that material was smuggled out from the mainland – i.e., secret newspapers not publicly available to the Consulate. I would have to say that in the overall analysis scheme these materials were not a major contributor to our analysis. Some of my colleagues might disagree.

We also kept in close contact with representatives of other countries that had establishments in Hong Kong. That provided us periodically some interesting information. CIA also contributed to our knowledge, although it too was a limited source. There was also a considerable number of Chinese visitors – businessmen, diplomats, etc. from Beijing or Shanghai. We were voracious in our efforts to contact these people and to talk to them about what was going on in the PRC.

I was in my early thirties during my time in HK. It was a very satisfying tour because the issues I was involved in were of great interest to me and to our government. The work was intellectually challenging because we were working on a closed society which required a lot of "tea leaves" reading. China was potentially very important, an enemy of the U.S., and ranked high on the U.S. interest list.

We were putting together a mosaic – taking little bits of information gleaned from many sources and trying to fit into the larger picture, such as portrayed by the Chinese press. You also had to read between the lines and be able to understand the code words that the Chinese used. The press was particularly important as the Chinese moved from the "Great Leap Forward" to Mao's increasing efforts to start a new "socialist education" program. You could follow the supposed changes in the government's programs step by step by reading the Chinese press from 1963 onward.

In general, we believe that we did figure out the broad mosaic, although there were a lot of surprises. For example, all of a sudden, a famous leader is set aside. The day I left in August, 1966 the mayor of Beijing, a very prominent party leader, was fired. We knew that something major was going on, but I think we were all continually surprised by the extraordinary actions taken by the government. It was the early days of the Cultural Revolution. We understood that whatever machinations were being undertaken were at Mao's behest – or approval, at least. This was a long process which lasted ten calamitous years.

The focus of our intelligence collection and analysis was usually some big issue, for example, the stability of the regime. We were deeply interested in Sino-Soviet relations and focused on the developments of the split. We were eager to fathom's the PRC's attitude towards Vietnam and the war and what a role it might play. Finally, we spent a lot of time working on the Taiwan issue – e.g., the PRC's views of the situation in the Straits.

Minutia was interesting but we had our eyes on the bigger issues. The CG in Hong Kong was one of the principal contributors to this government-wide effort of determining the PRC's views on major issues. We were the principal source of public information and "tea leaves" reading.

We also had loads of visitors from the States who came for up-to-date briefings on the PRC. We spent perhaps an hour each day – it obviously varied from day to day – briefing the American official and unofficial visitors, including an endless procession of the media. This role I think heightened even higher the intellectual excitement that our work brought to us. People were clearly interested in what we were up to. We were the main contact for the large American press in Hong Kong. We had numerous CODELs (Congressional Delegations) interested in the PRC. That role was a major contributor to Consulate morale because people had many interlocutors deeply interested in our work.

Q: Did you feel that the CG made an impact on your visitors – the press, the CODELs, etc?

ABRAMOWITZ: Absolutely. The press came to us all the time. This included some of America's best journalists on East Asia. I have no doubt that we had an impact, on many others to whom they talked. They have often told me so because so many have been life-long friends. The journalists were professional; they did not just accept our analysis and assertations, but often – not always – came to the similar conclusions after doing their own further work. It was a fruitful endeavor for us as well. They spent lots of time with us and I am convinced that the Consulate General helped shape the American public's perception of the PRC. It was time consuming – on everyone's part – but it was well spent.

Of course, the process was assisted by the lively social life in Hong Kong. We would meet loads of people on that circuit and were able to make our views known to those we met there, some of whom were VIPs (very important people).

Adding to the intellectual ferment was the fact that many reporters would go from Hong Kong to Vietnam to report on the situation there. On returning to Hong Kong they would pass along their more unvarnished observations. That added considerably to our knowledge and kept our intellectual juices fermenting.

As I said in my Harvard "Neuhauser" lecture: "We were an intimate part of the media, particularly in Hong Kong, where all of us searched for every scrap of information about China and waylaid anyone who came down from China or who had escaped. In fact, the Hong Kong consulate, the de facto American Embassy in China, to a great extent shaped public reporting on China in the fifties and sixties. I don't mean top reporters like Stan Karnow, Joe Lelyveld, Seymour Topping, Bernie Kalb, Jerry Schecter and others just wrote what we told them. They certainly did not. But the Consulate because of its resources and the quality of its people was an indispensable stop for reporters. It was nice to get our views of China into the newspapers. Such efforts occupy much of my time today, but they are no longer as much fun."

Q: How was the Consulate General's relationship with the Department?

ABRAMOWITZ: We had vigorous exchanges. We often disagreed particularly about Chinese intentions in Vietnam. There were occasionally public spats between the staff in Hong Kong and Washington. Alan Whiting, for example, who was the head of the INR (Bureau of Intelligence and Research) section dealing with East Asia. The exchanges were vigorous but mostly unpolitical.

I describe some of these exchanges again in the spiel I delivered at Harvard. In it, I said: "Interesting battles raged in Washington over a China we perceived dimly. One, similar to our problem today with Iran and with many of the same considerations, focused on what to do about China becoming a nuclear weapon power as we watched it proceed to its first test in 1964. Significant internal pressures to attack China's nuclear facilities were rebuffed by President Johnson. A second was a real debate in 1964-65 over how China would respond to the vast buildup of American forces in Vietnam and the bombing of the North. Washington feared that the Chinese might come in a la Korea in 1950 and 1951 if we seriously escalated. The opposing views on the Hong Kong Consulate and Allan Whiting in INR became very public. Whiting, who helped George Ball argue against increased deployments and of course wrote the Book China Crosses the Yalu would spell out to Max Frankel in Washington why China was likely to come in in a big way. In Hong Kong we would talk with the New York Times bureau chief, Seymour Topping, and give our perspective on why the Chinese would not do so. The CG won that argument.

It was, of course, hard to evaluate in our policy deliberations the extent of China's domestic turmoil and its impact on Chinese policy of those extraordinary two decades in China. The Cultural Revolution mostly produced shakings of the head in Washington and elsewhere. Despite what government specialists were long telling their masters about the depth of Sino-Soviet differences, there was also a skepticism on more pertinent domestic political concerns that hindered trying to take advantage of the dispute. The Democrats had become gun shy on anything Chinese from the damaging "who lost China" debate. The depth of Sino-Soviet animosity became clear even to Washington in 1969 with the incidents along the Sino-Soviet border. In the end the change in administrations from the Democrats to Richard Nixon and Henry Kissinger, the American difficulties in Vietnam, and China's troubles with the Soviets all continued to lead to what most China watchers had long and devoutly hoped for, even if we were surprised and captivated by Kissinger's secret diplomacy."

Q: In your area of responsibility – the economic scene – what were you observing?

ABRAMOWITZ: The big question was whether and to what extent the PRC was recovering from the "Great Leap Forward." What were the indicators of farm production and what did they suggest? Was China expanding its foreign trade? Were Chinese goods finding a market outside its borders? What was happening to their military forces?

The CG funded a trip that I took to look at the question of Chinese exports in Southeast Asia. I visited six countries meeting with host government officials, local leaders, and visiting Chinese department stores to analyze the size and vigor of a Chinese export drive. The assumption was that if the export sector was recovering, then it was likely that the Chinese domestic economy was also getting back on its feet. That was an issue of great interest to Washington. Hong Kong itself was of course an excellent market for cheap Chinese goods.

The agricultural economy in China was, of course, most important because it was the key to political and economic stability. China had gone through exceedingly difficult times (1959-62) with the "Great Leap Forward." It had wreaked havoc on Chinese agriculture with the resulting

death of something close to 30 million Chinese – that was the experts' best guess, but no one has ever known for sure. Regardless of the number, it was a devastating blow to China which made it important to make some educated guesses about the state of Chinese agriculture because that would have a major impact on political stability. I think that by 1963, we had reached the conclusion that China had essentially recovered from its "experiment" and that the economy had hit bottom and was slowly beginning to recover. There were still problems of agricultural production – e.g., lack of sufficient fertilizer (we watched fertilizer imports very closely). But I think by 1963, the sense of crisis was beginning to fade; by 1966, the "Great Leap Forward" was history, replaced by another extraordinary Communist event, the Cultural Revolution.

The Chinese government had embarked on a "socialist education" campaign from 1963 which led us to focus on the stability of the Communist party and its potential impact on agricultural production. Starting in 1965, we began to notice certain trends in the press which suggested to us that a shake-up in the party was in the making. By the time I left in 1966, we were certain that something real big was going on in the party, but we didn't know exactly what. Even though these intra-party upheavals and power-plays were not part of my portfolio, we all had to be up-to-date on this process because of its very likely spill over effect into political and economic areas of the PRC.

Finally, we were interested in the state of the Communist party. Was it still peddling old ideology? For that analysis, we depended primarily on printed material – newspapers, books, etc.

Q: Did you have any idea what organizational level of the Department was reading the CG's reports?

ABRAMOWITZ: Our reports went to the country director and the deputy assistant secretary for the region. A few went directly – or were sent by the East Asia bureau – to the Seventh Floor. Most of my own reports would not have gone to the Seventh Floor; my views might have been included in some summary reports on such general matters as Chinese agricultural output and conditions. But I don't think that as a routine matter, the CG's reports were read on the Seventh Floor, except for some staffers. But, as I noted before, our exchanges with Washington were mostly high level in substantive content with the office director being our main interlocutor and the Assistant Secretary that of the Consul General.

Q: Did you note any changes in PRC attitudes or policies as our involvement in Vietnam grew?

ABRAMOWITZ: By 1965, we had a considerable presence in Vietnam. The Chinese were supplying arms and other materiel to North Vietnam and thus to the Viet-Cong. In the CG we wrestled with the issue of Chinese intentions toward the war. On this issue we and Washington did not see eye-to-eye generating some major debates. As I previously indicated the CG thought that China would provide significant assistance including perhaps even some man-power, but we never expected the Chinese to enter the fray full bore – as they did in Korea. This is a very broad brush description of our general view; it had some more nuanced aspects. But Washington, particularly George Ball and Whiting, took a much more grave view about Chinese intentions. Although I can not prove it, I think Ball and Whiting in part took this dire view of likely Chinese intervention because they were basically opposed to the Vietnam War, they wanted to limit our

exposure, and expressed deep concern as the U.S. increased its involvement. My speculation may be unfair; I wasn't in Washington and privy to their deliberations, but it was what I was hearing. There was certainly no question the CG and parts of the Washington bureaucracy did not see eye-to-eye on the question of Chinese support for North Vietnam. That was a vigorous debate which became public, as I previously mentioned.

We did not have a "Vietnam Hand" on the staff. I did a small amount of reporting on Vietnam as did some of my colleagues. The CIA station spent a lot of time on that issue. We also got plenty of visitors who had great interest in Vietnam – e.g., Dan Ellsberg, Henry Kissinger. All were trying to find new approaches to a difficult situation. Most of these "thinkers" visits were officially sponsored.

We had, of course, a large number of visits from Vietnam-stationed personnel in Hong Kong for R&R. I talked to some of them, particularly the ones with whom I had a personal connection – classmates, colleagues from previous assignments, etc. We got a fairly wide range of information both from these personal contacts and from reading the correspondence between Saigon and Washington, copies of which were sent to the CG.

Q: Talk a little about Sino-Soviet relations during this period you were in Hong Kong?

ABRAMOWITZ: That of course was very high on our priority list of topics to follow. We already had indications – secret speeches, newspaper articles, talks with diplomats, etc. – that bilateral relations were deteriorating. These policy differences were strictly downplayed but the public exchange of letters between the two sides was increasingly tough. Moreover Soviet technicians had already been withdrawn from China. We had to consider whether the Sino-Soviet Axis was irreparably broken and we were witnessing a change in the geo-strategic picture.

Our analysis focused on the severity of the tensions – an issue that was not easily answered from our vantage point. We were also faced with the question of what the U.S. might do to help move the "splitting" process along. Much of Washington was still quite skeptical about the nature and depth of this "split." I also don't remember much thought being given in Washington to how the U.S. might take advantage of this potential divide. Adequate attention was not paid to this huge foreign policy development until military incidents along the Sino-Soviet border in Siberia took place in 1969. At that point the U.S. government finally acknowledged that the Sino-Soviet split was real and would impact on many important issues. A consensus began to build in the U.S.G. that this development cried for U.S. activism and eventually resulted in President Nixon's efforts to normalize relations with the PRC. This continuing development was one of those defining moment in history.

When I left Hong King in 1966 Washington was still in a cautious and skeptical mood, not certain that the Sino-Soviet Axis was dead and required new U.S. foreign policy initiatives.

Q: What do you remember about your living conditions in Hong Kong?

ABRAMOWITZ: We were fortunate. We had the house on the very top of Hong Kong. It looked over a great swath of the island. The house had been occupied by Mark Pratt, another Foreign

Service officer, who was unexpectedly reassigned from Hong Kong to Laos because he had violated local regulations concerning use of water on private lawns. Hong Kong was in the middle of one of its periodic droughts. So the house became available. In addition to the vista, it had beautiful large rooms with 40 feet ceilings. We had numerous parties – primarily official ones – impossible without our excellent Chinese cook. This was the life of one of the junior members of the staff and it was bracing.
Our guests for the most part, were associated with our work. Hong Kong was a great assignment for a young FSO; it combined very interesting substantive work with a high standard of living that few junior officers had the opportunity to live. Our contacts, whether American, Chinese, British or other Europeans, were on the whole interesting, stimulating, and forthcoming. We worked hard, but there were off-setting benefits. Hong Kong was no hardship post, but an intellectually stimulating hard-working one. Now, However, I have little desire to go back to the island.

NICHOLAS PLATT
Political Officer
Hong Kong (1964-1968)

Ambassador Nicholas Platt was born in New York, New York in 1936. He attended Harvard University and Johns Hopkins University, and entered the Foreign Service in 1959. His career included positions in Hong Kong, Japan, China, Washington, DC, and ambassadorships to Zambia, the Philippines, and Pakistan. Ambassador Platt was interviewed by Paul McCusker in 1994.

Q: Of course, you also got assigned fairly quickly to deal with China. You went to Hong Kong after Taiwan.

PLATT: I was very lucky because my predecessors at the language school, just a year or two before I graduated, all went to the Hong Kong consular section. They were very disappointed. They had all had a consular tour and felt that to go through two years of language training and then end up with another consular tour just wasn't fair, except for those who were consular specialists, who were very few. This was a very competent bunch of people including Morton Abramowitz. They bitched like hell and by the time my graduation came around the issue was so neuralgic that they decided that they would take the new China language graduates and put them in the more substantive jobs if they possibly could. I found myself given a choice of jobs either in the domestic section that dealt with Mainland domestic political affairs, or the external section which was dealing with the Sino-Soviet polemics and was the hot topic of the time. I lucked out in the sense that someone's father died and he had to leave and I could take my choice. I chose internal politics and that was greeted with some raised eyebrows.

Q: Was Marshall Green already...

PLATT: Marshall Green had left already. I inherited his tailor. But Marshall was gone and there were a number of other people who came along.

Q: Of course, Marshall came to Jakarta from the Department, but his previous post had been Hong Kong.

PLATT: Right, and he was much liked there.

Q: Jakarta didn't like him very much.

PLATT: Well, neither did Henry. Marshall was always very forthright about his views.

Q: I suppose that internal Chinese watching made you a natural for intelligence and research watching the Asian countries?

PLATT: Well, what it did was...I chose it because I wanted to use the language that I had learned and this was the job that had the most language usage. I would tell people who asked why I didn't want to go into the hotter topic, "Well, I just want to learn the names of the players and find out what we are all reporting on. I regard the China specialty not so much a thing in itself but as an avenue to Asia and I would like to do that." And I did. For a year it was very, very mundane and I wrote dispatches that were mailed and were learned and long and about things like the Party and the youth movement, birth control, etc. But I learned the territory. Then the Cultural Revolution began about a year later and after that, that became the hot topic and I found myself the main analyst for domestic affairs on the Mainland. I was writing a cable every day and clearing it with the consul general personally. I did that for three and a half more years.

MORTON A. BACH
China Trade Control Program
Hong Kong (1964-1971)

Morton Bach was born in New York City in 1904. He worked with the U.S. Army Counterintelligence Corps from 1942, and afterwards was posted in Bern, Seoul, The Hague, Vienna, Luxembourg and Brussels. Mr. Bach was interviewed by Charles Stuart Kennedy in 1999.

Q: You left in 1964. That was mandatory retirement. Then what happened?

BACH: We decided to settle in Washington. A year and a half later, as we were just getting settled, if you will, Treasury asked me to go out to Hong Kong. The office was part of the China Trade Control Program, but in view of my background in the Foreign Service, Treasury was interested in me because they wanted to make it into a regular Treasury attache office. That was the basis on which I went out there with regional responsibilities for Indonesia, Singapore, Thailand, Malaysia, and the Philippines. The Vietnam War was on. I will just mention this in passing, which is that a Wall Street friend of mine, Lewis Stone, who I had grown up with (We were Wall Street colleagues, we were members of a club and we would play tennis together.), came out with a delegation. Don't ask me what the delegation

was. He was awaiting the visit from Vietnam of his son, who was in the Army. What do you think the son's name is? Oliver Stone. So, Oliver-

Q: Now a famous movie director.

BACH: Oliver and his father shared a room in the Mandarin Hotel- (end of tape)

Q: In Hong Kong, your main job was to keep track of...

BACH: Well, there were regulations which were supposed to restrict the purchase of Mainland goods, the proceeds of which obviously gave them currency reserves. We had a huge influx of American tourists, most of whom didn't pay any attention to the regulations requiring a certificate of origin. This was also the time of the little red books of Mao's writings. I reported back that I thought it might be timely to take a hard look to see whether we wanted to continue, but in the meantime I had to administer it alongside of the main Treasury interests. Gold was a primary interest. There was a constant flow of gold that came up from Southeast Asia to Hong Kong. Then it was offloaded and shipped over to Macao. Macao at that time was Portuguese. The Portuguese, I don't believe they were in the International Monetary Fund. They may or may not have been. But there was a loophole, put it that way. All I could report on was the huge quantities of gold that were transshipped from Hong Kong to Macao. Macao should have sunk under the Pacific because there were no exports. But obviously, there were major exports in the form of jewelry and all sorts of manufacturing. But the Hong Kong government was collaborating, putting up with, this U.S. regulation. They would have preferred that this last vestige of the Cold War be eliminated so their laissez faire economy could be 100%. Negotiations which led up to eventually the Kissinger-Nixon visit were in their formative elements before we left, before the actual 1972 trip of Kissinger and Nixon. But there were indirect contacts. We never went into China because that was out of bounds, but we went over several times to Macao. This was before the days of the hydrofoils. They had these steamers. We would stay overnight on the steamer, the bow of which was fenced off and the gold was in the bow of the boat. Of course, before we were permitted to debark, they would offload the gold, which was all handled very neatly. At that time, it was self-evident that gambling was more than a passing industry. It developed in subsequent years to its major source of income.

Q: Were there any indirect contacts with communist Chinese officials while you were there?

BACH: If there were, it was not in my area. I would be surprised if there were not. My visits to the different countries for which I was responsible were extremely interesting. You could sit down and have discussions, which I always did with an embassy officer accompanying, trying to get a picture on their overall structure. In some instances, it was fruitful. In others, it was lots of talk but little substance.

Q: You mean this was the structure of the structure of the country you were visiting.

BACH: That's right. Not impinging upon the embassy function as such, but as a consultant assistant to the embassy to try to elicit more information. For example, in Indonesia, when

the subject of contracts might come up, the answers were the same as "The embassy received. This is under contract. This is being taken care of." Of course, as we have subsequently learned, during the Suharto period, the family came first. But of all those countries, the Taiwanese bankers and the Singapore bankers impressed me the most. One had to allow for the fact that here were some of these countries that hadn't been in a capitalistic environment that long by comparison to the West, but they were doing quite well in their fashion. But there were drawbacks which finally surfaced in the recent Asian financial crisis. I reported to Treasury the close relations between Suharto and the World Bank.

We were in Hong Kong during the Cultural Revolution in China when the daily large scale demonstrations passing the consulate general (en route to the residence of the governor's mansion) took place. The mainland also controlled and restricted Hong Kong's water supply. Many of the dinner parties and social events were interrupted with the news that the water had just been turned on and people dashed home to fill their bathtubs and containers, leaving the hostesses with half consumed dinners, etc. on their tables. Water on today, off tomorrow... Who knows!

Q: In Hong Kong, were the Singapore authorities kind of restive with all the controls that were placed on shipments to China? Did you have the feeling that they wanted to get going?

BACH: The shipments to China... Hong Kong was the entrepot. Commerce was flowing back and forth freely without any restrictions. This was part of the laissez fair economy.

Q: How about American merchandise?

BACH: Well, they would have to get licenses from the Treasury Department to export to China if they wanted to - and there wasn't much American trade at that time.
Q: You were there until when?

BACH: Until 1971.

DR. RICHARD H. SOLOMON
Dissertation Work
Hong Kong (196?-1966)

Research
Hong Kong (1969)

Dr. Richard H. Solomon was born and raised in Philadelphia, Pennsylvania. He attended Michigan Institute of Technology, Harvard and Yale. He traveled extensively in Taiwan, China and Hong Kong and served in Washington, DC, and the Philippines. He was interviewed by Charles Stuart Kennedy in 1996.

Q: As you got into this wasn't this rather difficult...here was a pretty closed society. You could read the papers, but there was also a heavy filter of the party apparatus.

SOLOMON: This is where I built on my interest in foreign affairs and politics. I designed a dissertation project which I ran out of Taiwan and Hong Kong that involved interviewing 100 Chinese refugees from the mainland of China who represented the three existing generations: the generation who had lived most of their lives under the Ching dynasty that collapsed in 1912; those who had lived during the Warlord period; and the more recent generation who had grown up, at least in part, under the communists. Partly on Taiwan, through the help of the refugee resettlement organization that the Taiwan authorities had established, and partly in Hong Kong, I was able to piece together a rather interesting sample of the 100 Chinese subjects who either I myself or Chinese research assistants I had hired interviewed in a study of their political socialization, their political attitudes, and their experiences in dealing with politics in China. It was really the first interview project in which an academic sat down and interviewed a structured sample of 100 Chinese. Most of Sinology, as it was then called, was analysis of classical texts and heavily Confucian-oriented, so this was an effort to apply western or American political science and social science methodology and perspectives to the study of Chinese politics.

Q: I would have thought while you were doing this, particularly in Hong Kong, which was our China watching post, and in a way that is what they were trying to do too, that you would either have run up against them, or cooperated, or done something with them. How did this work out?

SOLOMON: Actually, that was one of the ways in which I edged closer to a period of government work. As you say, the American Consulate General in Hong Kong was our major China watching site. In the study of Asia there tend to be three areas of focus: one area encompasses the Japan and Korea specialists, who of course do language training and spend their time focused on or in Japan or Korea. The second group is the China specialists. And the third area of real focus in those days was, of course, the Vietnam specialists, because the Vietnam war was just heating up. There are other areas of specialization -- South and Southeast Asia -- but Japan, China, and in those days Vietnam, were the areas that people really focused on. The Hong Kong Consulate General was a major training site, along with Taiwan, for the young career FSOs who were specializing in China. This was during the early 1960s, a time when the Foreign Service was just beginning to recover from the McCarthy period of a decade earlier. I became quite close friends with people who subsequently went on to become major figures in the career Foreign Service: Ambassador Morton Abramowitz, Ambassador Nicholas Platt, Ambassador William Gleysteen, and a number of others. James Lilley, who was at that time in the CIA, was there, as was David Gries.

A whole generation of people who specialized on China passed through either Taiwan, a situation in which I was not as directly involved in terms of contact with government people, or Hong Kong. I got to know and became colleagues with that generation of China specialists because, as you noted a moment ago, we were all in a sense doing the same thing, along with the journalists who were there. The journalist Stanley Karnow, who has written several

Pulitzer Prize-winning books on Asia, including one on China, one on Vietnam, and one on the Philippines, was stationed in Hong Kong for *The Washington Post* then. The journalists, the academics, and the Foreign Service people or other government people were all there in a kind of cauldron in Hong Kong, doing "China watching" or "Pekingology" -- staring over the border, trying to figure out what was going on inside that closed society. This was a time in which China was in a period of tremendous social and political upheaval.

Q: Was this the Great Leap Forward?

SOLOMON: The Great Leap Forward had begun in 1958 and had basically collapsed in 1961 -- which is when the food crisis began. The food crisis, of course, was the event that spurred Walt Rostow to call Lucian Pye the afternoon I was in his office in June of 1961. But out of that crisis there was a major flow of refugees into Hong Kong, particularly during 1961 and 1962. Some of those refugees went to Taiwan and became interview subjects for my dissertation project.

Q: While you were at MIT doing this, one thinks of studying China one always thinks of John Fairbank at Harvard. But was there a division? Was Fairbank a historian? Did he cast any shadow on what you were doing?

SOLOMON: John K. Fairbank was the grand old man of China studies, and as you noted he built the East Asian Center at Harvard into "the" international center for the study of Chinese politics and history. While I was at MIT, I began to have some contact with those people. There was some tension -- maybe too strong a word -- but a little bit of rivalry between Harvard and MIT. The view of the Harvard crowd seemed to be that MIT, which really consisted of Lucian Pye and maybe one or two others, was off on the periphery of things, and that the MIT folks were doing social science activities that frankly the Harvard historians found to be secondary to the work they were doing. Harvard was filled with people who were the classicists; academics who studied the old Ching dynasty texts as did Fairbank, and who were in truth not at the center of contemporary issues. However, a whole range of people who made their careers in the China studies area were associated with the Fairbank Center, such as Benjamin Schwartz, the historian who specialized in Chinese Communist history. They had some government people who upon occasion would spend a year there. For example, Charles Neuhauser, who became one of the premier CIA analysts of Chinese politics, spent a year at Harvard. While I didn't know him at that time -- he was there in '58 or '59, I think -- he and I became close colleagues when I was in government later in my career. Roderick MacFarquhar, who is today the head of the Fairbank Center, or was a few years ago, and Ezra Vogel, who has been a major professorial talent on all of Asia (Japan being his primary area of focus), were both students associated with the Fairbank Center, along with many others I might mention.

I remember that after I had come back from my initial language studies at Yale in 1961 and was doing some coursework at Harvard, I was once invited by John Fairbank to one of his famous Thursday afternoon "teas" at his private residence. I mentioned this to Pye with some pride because I felt it indicated that I was being recognized and welcomed into that elite community. Pye just sniffed and said, "Well, you're doing <u>them</u> a favor by going over there."

In other words, the Harvard crowd saw themselves as the center of things, and Pye was in effect telling me, "Well, they're not the center of everything." But, yes, the Harvard center was producing, apart from their classical historically-oriented work, some of the most interesting work at that time on contemporary China. The faculty member most associated with their work at the time was Professor Benjamin Schwartz, who had written a book that had come out in the late '50s called Chinese Communism and the Rise of Mao. It was one of the first efforts to challenge the generally prevalent notion at that time that the Chinese Communists were really under the thumb of and just an adjunct to the Russian communists. There was a horrendous debate going on among a number of the Sovietologists who had made the transfer to study Chinese communism who claimed that Mao was really just an offshoot of Stalin, and a Stalinist. Ben Schwartz and others were saying "No, Mao is an indigenous Chinese revolutionary." The way he had come to power had been the result, in fact, of his asserting himself in opposition to Stalin. Stalin, as Schwartz documented, had encouraged a number of other Chinese leaders in an effort to maintain control over the Chinese communist movement; Mao had come to power despite some actual overt opposition from Stalin. So, as you can imagine, there was very lively intellectual debate on the subject. It was indicative of the Cold War environment of that period, and indeed the influence of the McCarthy period, and produced some almost violent disputes about the character of Chinese communism in relation to Soviet communism.

Q: I'd like to capture the sort of intellectual environment because this is important in how we're looking at things. Was there a feeling, in many ways Mao was probably the best thing that could have happened to China? Not in a really good sense, but at least the Chinese were all getting fed, and they were all clothed, and they were getting health, and nobody else had been able to do that before. I've never studied China except I picked up some of this. This is even coming out of the Foreign Service as a practical matter at Mao.

SOLOMON: What you could say is the following: Chiang Kai-shek and the Nationalists were generally not held in very high repute in the academic community. The academic community was also very wary of the China issue because of the legacy of McCarthyism, its impact on John Service and some of the other China specialists in the State Department. There were one or two academics who were viewed as conservative or right wing who were very friendly to the Nationalists. For the most part, however, I would say there was at least fascination with Mao and the Chinese communist experience. As I say, the initial focus was on issues like whether Chinese communism was really just an offshoot of the Soviet system -- under the control of the Comintern and Stalin -- or not. That issue was debated in the context of the evolving Sino-Soviet dispute, which broke out into the open in 1959-60. Mao was not viewed as an especially tyrannical figure; I think he was viewed with fascination, and yet there was not really a lot known yet about what was happening inside China. So your notion that "at least the Chinese on the mainland are being fed better than they were in the past, and the country is unified" was not so widely developed, at least in the academic circles. There was an element of that in what became a pro-China element in the academic community during the Vietnam War. But at MIT, and particularly in the Center for International Studies -- which was funded in no small measure by government money -- most of the people were fairly hawkish in the Cold War environment. So, no, there wasn't an idealization of Mao or the Nationalists.

Of course, in the mid-'60s we gradually began to get a sense of how horrendous the impact of the Great Leap Forward had really been. The effort to form communes in rural China, and the attempt to organize the work force not around families and villages, but around military-style units that were as large as townships or entire counties within China, had proved to be disastrous. I would say the mainstream view was at least skepticism about what Mao was doing, although as the Vietnam War heated up, there was an increasing tendency among what you might call leftist-oriented students to idealize the Chinese revolution. You had people like Professor Mark Seldon and a number of other academics associated with what became known as the Committee for Concerned Asian Scholars expressing views that were very positive about Mao and the Chinese revolution. Certainly, this was in contrast to what I would say was the MIT view, or the main trend. Also, as I mentioned, off in the wings you had some right wing, or more conservative academics who still supported the Nationalist cause. I suppose Professor Dixie Walker would be a good example. Finally, in the middle, where I would put myself, you had people who were basically trying to figure out what was going on and who were fascinated with what little we knew, but knew it wasn't the whole story.

Q: Again, during this early to mid-'60s period, what about the recognition of China? This must have been a subject of debate. Where did that stand? Recognition by the United States of China?

SOLOMON: The Kennedy administration became seized with this issue. It's interesting how the Quemoy-Matsu crisis of '58, and then the discussion of that crisis in the Nixon-Kennedy debate in '60, really set off some interesting trends that took over a decade to fully play themselves out. Richard Nixon became fascinated with China as a result of that debate: his primary concern was the Soviet threat, so his interest in the China issue grew out of Quemoy-Matsu discussion during the campaign debates.

Kennedy himself was interested in the Chinese issue, and began exploring the idea of recognizing Communist China. In 1962, I believe, he floated the idea of recognizing Mongolia. Chiang Kai-shek shot the idea down because he considered Outer Mongolia, the People's Republic of Mongolia, as Chinese turf. The Soviets had encouraged a revolution there as early as 1924, and Mongolia at that point was under Soviet control. For Kennedy, the issue of recognizing Mongolia was really a stalking horse on the issue of establishing diplomatic relations with China. Because of the strength of the Nationalists in their lobbying activities in Washington, Kennedy's effort never got very far.

And then, of course, in the context of the Vietnam War, China was seen as a threat. In the '60s, China was encouraging revolutions in Southeast Asia. The situation in Indonesia was probably the most dramatic attempt at a communist coup, and then the counter-coup in 1965. So the issue of dealing with Communist China, recognizing it, was very much floating around in the 1960s but hadn't come to a head yet.

The issue that really brought the matter of recognizing China to a head in the latter part of the '60s was “China in the United Nations.” That issue became prominent at the time that I

entered government service in 1971, when opinion in the United Nations General Assembly shifted dramatically in favor of support for admitting Communist China in place of the Nationalist Chinese, or Chiang Kai-shek's government in Taiwan. That was one of the issues that Richard Nixon had to deal with in the broader context of his own China policy, as well as his policy for dealing with the Soviet Union.

Q: Let's talk a bit about when you graduated, what did you do up to the time when you entered government service?

SOLOMON: I spent two years in Taiwan and Hong Kong doing my dissertation research. After I completed my general Ph.D. exams at MIT in June of '63, I spent the summer and fall at Yale University doing more language study, and then I studied some history at Yale with Mary Wright. Then, with my wife, I went to Taiwan in late January or early February of 1964. I spent the spring and summer months of 1964 engaged in intensive Chinese language study at the Stanford Language Program, which was then on the campus of Taiwan National University -- "Tai Da" -- in Taipei. At the end of that period we moved to Hong Kong, where I began research on my dissertation. But I had established some professional research arrangements in Taiwan so I went back and forth between Hong Kong and Taiwan over the next year.

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Shortly after I began teaching in the fall of '66, Michigan -- which was being built up then as a major center for Chinese studies under the leadership of Professor Alexander Eckstein -- hired an academic who was then in government service, who was actually Deputy Consul General in Hong Kong, Doctor Alan Whiting, to join the political science faculty. Whiting had written a very famous book while at the Rand Corporation in the early 1960s called China Crosses the Yalu. While he was in the government in the mid- '60s, Alan Whiting had had some roaring debates with other members of the Foreign Service over the issue of whether China was going to cross another "Yalu" and enter into the war in Vietnam. Whiting stressed the view that yes, China was already actively on the ground in Southeast Asia, and that the United States was very likely to get into a shooting war with China in Southeast Asia, as it had in Korea in 1950. There were others who strongly disagreed with his view. In fact, Whiting had a very difficult relationship with a junior member of the Hong Kong Consulate General, a man who later became an ambassador, Burton Levin. Levin said that no, he didn't think China was going to enter the war under the circumstances at that time, and Whiting disagreed with him. Whiting was, of course, his superior, so there was some real tension in the U.S. Consulate in Hong Kong over reporting cables and interpretations of what was happening in Vietnam. The issue at dispute was whether we would end up in a war with China.

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Q: No, in Hong Kong.

SOLOMON: My second stint in Hong Kong was January through August of 1969.

Q: I'm trying to remember. Was the Cultural Revolution...if I recall the Little Red Book, the Cultural Revolution was in full swing wasn't it?

SOLOMON: That's correct. Now what was going on there is complicated, but related to this. The Cultural Revolution began in China in terms of a leadership dispute in the fall of 1965. That's when we began to see overt political tensions. It actually had its origins in the failure of the Great Leap Forward, and Mao's loss of influence and support from his other colleagues that had come out in the early '60s. But we didn't see it at that point. It hadn't taken on the form of the Cultural Revolution. The first time I was in Hong Kong (1964-65), the early phase of the Cultural Revolution was just beginning. The second time I was there, in 1969, it was a matter of major purge, massive campaigns, and real violence, only some of which we could see from the outside. But what came to a head in the summer of 1969, while I was in Hong Kong, was the growing tension between China and the Soviet Union. In the summer of that year there were major border clashes along the Sino-Soviet frontier that had their precursors in the early part of 1969, and all the propaganda coming out in Hong Kong that summer asserted that the Chinese people should get ready for war with the Russians. The propaganda appeal to "get ready right now" was just one indicator of the sense of intense urgency about the growing tensions between China and the Soviet Union.

Q: As you did your studies, did you see any reflections...was the Cultural Revolution going contrary to what you saw of the political culture of China, the Mao generation?

SOLOMON: The big issue was that Mao was a very confrontational personality. He differed from the traditional Chinese political culture in that he would press confrontations, whereas the traditional Chinese approach was to try to minimize them, to submit to authority, and to avoid confrontation. Mao, however, decided to take on Khrushchev frontally, which he did after Khrushchev's anti-Stalin speech in '56. One could see that situation in terms of the evolving Sino-Soviet dispute. What that meant for China taking us on, in terms of Vietnam, was unclear. And as I said, some people said, "Oh, the Chinese are going to take us on. They have all these internal problems, so they'll try to externalize all this conflict by confronting the United States." And others said, "No, no, they've got tremendous internal difficulties, they've got their confrontation with the Russians; they can't take us on as well." There was real division of opinion on that issue.

HERBERT E. HOROWITZ
China Watcher
Hong Kong (1965-1969)

Ambassador Herbert E. Horowitz was born in New York in 1930. He received his bachelor's degree from Brooklyn College in 1952. He received a master's degree from Columbia University in 1964 and from the Fletcher School of Law and Diplomacy in 1965. He served in the US Army from 1953-1955. His overseas posts include Taipei, Hong Kong, Peking, and Sydney. He was ambassador to the

Gambia from 1986to 1989. Ambassador Horowitz was interviewed by Charles Stuart Kennedy on December 9, 1992.

Q: *Then you went off to the preeminent spot for looking at the other side of the moon. I have you going to Hong Kong from 1965 to 1969. What were you doing?*

HOROWITZ: China watching. By that time our China watching apparatus or organization had become more sophisticated and in Hong Kong at the Consulate, which was very large, there was a separate China mainland section which did no business with Hong Kong at all, it focused only on the China mainland. This section was broken down into two halves and I was in charge of the economic side.

Q: *Which was particularly important at that time. The tremendous concern was whether China was going to do something.*

HOROWITZ: It turned out that that was a tremendously interesting period. Hong Kong was an ideal place for China watching. People who at that point came out of China as refugees or escapees would come to Hong Kong. People going in to China for business or trade, for whatever purpose, would enter via Hong Kong and come out via Hong Kong. It was a gateway in and out of China. In part by Chinese design because the Chinese like the idea of restricted gateways. So we could pick up a lot of information about China. Some of the radio monitoring of China was done there, but monitoring that was done elsewhere was easily cabled to Hong Kong. There were lots of other China watchers there.

Q: *How did you interface with these people?*

HOROWITZ: Oh, there was a whole China watching community all to itself, and very little contact with other people in Hong Kong. A lot of informal exchanging of views back and forth, discussion, small groups getting together and exchanging ideas. You established relationships. I established a good friendship with a businessman in Hong Kong, a westerner, Caucasian, who was doing business with China. I got to know him well enough so that I could call him when he came back from the visit to Peking and say, "How's business doing? Come over, Herb, and have a drink." So everyone was picking up bits and pieces of information. The British were sensitive about it, but they were picking up a lot of information too and we were exchanging our take with them, and to some extent with others. Even with the non-governmental people; there was a missionary who put out a publication on analyzing developments in China, Father ..(?).. Some of the media people, newspaper people, who were in Hong Kong were good China watchers on their own. We would get together and trade stories, impressions. So it was a very vital place for China watchers.

Q: *What was your impression at the time of the Chinese economy? What were we saying and how were we looking at it?*

HOROWITZ: Our impression as of about 1965 was that the economy had substantially recovered from the Great Leap collapse, the Great Leap tragedy; that agricultural production had come back to the pre-Great Leap Forward level, where it was in 1958 or 1959.

Q: *Perhaps you could explain the Great Leap Forward.*

HOROWITZ: The Great Leap Forward, roughly 1958 to 1960, was a Maoist led effort to stimulate the economy by getting away from the Soviet model which the Chinese had followed in the first five year plan and which focused on heavy industry. Mao said, "We are going to walk on two legs, we are going to give attention to agriculture as well as to industry." In the rural areas communes were formed, the cooperatives were transformed into communes which were much larger units. The idea was that there would be this massive application of labor; everyone would get out in the fields and work; private plots were abolished. In some communes there were dormitories, cafeterias, nurseries for the kids. By the sheer exertion of human labor and the proper revolutionary spirit they were going to build small industry -- backyard steel furnaces, for example. It was a great failure! The gross national product dropped by more than a third. Unfortunately there was some bad weather over a couple of the years and because of the disorder generated by the Great Leap Forward, the regime was unable to cope with it in terms of famine relief. It was just a disaster; a starvation situation existed.

In the early sixties the pragmatists were in command. We didn't call them pragmatists at the time but they have now become known as the pragmatists. Mao had lost some of his influence over the party and the country; he was still the main person but had lost some of his influence. The people who were in charge of the government in a day to day way were trying to get the economy going again. We felt by 1965 that this had been achieved. Agricultural production was up again, industrial production was moving ahead and they had begun to buy some small amount of machinery and equipment from abroad which was a reflection of some of the growth. By about 1965 they were in better shape than they had been for a number of years.

Q: *What was our feeling...*

HOROWITZ: Let me explain about China watching, it was a very esoteric art. With the failure of the Great Leap Forward, the Chinese stopped putting out statistics. Since there were no data to deal with, a lot of estimating was by the seat of one's pants. For example, in the agriculture area we had an FAS, Foreign Agriculture Service, person who worked with my unit a lot. I used to write the reports; often he would explain the agricultural issue to me and I would write it up and then he would critique what I wrote. The experts knew what China's historical agricultural pattern had been -- how much area was cultivated, how much rice was planted -- and with that background of information and with fairly good communist statistics in the fifties and knowledge about weather in different parts of the country, the experts were able to make some sort of judgments as to whether the crops were going up a little bit or down a little bit. Then you could match this with what the communist propagandists were saying. If they said, "Oh, we had an excellent crop last year," that meant it was terrible; if they said it was a "super, bumper crop" it might have been better. So after awhile you were able to key what they were saying, the phraseology they were using, with the information that you were gathering elsewhere. The trouble is, the further you get away from the base year of reliable information the more right or wrong you might be.

Q: *Were we getting anything out by way of intelligence from people coming out, escaping?*

HOROWITZ: Yes. Along with other evidence that agricultural production had gone up, people coming out of China complaining about famine had decreased. It was clear from the refugees that the true situation had improved somewhat. So you had all these bits and pieces of information. Of course, one of the problems with the refugee information was that it was mostly about south China, you didn't get too much about north China. In other areas of the economy it would be a similar kind of guesswork. Part of it was feel, part of it was impressions of visitors, part of it was what China was buying or trying to buy from abroad.

On China's foreign trade, we would compile the data from China's trade partners. We knew which of the trade partners were most important, extrapolate the partners' figures for a whole year -- e.g., if we only had eight or nine months -- convert f.o.b. to c.i.f. and c.i.f. to f.o.b...

Q: *What do those mean?*

HOROWITZ: Cost including freight, or free on board. If you want to get a picture of what China's trade was, from their perspective, you have to do this. There was a lot of guesswork involved. Then we would come up with some estimate as to trends in China's trade and what this told us about China's economic situation. It was part data and part guesswork. On the political side there was also a lot of reading between the lines. A lot of the Chinese radio broadcasts or the China press reports would be standard, they would repeat the same thing. Then all of a sudden the slogan would change and it would be a hint that something was happening. A slogan doesn't change by the whim of a broadcaster. We also learned in due course, rather later, that this was what the Chinese on the mainland over the years were doing; they were listening to their own radio broadcasts and reading their own newspapers, and reading between the lines trying to figure out what was happening. It was a very specialized field this China watching.

Q: *Did you find that there might be somewhat different mind sets between say the British, who did have an embassy in Beijing, and the French, who by that time had established some trade? Did they have a different mind set than we did?*

HOROWITZ: To some extent and we benefited by exchanging views with them. If China was interested in some equipment and some foreign technicians went in we might learn something indirectly about one industry or another and the French would pass it along to us, or the British would, and vice versa. We were very interested in what the Russians were saying about China because after all in the 1950's there were a lot of Russian advisors there. The Russians withdrew all of their engineers and technicians in 1960, the time of the Sino-Soviet split. Many Chinese before the split studied in Moscow and many Russians had been in China. We were interested in what the Soviets were saying in their Encyclopedia about China. One of the interesting things we found is that after a while they were using our figures in a lot of sectors. But in some areas, like iron and steel and oil production, they had different figures. We gave credence to that in industries where they might have had some first hand knowledge. We were always interested when Embassy Moscow could get us a copy of the China section of the Soviet Encyclopedia.

Q: *Here you all were, China watchers, and I assume that you were all talking to each other, the political and the economic side. One of the great questions in looking back today -- we wonder,*

were we right -- was the extent of the Chinese communist threat to the area. How did you see this at that time?

HOROWITZ: At that time, after the failure of the Great Leap Forward and during this period of recovery, we felt that China was very inwardly focused. They were having a lot of economic problems and we did not have at all the feeling that China was looking to expand her borders or get involved in problems outside. The Sino-Soviet split having occurred, this was the period when China was emphasizing an independent foreign policy that was anti-Soviet and anti-U.S. Sort of a pox on both your houses, we will do it ourselves. China was weak and even though the economy had improved we didn't see China as a threat in the sense of it trying to do something about Taiwan, at least in the immediate future. China seemed much more inwardly focused.

Q: *Well Vietnam was hot and heavy during this time.*

HOROWITZ: Yes, beginning to become important. A lot of people who were going to and from Vietnam -- American government officials, American and other western reporters -- would come through Hong Kong and stop there. And some of the foreign correspondents in Hong Kong also had responsibility for Vietnam and Southeast Asia; they would go over on visits and come back. So we were conscious of this and one of the things we focused on was: How important was Chinese assistance to the hostile Vietnamese? I do remember that many of us felt that a lot of Americans had exaggerated the cost to China of the help it was giving to Vietnam. For example, our estimates of the amount of grain that China was sending into Vietnam was only a fraction of China's total; even though China was not rich it was just a fraction of China's total resources. Obviously a certain amount of small armaments and other help from China was going to Vietnam but I think we felt then that the amount of Chinese aid was limited and the threat from China exaggerated. You remember that there was a period when the Vietnamese situation was being portrayed as "the real enemy is not the Vietnamese, it is those Chicoms." We felt that that was exaggerated. It is important to remember that while their economy may have recovered by 1965, the next year the Cultural Revolution began. There was another inward looking serious period.

Q: *And this lasted for how long, about five years or so?*

HOROWITZ: No, the worst years were 1966 to 1969.

Q: *Which were the years you were in Hong Kong.*

HOROWITZ: But technically the Cultural Revolution didn't end for a decade. It was declared at an end in 1976 after Mao had died and the Gang of Four had been purged.

Q: *Were you getting reflections of this Cultural Revolution, or was there a lag there?*

HOROWITZ: I think there was a lag in our understanding of it. The analysis that we and others were doing was pretty good, but there were a lot of things that came to light later on which we did not quite see in the same light at the time. For example, before the Cultural Revolution there was a big propaganda campaign called the Socialist Education Campaign, one of the big political

emulation campaigns. We didn't fully understand at the time that it was Mao and some close associates who were trying to reinvigorate the revolutionary ardor of the country and to win back some of the influence and control from the pragmatists who were running the country on a day to day basis. Only later on, by what developed in the Cultural Revolution, did we realized that those people were indeed pragmatists -- people like Deng Xiaoping who still lives and is active in Peking. At the moment we didn't perceive it, it was only later on reflection. Many elements of the Socialist Education Campaign became important elements of the Maoists during the Cultural Revolution.

Q: *Looking back on this what would you say was the problem with trying to conduct something like this when you can't get on the ground but have to rely on emanations from the country?*

HOROWITZ: It is hard because you have to rely on data and information from a lot of different sources and make seat of the pants guesses. I think it is important to have an open mind and be prepared the next year to revise your estimates or your judgments from the year before. It is difficult. Later on, and I think this is interesting, when we were in Peking at the time of the Liaison Office from '73 to '75 -- and I think we did some good reporting from Peking but it was very Peking centered -- in many ways the people in Hong Kong were getting a better view of some of the things that were happening in China. There were still travelers coming out through Hong Kong that they could talk to, they were getting information from provincial newspapers. In some ways some of the reporting and analysis in that period from Hong Kong was better than some of the reporting we were doing in Peking.

Q: *You have what we call in Washington an inside the beltway viewpoint.*

HOROWITZ: That is possible, yes.

Q: *Were you getting any feeling of concern then about the reversion of Hong Kong to China?*

HOROWITZ: Yes, there was. Hong Kong has always gone through these phases of great worry and concern followed by huge optimism. In 1967 there was a period when the Cultural Revolution was spilling over into Hong Kong and there were pro-Mao activists and there were some demonstrations. The British had to reinforce the border; they brought in some Gurkhas. Some bombs were going off in the streets, mostly propaganda bombs; also bodies were floating in to Hong Kong waters, the result of Cultural Revolution fighting. The people in Hong Kong got worried and began looking elsewhere. All of a sudden there was an overabundance of office space and apartments. (Even we moved during that period; we got a better apartment and lower rent.) Chinese families were laying out the future. One son would be sent off to Singapore to open a branch of the shop, another would go to the U.S., another to Taiwan. So there was a period of agitation and concern in Hong Kong during the Cultural Revolution. But that passed when the worst part of the Cultural Revolution was over.

Q: *Looking over the people, were there any that stood out in your mind as being really good as China watchers or was it mostly a collegial effort?*

HOROWITZ: I can think of a lot of people who were outstanding reporting officers and good

analysts but it was really very much a collegial effort. I think we all benefitted from this going back and forth and discussing and reexamining. During the Cultural Revolution, for example, so much was happening -- there was the Chinese media to look at, there were wall posters and pamphlets that people were smuggling into Hong Kong because there was a market for this stuff, there were some Cultural Revolution type publications that were coming out, there were refugees that might be interviewed. So in our China mainland section we would have a meeting every morning, first thing in the morning, and sometimes another meeting at the end of the day, and we would decide for that day who was going to do what. Who was going to follow up this lead, who was going to contact the British about that, who was going to look at that new editorial that just came out, and then we would fan out and come together and decide what we...

Q: *It must have been a very exciting and stimulating time.*

HOROWITZ: It was. It was also a little unreal sitting in an office and doing all this analysis of a country when you are not there.

Q: *It reminds me a little of being an astronomer during a meteor shower.*

HOROWITZ: After Hong Kong I went back to the Department in Washington and was in the Office of Aviation.

G. EUGENE MARTIN
Chinese language training/Rotation Officer
Hong Kong (1966-1968)

A Specialist in Chinese Affairs and a speaker of Chinese, Mr. Martin spent the major part of his career dealing with matters relating to China, both in Washington and abroad. His overseas assignments included Hong Kong, Taipei, Huangzhou (formerly Canton), Beijing, Manila and Rangoon. His Washington assignments also concerned China and the Far East. Mr. Martin was born in Indiana of Missionary parents and was raised in the US. and India. He is a graduate of Kalamazoo College and Syracuse University. Mr. Martin was interviewed by Charles Stuart Kennedy in 1999.

MARTIN: So that was my assignment. After the consular course, I was to go to Hong Kong in early December and start six months of Cantonese. I thought, "Well, okay. We'll start where we can start." And that's what I did. I got there just before Christmas, lived at the Mandarin Hotel in Hong Kong for almost a month, which was not too bad at $30 a day in those days, and started Cantonese language training in January 1967.

Q: You're the first person I've known who took Cantonese. This must have been a very small program.

MARTIN: It was a special program the Foreign Service Institute (FSI) contracted for at the Yale-

in-China program at the Chinese University's New Asia College campus in Hung Hom, Kowloon. Only three of us studied Cantonese in this program. Sydney Goldsmith was the first, Joseph Moyle was the second, and I was the third.

It was an experimental program which was not continued after I finished. We all did quite well but FSI subsequently started teaching Cantonese at FSI in Washington.

Q: Was Cantonese the language of Hong Kong?

MARTIN: It is, and in much of South China - most of Guangdong Province, parts of Guangxi and Hainan Provinces – as well as many of the overseas Chinese communities in Southeast Asia.

The classes were very difficult. It was a six month course. We were in individual classes, just me and the teacher. The first three months were hell without another student to compare my progress against. But once I began to get the hang of it, it was much more satisfying because I could go as fast as I wanted or could. In the end, I ended up with a 2 level in spoken Cantonese, which was satisfying.

Q: Oh, yes. Were you also learning to read?

MARTIN: A little, yes during the last two or three months. The emphasis was on spoken, I think mainly because of the consular work in Hong Kong, and also because I was assigned as a rotational officer during my two year tour. My assigned rotation was to be: first six months Cantonese, the second six months consular, then the economic section and finally the political section. Unfortunately, rotational programs tended to run out of money after awhile. I finished the language training, did my six months in consular, and had just moved into the economic section two weeks before the money ran out and the program was terminated. Otherwise, I would have been "trapped" in the consular section for an extra year. My Cantonese proved useful for consular interviews in Hong Kong as well as my next post in Rangoon and, years later, in Guangzhou. It is an enjoyable language to have, especially for ordering good Chinese food.

Q: Let's talk about the overall operations of our consulate general in Hong Kong. What was your impression of the people there, the consul general, and others?

MARTIN: Well, it was quite impressive. The consul general was Ed Rice, who was a well-known and well-respected China officer with a wealth of knowledge and experience. The deputy principal officer in Hong Kong in 1966 was Allen Whiting, a China scholar and professor at University of Michigan. He had been given a limited appointment, as I understand it, in the Foreign Service. He was in INR before coming to Hong Kong. He was very solid in terms of his China expertise. And this, you must remember, was in the midst of the Cultural Revolution, so it was really an exciting time in Hong Kong. The political section had some strong officers: Nick Platt, Dick Nethercut, Charlie Hill, Burt Levin and Curt Kamman, who had studied Mongolian and along with Stapleton Roy, hoped, in vain ultimately, for a Mongolian assignment.

The economic section, which I moved to in January '68, my second year, was headed by Dwight Scarbrough. He did not have a China background. He had one of those "golden" Foreign Service

careers that we all thought we would get when we joined. He was a COCOM (Coordinating Committee for Multilateral Export Controls) expert. He joined the Foreign Service in '39 and after a one year assignment to Panama, spent the rest of his career in London, Paris, and Rome. He was finally sent to Hong Kong under Kissinger's Global Outlook Program (GLOP) where he ended his career. Dwight's COCOM experience was useful in HK during that period as we still had rigorous trade sanctions against trade with China. The China specialists in the economic section included Al Harding, who had been on the Dixie Mission to the Chinese Communist outpost in Yenan during the war, Gerry Monroe and Bob Sardinas. It was a good section in which to start my professional career.

Q: Tell me about consular work, what all six of the vice-consuls in Hong Kong got to deal with a major problem - and that is, that the Chinese want to go to the United States.

MARTIN: They certainly do. It was a factory, but not as cold and impersonal a factory as now. In those days, it was quite civilized and more even paced. Applicant numbers have grown phenomenally since then. In my days, we had applicants come in and sit down in our offices across the desk from us - no windows with bulletproof glass and stand up, 30-second interviews. People would come in, sit in the waiting room until called, then sit across the desk from you to be interviewed. I was in the non-immigrant visa section, so interviewed students and tourists. Three officers worked in the NIV unit -- Dick Schenck, a well experienced consular officer, Gordon Powers, and me when I replaced the other Cantonese speaker, Joe Moyle. It was am amicable group

But when you don't have a window between you and the applicant sitting across the desk from you, difficult situations occasionally arose. I remember one particular woman's application was refused and the vice consul said, "I'm sorry, you can't go. Please leave."

"Well, I'm not going to leave."

"Please the interview is over. You need to leave."

He got up to signify it was time to leave, but she fell to the floor and wrapped her legs around the leg of the desk. So the guards were called, and ended up dragging this woman across the floor, along with the desk which she refused to release. It was quite an unforgettable scene.

Q: Was there much of a problem with fraud?

MARTIN: There was a tremendous problem with fraud. The Hong Kong consulate had done a study a year of two earlier on visa fraud. They concluded that the 1906 San Francisco earthquake and fire was probably the biggest boom to Chinese immigration. Every Chinese in the States at that time said, "I was born here, but my birth certificate and records were burned in the city hall fire." The study calculated that if all the claims were true. every Chinese woman in the U.S. would have had 600 sons; no daughters, just 600 sons.

Thus began the practice of buying paper names. The Chinese resident in the U.S. would return to China after a few years with American documentation. Upon his return to the U.S., since

immigration quotas were based on family ties, he would tell immigration he had married and had four sons, no daughters. He would then contact his home village, usually one of the four districts of southern Guangdong, and say that in addition to the one of two sons he may have had, he now had two or three visa slots to sell. These slots were then sold off to the highest bidder. And "Mr. Lee" would pick up two or three other children, all now named Lee, even though their original family names might be Wong, Chen or something else. These people would subsequently go to the States as beneficiaries of the new "father" and upon returning to China, would keep the cycle going. Over the years, INS periodically had amnesty campaigns when people were urged to admit to their fraudulent identity so as to regularize their status. Many never did.

Another trick for applicants was to enroll in visa tutoring schools to memorize details about their fraudulent identity. During visa interviews, we each had a fairly standard sequence of questions:

"What is your name?"

"My name is Wong."

"When were you born?"

"I was born in 1932."

"Where were you born?"

"I was born in Toisan district."

After a while we decide to mix the order of the questions. So we'd ask, "Where were you born?"

"My name is Wong."

"What district were you born in?"

"Nineteen thirty-two."

"Good-bye!"

It shortened the interviews considerably. But fraud continued to be a tremendous problem.

Q: Yes. One of the problems that happens sometimes is that, particularly for young officers, they're not used to being lied to. I mean American kids normally don't have people looking you straight in the eye and lying to you. Often this affects people; makes you cynical.

MARTIN: It is hard not to become cynical doing visa work, then and now. It didn't bother me so much as I realized many of the applicants were desperate to immigrate, or go to school in the US to improve their lives. So I could rationalize their doing whatever was necessary to get a visa. The one thing that did bother me, given my background as a missionary kid, were the missionaries coming in and, if I may use a visa term, kowtowing for their candidates, members

of their congregation, or somebody that they wanted to send, a friend, or what have you. And they would often, shall we say, stretch the truth a little. That was somewhat discouraging to me.

The other side of the story, of course, was the temptations for young, impressionable junior officers. Suddenly they were the most popular people in the consulate. They would be entertained to lavish Chinese dinners. They would be taken out on boats, on junk trips around the island, out in the harbor, all very impressive and enjoyable. They would be taken to wealthy people's homes for dinners and for entertainment. Sometimes it was difficult to keep them focused on what was right and wrong. And it's still a problem!

Q: On the economic side, one of the big things, of course, in Hong Kong was to make sure that Communist Chinese goods didn't end up in the United States.

MARTIN: That's right.

Q: This was big stuff in those days!

MARTIN: It was indeed. This was the foreign asset control operation, in which, when I moved to the economic section, I was involved. We had a Treasury representative who was the gatekeeper on all this. Everybody had to have the HK Government issued comprehensive Certificate of Origin (CCO), and nobody would dare go into the China resources shop. Occasionally we'd catch consular people gazing fondly in the window, but most people resisted the temptation; not all, but most did. And you had to be very careful about when you bought Chinese type products, to make sure that they had a CCO that said, "Made in Hong Kong."

Q: Yes, I would imagine that there was a pretty good trade in loaned certificates.

MARTIN: The Hong Kong government controlled the CCOs very well because they realized that this was the butter on their bread. If there was any diminution of the validity of the certificates, it could have a tremendously adverse affect on Hong Kong's trade. The U.S. was a big market for Hong Kong.

Q: Were there any reverberations of our work in Vietnam at that time?

MARTIN: Hong Kong was a big R&R destination for troops in Vietnam. We had a lot of soldiers in for several days, considerable air traffic and a steady series of ship visits. China criticized the colony's role in the war but never tried to stop or impede it as far as I know. The economic benefits to the colony were significant.

Q: Were you at all plugged into the China watchers?

MARTIN: To a degree, yes; more so my second tour in Hong Kong. The first tour, I was in the economic section. Consulate sections have been reconfigured several times over the decades I've been involved. Either they had an economic and a political section with both a Hong Kong and a China-oriented subsection, or they had a China watching section and a Hong Kong section, separating economic-political on one side and economic-political for China on the other. When I

was there, the economic section did economics, labor and trade, both Hong Kong and China, and the political section did both Hong Kong and China politically. Neither way was perfect, but it generally worked. I was involved in various aspects of trade with China.

Q: How about…were you getting any feel for what was going on in the Cultural Revolution?

MARTIN: Very much so. The Cultural Revolution heavily influenced Hong Kong. We can spend a lot of time on this one if you like.

Q: I'll tell you one reason I'm interested. Yesterday I was interviewing the head of INR about the same time you were here, Tom Hughes. He was talking about Alan Whiting, when he was his China man in INR; I'm not sure before or just after.

MARTIN: I think he came to Hong Kong from INR.

Q: And he felt that, looking in retrospect, he was "the" expert on China attacking, or <u>China crosses the Yalu</u>, I think, was the name of the book.

MARTIN: It is a famous book.

Q: And that he was always telling Dean Rusk, "You have to watch China." And Rusk was inordinately nervous about China moving into Vietnam, when actually China was up to its neck in the Cultural Revolution.

MARTIN: It certainly was. It was not moving anywhere.

Q: It was not going to go anywhere. He felt that this wasn't a good influence, and Hughes takes some responsibility for sort of turning this over to Whiting, a play to Rusk's sensibility. So let's talk about that - what you were getting about the Cultural Revolution, particularly at that time.

MARTIN: It was <u>the</u> issue of the day, of course. Even those of us in the visa section were swept up by it. Alan probably worked most closely with Syd Goldsmith, who was in political section at the time, and was an active and creative officer. When I got there in the fall of '66, the Cultural Revolution had already begun in the mainland. The previous fall, Macau had exploded when the Red Guards came in. They literally papered over the British consulate with *da zi bao,* (big character posters) and generally bringing the colony to a standstill. Going to Macau at that time, one could see the entire wall of the consulate totally papered over. You couldn't see anything of the building because of the paper. The Hong Kong authorities followed Macau developments with a great deal of concern as they saw the role played by schools and labor unions. Leftist unions, Communist run schools, and Communist businesses and organizations in Hong Kong, which were numerous, were beginning to get more engaged because they too saw that they had to be more ideological and active. It was important politically for them to do what their comrades across the border were doing in southern China. It was a terribly turbulent, terribly disruptive period throughout China, as you know. When the Portuguese authorities in Macau were attacked, they, as I understand it, told the Chinese, "Okay. If you want to run it, it's yours. We are going to pack up, and go home. We don't need this."

And the Chinese said, “No, no. It’s not time yet. The time is not ripe. We need you to stay on.” And they forced the red guards to back off a bit later in ’67. So the Portuguese were told, “You still have to run it.” But basically the Chinese were operating behind the scenes.

In Hong Kong, the leftist “disturbances” started in April or May of ’67, as I recall. The pretext was a labor dispute at the Star Ferry Boat Company. The leftist union, which employed or controlled most of the workers, went on strike. The management gave them a deadline to come back to work, or they’d be fired. When they did not come back to work and were fired, they set up picket lines against the Star Ferry. In a sense this had started the summer before, in June of ’66, before I got there, when the Star Ferry increased fares from Hong Kong five cents to ten cents. Leftist unions were active in instigating the resulting riots. I think they began to feel they had the power to push the company around, for political as well as economic reasons.

Q: You might explain the reason why the Star Ferry was so important.

MARTIN: In 1966, before the cross-harbor tunnels were built, ferries were the only way to get across the harbor between Hong Kong Island and Kowloon. You had the vehicle ferry for motor vehicles and the Star Ferry Co. for commuters and other passengers. By stopping the Star Ferries, the leftist felt they could shut the colony down.

They came close. I was going to language school across the harbor in Kowloon. Every morning I had to take the ferry across the harbor. When they went on strike, I sometimes had a difficult time getting to school. But the company quickly used strikebreakers or management staff to run the ferries on a skeleton basis. Also, rightist, the pro-KMT (Kuomintang-Chinese Nationalist Party), pro-Taiwan unions, came in to fill the jobs of leftist workers on strike. That obviously caused friction and some conflict between the two unions, often for political as much as for economic reasons. It was dicey for a while as to whether or not the unions were going to shut down the colony. Other leftist unions called for general strikes in support of the ferry workers as well as strikes against other transport companies. None of them succeeded because the government quickly clamped down on the unions. Failing to shut down the colony with strikes and many being fired, the leftists began to plant bombs around everything. On the Star Ferry, you’d find little paper bags in a corner. Some of them were just bogus - one had a snake in it; others had manure, others had just some wires. But some were real. Several members of the bomb squad were killed trying to defuse bombs on ferries, on corners of buildings, on sidewalks, and so forth. So it got rather tense for a while. People were skittish about things left on the sidewalk. It’s similar to what we have now in many places of the world where you’ve got to be careful of bombs and incendiary devices.

The consulate was very much involved, working with the Hong Kong government, trying to analyze what was going to happen, whether or not the Red Guards were going to come pouring over the border. Gurkha forces were stationed along the Shenzhen River, guarding the border between China and Hong Kong. They were to make sure that there wasn’t going to be a frontal assault, that there wouldn’t be Red Guards coming across. The highest level of concern was probably the summer of ’67, when the Cultural Revolution was at its heights in China. After that, either by intuition, or by actual messages, and I don’t know, the British learned Zhou En-lai or

the foreign ministry had put the clamps on, and the Red Guards were not going to be allowed to pour into HK. Zhou En-lai reportedly decided Hong Kong was not to be overrun, not to be taken over.

At that point, the British took off the gloves and went after the Communist leadership in HK. They detained or locked up many of **the** trade union people and school leaders as well as the NCNA (New China News Agency) people, many of whom I subsequently got to know on my second tour in Hong Kong. They incarcerated them, without trial, without any kind of legal process. They just detained them, some for up to a year or more. They raided trade union headquarters, which had been barricaded, sabotaged, booby-trapped. When police tried to go up narrow stairways to the second and third floors union officers in these tenement houses in Hong Kong, spears, iron bars, chemicals, explosives tumbled down on them. It was a messy business, but the government rounded up the leaders and pretty well had diffused the crisis by the fall of '67.

Q: Were you getting from your China watcher colleagues a feel for the chaos that was happening in China itself?

MARTIN: Yes, very much so. Hong Kong's advantage in those days, and for many years, is that people will talk to you in Hong Kong more than in China. When the U.S. Liaison Office (USLO) and the embassy opened in China; the difference became evident, that people in China were and remain reluctant to talk. The people in Hong Kong were much more willing. Refugees coming out of China or long time Hong Kong residents, who had still family members that they could keep in touch with in China, were more willing to talk. And some of the stories were horrendous.

Q: Well, what was sort of the feeling that you were getting from, particularly those who were talking to those people? What was this thing all about?

MARTIN: It soon became evident China was in chaos and central controls had broken down. It seemed Mao and the Gang of Four were trying to shake up the system, but it wasn't clear what their intent was, what the goal was. A lot of times it just seemed like anarchy with nobody in charge. This was such a difference from the way it had been before. Since 1950 everything had been tightly controlled. Even during the "Great Leap Forward," the Party maintained control. This was really very different as the Party itself was under attack from the Red Guards. Everybody was following this as closely as they could, but I'm not sure we ever really fully understood what was happening in China at the time.

Going back to your question about Alan and Dean Rusk, I think the threat was that the internal chaos in China could have resulted in the spread of Cultural Revolution fervor across China's border into Hong Kong, Vietnam, Laos or Burma.

Q: Well, you left there what, '69?

MARTIN: I left in December of 1968.

Q: Sixty-eight. Was there the feeling that, you know, you still wanted to be a China hand and all?

MARTIN: Yes.

Q: Well, was it a feeling that you'd ever go to China?

MARTIN: I was hopeful that eventually it would be possible. I still found dealing with China fascinating. I tried to finish my master's degree by working on a thesis, but never did complete it because I was involved in all that was going on in Hong Kong and China. I used my Cantonese and spent a lot of time out in the street following events. During the last year of my tour (1968), I was in the economic section following Hong Kong economic and labor issues.

Q: Were you precluded from talking to the leftist unions?

MARTIN: At that time, pretty much so. They wouldn't talk to us as most were dominated by radicals during the Cultural Revolution and were eager to prove they were as "red" as anyone else.

Q: What about other unions, center or rightist? How did we see them? Were they political or were they real unions?

MARTIN: Very few real unions. There was not much of a union movement in HK except for political reasons. The rightist unions were pro KMT, the leftist were pro-China, and there wasn't much in between. There were a few associations that tried to provide some services or benefits to workers, but very little. Hong Kong has never had a strong free union movement, and the government hasn't really encouraged or allowed it.

Q: As you were dealing with the unions, were you getting any support from American AFL-CIO representatives, who were always very interested in union activity?

MARTIN: Not at that time. I have no recollection that they really were in HK or involved at all.

I also was involved in the commercial side of things. I was tangentially involved in the founding of the American Chamber of Commerce in Hong Kong has become a very successful organization. I worked with the commercial section (then still part of the State Department) with quite a number of American businesses in my economic role

Q: How was the American business climate at that time?

MARTIN: During the Cultural Revolution, 1967, I would say, it was quite a nervous time, in terms of whether or not they would be able to maintain their presence there, and what would happen if there was the hoards coming across the border, and so forth. The old timers (and historians) were dusting off old World War II memories of foreigners' internment in Stanley Prison during the Japanese invasion. As the war proved, people realized Hong Kong is indefensible from an invasion from China. But by late '67, people were fairly satisfied that HK was going to continue, and their (business) survival was not going to be a problem. In early 1967, real estate prices plunged. It was a buyer's market. We had some British friends, who

"begged, borrowed, or stole" every cent they could and bought a couple of apartment houses on top of Victoria Peak. We've been clipping coupons ever since. They got them for a song practically. It certainly changed a few years later.

KEITH L. WAUCHOPE
Vice Consul
Hong Kong (1966-1968)

Ambassador Wauchope was born and raised in New York, graduated from Johns Hopkins University and, after a tour in the US Army in Vietnam, in 1966 joined the Foreign Service. His specialty being African affairs, Mr. Wauchope served in a number of African posts, including Ft. Lany, Asmara, Bamako and Monrovia. In 1989 he was appointed Ambassador to Gabon, where he served from 1989-1992. In his several Washington assignments Ambassador Wauchope dealt with personnel, cultural, Latin American affairs and Sudan affairs. Ambassador Wauchope was interviewed by Stuart Kennedy in 2002.

Q: You mentioned one thing you got married? Just to get a feel, what was the background of your wife, how did you meet her?

WAUCHOPE: Yes. We dated when I was at Fort Holabird in Baltimore. Actually I first dated one of her very best friends and I met her and decided to date her instead. We began dating steadily. I went off to Vietnam in October of 1964, and we corresponded faithfully. In fact she came out to Hong Kong with my Mom as chaperone, when I was on R&R. When I returned from Vietnam, we got engaged. We made arrangements to marry shortly thereafter. The Foreign Service thing it seemed to intrigue her. Her Dad was a road inspector for the State of Maryland and her Mom was of Polish origin and a homemaker. Her Dad was Irish. She hadn't had much foreign exposure, but it sounded pretty intriguing to her. She was a very bright woman, graduated from the University of Maryland as an English major. When we went to our first post, Hong Kong, it became much less attractive to her than she thought it would be. That and other things were of at the core of our marriage coming apart.

The Hong Kong assignment was a fluke. As we got close to the end of the A-100 class, the list of available jobs was provided and you bid on the ones that appealed to you. I had focused on Singapore and when the assignments were given out at the end of the course, I was told that I was going to go to Singapore. I thought that was great. I had to take the Asian area studies course and I was on probation in French. I had studied French in high school and college, so I decided to take French. Taking French training and being assigned to Singapore was a bit bizarre. I completed my French training but fell shy of the required 3/3. I received a 2+/2+ and, in those days you just did the prescribed term of training, four months in this case, and that was it. If you didn't get your 3/3, too bad for you. Off to Singapore, even though you knew you weren't going to be speaking French in the normal course of things. We had to vacate our apartment, our household effects were to be shipped out on Wednesday and we were to vacate on Friday. On Monday of that week, personnel called to say you were not going to Singapore. There had been

an undertaking by the Singapore government to limit the size of the Soviet embassy in Singapore, and in order to limit their size, they also have to limit the size of the American embassy. So, the junior officer slot that I was to be filling has been eliminated. I thought, oh great. They said I had a couple of options. You can either go to Taiwan or to Hong Kong. We'll keep you in the East Asian area. I asked when they were going to tell me which post I'm going to. I'm packing out Wednesday. What post are we supposed to put on the packing crates? They said, they would et me know by Wednesday. Sure enough they called on Wednesday and they said it looks like you're going to go to Hong Kong. I said, okay, when will you know for sure because I've given up our apartment. They said, we'll let you know. Sure enough on Friday they called and said you're going to Hong Kong, and the orders will be cut. So, I gave up the apartment and we went to my parents' place and we had a bit of leave before heading off to Hong Kong. It was a rather bizarre way to do business because since the end of the A-100 we had been focusing on Singapore, its laws, culture, history and political situation and all that. Now we're told at the last minute we're going to Hong Kong instead.

Q: So, you went out to Hong Kong? One other question, I keep going back, but, how did you fit within your family with politics? You mentioned your grandfather was a socialist and your father moved up into the capitalist ranks. Where did you fall?

WAUCHOPE: I don't know, sort of between the two, but leaning more toward my father's side. People have asked me, did the fact that your grandfather was a prominent socialist, and was actually the socialist candidate for Mayor and Governor of New York, ever adversely affect your security clearance. It frankly never came up. I never made any effort to conceal it. The Department must have felt it was far enough distant that it was no longer an issue. The fact that my father was a businessman, and therefore a capitalist, was probably a factor. I remember once listening to an interview with my father recorded on a record disk. The interviewer introduced him on a show as a "shipping magnate". My father said, "I'm not a shipping magnate. That always meant to me the person who owns the ships. I just operate the ships. You can't really call me a magnate." He was viewed as being a great supporter of capitalism, which he was. I used to talk to him a bit about it. He loved to sail and he owned first a 36-foot cutter and later a 41-foot yawl. We used to sail on weekends during the summer, almost constantly. It gave me the opportunity to talk with him about his life and his experiences, which someday I hope to write. I asked my Dad "what about your father, was he the sort of socialist who really felt the pain of the people and was concerned about their welfare and well-being, or was his approach more theoretical?" He said, "It was more the latter than the former." He said that he felt that the workingman was getting the short end of things in dealing with management and industry. My grandfather was a great orator. He used to travel all over the East Coast to give speeches to socialist gatherings. He spoke at Madison Square Garden on a number of occasions with tens of thousands of people coming out to hear him. I remember my father's saying that his father was more captured by the theory of Marxism, and how it could correct the social inequities. In fact, even after he was run out of the American socialist party and lost his job as editor of the <u>New York Call</u>, he remained a Marxist. When the communists came to power in the Soviet Union, he visited the Soviet Union. When he came back, he had found it less enchanting than he thought it would be. He was troubled by the absence of individual rights, but overall he thought it was a great experiment, something well worth doing. As for myself, I have remained an independent. I was not as pro-business as my father, who saw the unions as a scourge. Of course the maritime

unions were pretty rough characters. There's no question of that, but I never saw it in those terms. I felt that there was a lot to be said for the rights of the workers and they need their position represented.

Q: Okay, well you were in Hong Kong from when to when?

WAUCHOPE: From October of '66 to '68, and that turned out to be a very interesting time. That was when the Great Cultural Revolution spread into Macau and Hong Kong. I was in a traditional rotational position. I started out in the NIV office of the consular section. I did six months there and then I was told that I was doing six months in the China mainland section. Then I would do six months in the Hong Kong-Macau section and then six months in the commercial section. In any event, I did the six months in the NIV section, which was damned interesting in its own right. The NIV was the best part of consular work in Hong Kong.

Q: I was wondering whether your time looking at people in Vietnam, I mean your investigatory juices must have been flowing.

WAUCHOPE: Well, to a certain extent that's right. As you know as a consul general who served in that region, fraud was endemic. We had all those great stories about how if every Chinese female claim of their children were legitimate, then every Chinese women who lived in San Francisco prior to the 1906 earthquake and fire would have had to give birth to 80 male children.

Q: This was before the fire destroyed all the records.

WAUCHOPE: Right. Then there was "baby Wong." At least seven people immigrated to the United States claiming to be baby Wong, a child born in Hawaii of a Chinese couple who were returning to China. Because they had not named the child yet, the birth certificate said "baby Wong", Wong being the most common name in the world. They returned to China and seven people successfully immigrated to the U.S. using that name. The great bulk of the applicants in the NIV section were student visas. They had all kinds of stories. We had a fraud investigation unit. It probably still exists today, and it had two officers and as many as a dozen investigators. They were finding things like visa schools where they were taught how to answer questions posed to a visa applicant. They learned the questions in a certain order, and they would know the answers in that order. So, you were encouraged to change the order of the questions occasionally. So, you'd say, where do you go to school? They'd say 1947 or something like that. They didn't really understand English at all. In fact, 92% of the successful applicants for student visas adjusted status in the United States; most of them were able to do so by virtue of their education and skills they had learned in American universities. They had skill levels so high that they could only be contributors to the American society. In addition, the University of Hong Kong at that time had openings for about 2,500 people, and every year they had 25,000 applicants. So you knew anybody who went to the University of Hong Kong was an extraordinarily competitive student. The visa applicants would show you their ordinaries, their advanced level exams, their A levels, and you'd go over all this documentation to have a general sense of their eligibility. There were people applying who'd come from mainland China. Our locals, FSNs, were cracker jack, the best I've ever had, would identify anybody who recently arrived from the mainland; they'd put a little red star, very subtle, on the corner of the cover sheet of the application. That alerted

you that, at a given point, after you've done your visa interview, you were to contact the agency section there and . . .

Q: You're talking about the CIA?

WAUCHOPE: Exactly; to come down and they'd conduct their interview. They were very interested in finding out what they could. The agency rep would say, thanks very much, we'll send somebody down and we'll meet you in the stairwell. Just tell the applicant that you want another consular officer to talk to him. I thought, well fine, this is really great. They took themselves quite seriously, but they would interview the applicants in a broom closet or in the corridor. They seemed to be most interested in conditions in the mainland. I never sat in on the interview; we were not encouraged to do so. You made your decision about whether the person was qualified or not for the visa before you brought the agency people down to talk with them. That was a continuing practice and apparently it was a fairly significant source of the information because the mainland in those days was virtually completely closed to us.

Q: Well, this is as you say the cultural revolution was really hitting this place big and hard. How did that reflect where you were?

WAUCHOPE: Well, the spillover started in Macau, which had only a marginal impact on us directly, but it did serve as a model for the Maoists in Hong Kong. We used to go over to Macau on a hydrofoil. It was a quaint backward little city, which had some decent third-rate hotels and guest houses, and you could get a very nice meal. You could go for a day or occasionally overnight.

It started as a labor confrontation and, of course, the influence of the communists in Macau was much stronger than it was in Hong Kong. The Portuguese obviously didn't have the ability to protect Macau if it were ever threatened militarily by mainland forces. The communists made these non-negotiable demands for reforms that would have essentially transferred power to them. The Portuguese said they could not afford to make the reforms, so the communists would start humiliating the administration and shutting down industry and transportation. They would strong-arm other unions not to cooperate with the Portuguese. The Portuguese kept giving in and by the end of the confrontation that went on for three or four months, the Portuguese had essentially turned over the decision-making to the communists. The communists had control not only through the unions, they also controlled most influential businessmen who were either communists themselves or were paying off the communists in order to continue to prosper. They then were able to ensure that they could continue to do business. It was more useful to them to have the Portuguese as the titular power there rather than to be absorbed into the mainland and lose all identity and influence, and especially a window on the world. So, they allowed the Portuguese to remain. Remarkably, Macau didn't really change very much. I recall in the very beginning of the confrontation there was a clash between the small Portuguese military garrison and the communist provocateurs. The military opened fire and killed nine people. That incident tore the fabric of civility between the two sides. As a result of that confrontation, the communists always harked back to the martyrs and how brutal the Portuguese were. When things finally quieted down and the communists effectively ran the colony, the consulate discouraged us from visiting Macau. .

I did visit once and saw evidence of demonstrations and slogans spray-painted on the walls. You could still get a decent Portuguese meal. Most of the transport was rickshaws. We had been told that it was not a good idea to be seen in a rickshaw lest we look like "imperialist." It was still a very quiet and lovely place to go. Subsequently Macau was developed by the Japanese with casinos, hotels and prostitutes. Gambling was legal there, but the casinos were pretty Spartan. The Hong Kong Chinese were told by the authorities not to go over there to gamble. Likewise, the Portuguese authorities told the local people they would not to be allowed into those casinos because that would be one more grievance against the government. They were already impoverished and gambling would be one more problem to deal with. Foreigners were welcomed and casinos offered all kinds of games of chance. The communists were very encouraged by what they had been able to achieve politically in Macau, and had every reason to assume that they could apply it in Hong Kong. It really is quite an extraordinary story how that process unfolded and how badly the communists miscalculated in Hong Kong.

Q: This was during the time you were there?

WAUCHOPE: That's correct. The communist agitation started in early 1967 and it revolved around a strike at a cement factory, Green Island Cement, I believe. That confrontation spread to the bus union in Kowloon. The communists had a long-standing practice of gaining control of transportation unions, not unlike the problem that my father confronted with the maritime unions at Sheepshead Bay Merchant Marine training center. The unions at that time were in the hands of communists or communist sympathizers. In Hong Kong the communist had a strong hold on the transportation unions that operated the buses, the trams and the ferry. So, when they started with the bus company and they shut down the bus routes that resulted in a tremendous disruption to the industrial system. This was years before the subway came into existence. The economy immediately began to feel the impact. The British company that ran the bus system fired all the strikers. The communists responded, "See how the imperialists treat our people." The communists put the strikers on their dole, giving everybody a 40-kilo bag of rice every month. Likewise, the workers fired from the cement plant were supported by the communists. Then the cement company hired replacements from the infinite labor pool. One of the great attractions of Hong Kong is the availability of cheap labor, some of which was fairly skilled labor. The communists decided to push the confrontation further. They then took on the Star Ferry, which was the principal connection between Kowloon and Hong Kong Island. When they went on strike there, the British military immediately took control of the service. This link is absolutely essential. The ferry company again fired the strikers and hired a new group when it was turned back over to civilian control.

The British were very methodical and very intelligent in handling the confrontation with the communists. The Chinese communist party existed quietly in Hong Kong, as did the Bank of China and a number of communist or mainland-owned department stores. There were other communist banking institutions and they all threw their weight behind the local communists. They started the process of disruption in the downtown area, the Central District. They received permission to march up past the consulate to the Governor General's Office, across from a large park. They would go everyday in orderly groups representing different organizations; groups of maybe 100 to 200 people. They carried placards denouncing British actions and they would

march in front of the governor's palace for the prescribed time, perhaps two minutes to protest, and then they had to move on. The British had available about 15,000 police, maybe 20,000 police auxiliaries and 15,000 army troops including Gurkhas. They had three battalions of Gurkhas, and, I think, three battalions of British troops as well. The Hong Kong regiment was a unit of Chinese, Chinese-Caucasian mix and Caucasian. The Hong Kong regiment dates back to before World War II. The British were prepared to mobilize this entire array to ensure order. They would avoid the confrontation that the Portuguese had experienced. The march on the Governor's Office went on for days. We'd look out the windows of the consular section as they marched up Garden Road past the consulate. They didn't seem to focus on the fact that we were there. They would all be waving their books of Mao's teachings and chanting in unison. The communist officials would stack up the different groups while the police watched them through the whole process.

Then the word was that the communist was not getting what they wanted out of this process. They were not getting the hoped for support of the local people, and the British were not making any concessions. The communist decided they had to have a confrontation. The most logical way to do that was to create an incident in front of the governor's palace. They decided to have one group refuse to move on after its two minutes was up. The British had penetrated the communist leadership with Chinese members of their police, and they knew the communists plan. They knew the day, the time and the group that would act. So they positioned thousands of police concealed in this park across from the governor's. Sure enough when the time came, and the protestors refused to move on and the police descended on them with overwhelming force. Having broken the rules made by the British, the marchers were forced to disperse. Then the governor issued an order that the demonstrations in front of his palace were now forbidden. "We had an understanding; you broke the understanding, the deal is off." The communists responded, "You cannot stop us, we are the people, we will do what we want to do." So, they massed again the next day in the Central District and they started the march in large groups, carrying Mao's Little Red Book. The British were waiting for them in their thousands. The confrontation occurred just below our consulate at the end of the Peak tramway. There was a big parking area at the end of the line. I have a picture of it; the car park is full of police trucks ready to haul away the protesters. Again, thousands of police backed up this time by the military. They wanted to keep out of sight and were very discreet about it. The protesters came up to this point where the police were blocking the road, and confronted them. The police were six feet deep with shields, helmets and tear gas guns. A senior police official told the demonstrators "You had an agreement, you broke the agreement, and now you're not allowed to pass through this point." The communists looked over the crowd which was many thousands and replied, "You can't stop us." Well the British did stop them. When they failed to disperse, the police fired tear gas and the groups fled.

They formed up the next day and conducted the same kind of confrontation. The more rowdy the groups became, the police picked them out and hauled them off. The governor decreed a state of emergency and the British used preventive detention, and they hauled these people off in vast numbers. They were detained in Kowloon and at a large stone prison at Stanley on the south of Hong Kong Island. The Stanley prison was right above a popular beach at Stanley. At a later stage when there were thousands of protesters in this prison, you would walk past the prison on a Sunday afternoon to go to the beach and these communists were all singing the song "Mao is the

Great Helmsman" and the "East is Red." To hear this singing in unison was impressive, and a bit intimidating. The detention center set up in Kowloon was in open area and over the months of confrontation, there were thousands there. The British made clear they weren't going to take anymore nonsense.

The reality was that a majority of Hong Kong residents who did not support the communists and a small percentage backed the regime in Taiwan. While many of the pro-Taiwan groups would just as soon not have to show their colors, as this confrontation unfolded and the communists overplayed their hand, the little blue and red flags of Taiwan appeared. We estimated that about 10% of Hong Kong's population sided with the mainland in virtually anything the communists proposed, except for actually taking over the colony. About 5% were probably with the Nationalist Chinese, and they assumed that this confrontation would eventually go away. Most Chinese came to Hong Kong to do business, and for a better life.

We believed that the majority of the people were undecided and they were very uncomfortable with the events. The confrontations continued for months. The British held firm. The consulate had contacts with the Hong Kong police because of immigration and welfare and whereabouts issues. We also had FBI, INS and Treasury representation. The Hong Kong police set up a procedure by which every time a protester led the chant, hold up the Little Red Book up, they photograph them. They then figured out from their mug books, who they were and would then arrested them in 3:00 am and haul them off to a detention center. Over time they undermined the communist leadership in this way, and they did so methodically. Finally the British decided that marching up to this blockade point right by the Hong Kong Hilton Hotel was no longer acceptable. The communists believed that the British couldn't possibly force them to break up. So, then the communists decided to shift their approach and they started having ad hoc demonstrations in various parts of the city. They'd start with several hundred people convened in a given area and they'd create some kind of a disturbance that stopped traffic. In Hong Kong even in those days, all you had to do was to stop traffic for five or ten minutes and the place went into complete gridlock. They did, and the British formed flying squads of police to confront them. The police were using tear gas and then began using the rubber bullets as well. They'd bounce them off the pavement into these crowds. They had a fair amount of success in breaking up the gatherings and they arrested a large of people. Then the communists decided that they would begin a postering campaign. They would put up posters throughout the entire colony with denunciations of British rule. This effort, of course, had its origins in the poster denunciations in Beijing which was part of the Great Cultural Revolution there. The local leaders were trying to reflect the true Maoist spirit and thereby enhance their own credentials. .

As observers we did not have the sense of the divisions that existed in China also existed among the groups that confronted the British. There seemed to be a fair amount of unanimity. There weren't the factions favoring Mao Zedong or Liao Shau Chi, who was later discovered to be a traitor and died under mysterious circumstances. In any event, the British simply weren't cowed for the communists' poster campaign. The British passed an ordinance declaring postering to be illegal. Anybody caught postering would be arrested and detained, and if they try to flee, you can use force to detain them, or fire their weapon if they flee. The communists were convinced that the British could not possibly prevent postering. The British then mobilized every military policeman and auxiliary police and military reservists in the entire colony. In one night they took

down or painted over virtually every poster and painted over every slogan they could find. The next morning the communists and the rest of the town just couldn't believe the British success. The communists believed they represented the people and no one could stop them from carrying out their campaign. So, the British started detaining the offenders. postering on the spot, and if they fled, the police did fired at them. They wounded some and they killed some. The postering campaign went on, but at a much lower level of intensity after the British had proved they had the will to try to stop it.

The next phase of the communist campaign was bombings. The communists began by wrapping bombs in containers and they put slogans on them. The object of the exercise was to show their ability to place bombs anywhere they wanted in the colony, like in the heart of the central or financial district. Very early in the process the British seized all the explosives at all the construction sites, and all the firecracker factories were shut down. They took the explosives because they figured bombing campaign could be a real problem. Again, the Chinese communists thought they could do whatever we wanted. The had increasing problems getting the explosives. I think they place something on the order of 12,000 "explosive devices" over the next six to eight months. Of these 12,000 devices only about 1,200 contained explosives. The British organized flying squads and the leading demolition expert was a fellow they called "Bomber" Harris, named after the Head of Bomber Command in the Second World War. He would go to the scene, sandbag the device and blow it up. Despite the British efforts, a number of the bombs did blow up. Some people were killed, mostly innocent bystanders. By the time the whole campaign was at the end, I think about 90 people died in the bombing campaign including a few of the bomb disposal people. In the most egregious case, they planted a bomb near a child's elementary school, and when the kids came out to play it exploded. Two children were killed. That proved to be a watershed event, when, combined with other atrocities, that the majority of the Hong Kong Chinese found unacceptable, like the disruption to business and tourism, the majority progressively turned against the communists. During the height of the Cultural Revolution, Hong Kong fishermen were snagging bodies in their nets that had floated down the Pearl River. These were victims of one faction attacking another in Kwangtung Province. Of course that was the worst josh in the world to pull in a dead body. I mean they would have to bring the body in and turn it over to the authorities, and then they'd lay the boat up for the next three weeks while they went to the temple and lit incense to try to get rid of the bad josh off. This was happening with some degree of regularity, and some days there would be as many as four bodies discovered, some headless and the arms bound. The people in Hong Kong rejected this kind of mayhem. They did not need factional fighting in Hong Kong that leads to people being slaughtered and bodies washing up on the beaches.

As a result of the bombing campaign and the extremism, the communists increasingly lost the support of the people. It wasn't just that they didn't turn out for the demonstrations, they began to avoid shopping in communist stores and patronizing their banks. Consulate personnel were not allowed to go into any communist enterprise because of the foreign asset control laws, but we used to monitor them. In fact, I did visit a department store, but found that there was nothing worth buying. It really was an eye opener how backward the mainland industry was in so many ways. While buying goods in such a store was a violation of the law, in reality, the Consulate didn't want you to be seen in these stores. In any event, they lost business. While they were losing revenue, they still had hundreds if not thousands of people whom they had promised to

give a 40-kilo bag of rice every month, and they were going bankrupt. Finally this financial reality dawned on them. Meanwhile, the situation in China quieting down to some extent, and the local communist realized that their efforts were not going the way it was planned as the people weren't really behind them. Slowly, quietly, they kind of ratcheted down the confrontation. The postering campaign wound down and the people detained were being released a few at a time. Without any overt agreement, the whole thing just sort of quieted down and went away. Business in Hong Kong is business, and they just went back to business. This is remarkable; I hope the Brits get the credit they deserve for their handling of the events, particularly the restraint they exercised. Yes, people were killed and the rubber bullets did occasionally glance on the pavement and hit people in the head and that would be the end of them. I would estimate that the number killed by the security force was probably in the order of 30 or 40, and maybe about 90 people killed by the bombs. One other thing I should say, the British intelligence network was so good that they knew composition and location of the various cells of communists who were planning demonstrations apparently instruction Beijing. The Brits would attack a target apartment at 3:00 in the morning, first from the street and later from helicopter on the roof. Their SWAT teams would grab the suspects before they knew what was happening. They'd seize all the documents and get the lists of people who were involved including donors. With this initial success, the Chinese responded by setting up a warning system, and then they installed steel doors to prevent the SWAT teams entry. So the teams brought steel cutting equipment and torches to break in. When they began landing on top of the buildings by helicopter and repelling down, the Brits would descend on them before they could slam the steel doors. They really kept the communists off balance. It took a lot of organizational ability and a lot of solid intelligence and restraint to bring this whole thing off. They were able to control the colony for some 30 years more as a result of these actions. We used to say, if Mao Zedong wants Hong Kong all he has to do is make a phone call. This implied that he could order an uprising that the British would quickly recognize was an unwinnable situation. Well, he never made the phone call, apparently because as we're finding out today, it's more valuable to him to have an opening to the West than to make it just one more coastal city of mainland China. So, they really didn't want to take over. What they wanted was the Macau situation where the Brits would have titular control of the colony, but otherwise it was business as usual, with the communists dictating political and social issues. In the end, the communists realized their struggle was falling apart; they didn't have the revenues to sustain it any longer. The mainland was so disrupted by this point that they couldn't afford to subsidize the process any longer and eventually they gave up. They stopped providing the rice to these strikers. By this time these people were themselves looking for opportunities in different areas. They got other jobs. The entire exercise did knock the communists out of the transportation unions. They lost their advantage through this process. Once they surfaced and showed their true colors, the Brits made sure that this didn't happen again.

Q: Who was the consul general while you were there?

WAUCHOPE: Edwin Rice. It was an interesting time. I learned of the turmoil in China, which I followed when I next rotated to the mainland China section. It was a very talented collection of individuals. It was divided into three sections. There was an economic unit, an international unit, China's relations with the rest of the world, and there was an internal political unit. There was a large percentage o this section who later became ambassadors. They included Charlie Hill, Curt

Kamman, Nick Platt, and Herb Horowitz, who became an ambassador to The Gambia. This group was very meticulous and very methodical in culling through all the overt traffic that was picked up on China's regional and provincial radio stations. We had all manner of sources and we were tasked not only to follow domestic internal events from the Cultural Revolution, but also to assess the effect of this turmoil on Chinese support for North Vietnam as that was the hot issue in that region of the world. We did get information indicating that certain factions would intercept Soviet arms shipments coming by train and by truck, and seize the weapons and use them in their own struggle. I worked with the international unit. Al Harding was the head of that operation and I would hope you can get him to give his oral history

Q: What's his name?

WAUCHOPE: Al Harding. H-A-R-D-I-N-G. He joined the OSS during the war and served in Yenan. He actually met Mao. He spoke both Mandarin and Cantonese. He came into the Service as a clerk in the late '40s and by this time he was I guess he was an FSO-4 or 3 at that point. He later interpreted for Ambassador Gronouski who was our official interlocutor with the Chinese in the Poland. Al was really quite a guy. Anyway, we worked together, and the section used to do a weekly report on events in China. He always managed to find snappy little things to say about what's was happening, using bad puns and clever nonsense that would peak interest in our issues. We used to monitor very carefully how the Chinese characterized every event that occurred. In Vietnam, for example, some U.S. escalation like widening the range of our bombing would incite a rhetorical riposte. We would analyze how the Chinese would respond and what sets of adjectives they would use and then how they strung those adjectives together to determine how seriously they were taking this escalation. They would say that they were "As close to Vietnam as the teeth are to the lips," and "We are the great rear area for Vietnam. I remember Al doing this cartoon and showing somebody with this tremendous behind and with teeth stuck to their lips. This analysis was also used to monitor what was going on internally. One of the sources we had available was letters from the mainland which were intercepted, translated and then provided back to us. They were a good source on conditions in various parts of China. We would be able to monitor conditions on a province by province basis. In addition, and this is hard to believe in these days of computers, we maintained vast card files. They were in the corridors of the third floor of the consulate near the political section. These card files, of which there were millions of cards, were mostly name card files. They went for the entire length of that wall on both sides. These cards were the originals, and there were carbons made of them for individual files. The names would be transliterated into English and would also have the original characters and so as names were cited, we could check the names out in these files. It was crude, but it was methodically done. We had a whole staff of people who did that kind of work.

Q: I mean I take it you were really looking at chaos, weren't you?

WAUCHOPE: Pretty much. We were trying to figure out what was going on, what is the object of this exercise. When you examined China, you have to go back to the period of the Great Leap Forward. We used to ask you about this period when I was a consular officer. Chinese applicants were asked what it was like in this time. They replied that they were all required to go out and make pig iron in the backyard. Food was in very short supply, but they said, as bad as it was, everybody got something; everybody got just enough to eat despite the extreme shortages. The

Chinese government made a heroic effort to make sure that there was a relatively equitable distribution of what food that there was and thereby kept the loyalty of the people. Then came the "Let A Thousand Flowers Bloom," campaign which encouraged people to speak their mind. Then they then clamped down on people who spoke out. Not right away, they let it go for a while, and then they arrested people that were too outspoken. There was a sense that Cultural Revolution was another such exercise. Was Mao orchestrating what seems to us to be a very chaotic effort which is really a very carefully orchestrated effort to root out his opponents at the top levels and the middle levels, and even at the lower levels. If that were the case, then things were not as chaotic as they appeared. We were following issues like whether China was going to escalate its support for Vietnam, or whether it's still capable of making a threat somewhere else given this apparent chaos? We were not persuaded that the situation was as chaotic as it appeared, but it was very difficult to be certain. We had few reliable sources on the ground at that time. Symbolically, we used to go out to the border and look across at this forbidden land to try to have a sense of the mystery of China. We had people coming out of China, we had intercepted letters, we had access to overt broadcasts and some other intercepted information as well. It was hard to figure out who were the genuine cast of characters because the people often believe they were doing Mao's will. For example, they seized the Foreign Minister, Le Peng and humiliated him. They put a dunce hat on him and dragged him through the streets. If Mao had wanted to protect these officials, he could have protected them. They were disgraced and then they were usually forced out of their jobs. In some cases they committed suicide, and some were probably executed. We really can't put our arms around this whole cultural revolution, because they had the capability to orchestrate this process, while the real object of the exercise was to purge the leadership and not to allow the chaos to go uncontrolled yet demonstrating that the revolutionary fervor is strong in the country. Eventually Liu Shau Chi was found to be the "Great Traitor." A lot of people that were potential threats to Mao were driven out as part of the cultural revolution, and in the process, tens of thousands, hundreds of thousands of people died as a result.

Q: Were you at this point feeling that gee, I better learn Chinese or were you tempted to be a China hand?

WAUCHOPE: Well, you that's an interesting point because in reality the people that were China hands were so steeped in the Chinese culture and language, and the Chinese language was the key. Chinese was a three-year undertaking; you did a year of study in the U.S. and then you did two years at the school in Taiwan. It was a high hurdle; you really had to be immersed in China, its history and its culture, and you had to be prepared to spend the rest of your career dealing with China. I wasn't willing to make that commitment. I wanted to get back to Africa, and, in point of fact, I was still on language probation. In those days you could not get promoted more than one grade unless you were off language probation. I was taking French with a French military attaché who was studying Chinese. He provided French lessons on a tutorial basis three times a week and so I was still working on the expectation that I would end up going back to Africa. I was daunted by the degree of commitment that I would have to undertake, particularly the three years of language training. You only had to get a 2/2 in Chinese to get a promotion, but even so, I was just not prepared to do that. I was very impressed with the people who had. I thought they were very talented people and that we were in good hands with that group. They were extraordinary scholars. They were a kind of microcosm of how the Foreign Service was

changing, as well. As our Consul General Ed Rice said when I was invited to his home as an escort officer for a visiting Ambassador, Cecil Lyon. Cecil Lyon is our ambassador in Ceylon.

Q: Ceylon.

WAUCHOPE: Yes. He was passing through and I was his control officer. He and Rice had served together in China in the '30s. There was then a division among the China hands. Rice had all his hotshot political analysts working on Mainland China, but none of whom had set foot on the forbidden territory of China. Here are these two old guys, and they're amusing themselves by telling stories; "Oh, you remember how it was in the summers in Peking . . ." and this and that. Cecil Lyon was a much more self-deprecating individual than Ed Rice. I mean Ed Rice was okay, but you could go back and look at his history at the time when they were purging our China watchers in the McCarthy era. He was able to dodge that bullet effectively, but not much to his credit.

Q: Well, Cecil Lyon I think was married to Ambassador Grew's daughter or something like that. He was of the, he was to the manor born.

WAUCHOPE: He was indeed. He acted that way, but he was also very appealing to the younger officers because, in response to Rice trying to play this game at this elaborate dinner of excluding these officers from the conversation of the good old days. Lyon was at the far end of the table and he's fiddling with this brass lantern and Rice was getting agitated that Lyon was focusing on this lantern instead of listening to his conversation in which he's trying to put his subordinates in their place. So, Cecil Lyon says, "Geez, I can barely remember that, it was so long ago." Wrong answer! It was clearly not what Rice wanted to hear. He kept on about it, and Lyon dodged the conversation every time. He was a very fine man I must say, a really nice guy.

Q: So, by the time you left there, you left there in '68 then?

WAUCHOPE: I left in '68 and by that time I had bid on jobs in Africa and I was quite intent about it. I should say that after the China mainland section, I was then assigned to the commercial section as the last part of my rotation. While I was in the commercial section the procedure of rotation of junior officers came to a close. So, everybody was frozen in place. I did my last 11 months in the commercial section. It was fine. I learned a great deal about commercial reporting and a lot about the business. Even in those days you could get trade figures that were off early versions of computers, so economic analysis was relatively easy to do by contrast to what I found in my African assignments.

Q: Hong Kong was playing a major role in the Vietnam War, wasn't it?

WAUCHOPE: It was. It played a role in several different ways. We had major R&R activities in Hong Kong. At any given moment there were over 2,000 American GIs in Hong Kong. We had a procedure that was agreed upon with DOD's R&R people based in Hong Kong, the defense attachés and the Coast Guard people. The operative rule was that anybody who came to Hong Kong, and most came in by charter air, whoever breaks any of the laws or rules or regulations in this colony would be sent out on the next plane returning to Vietnam. We had as many as four

planes arriving and departing a day, although some marines would fly their own C130s. As a result, they were the most well behaved group of soldiers you could imagine, and the perception of both the British authorities and the Chinese was these guys are so much better behaved than the British soldiers that were based in Hong Kong. The Chinese were happy to have them; certainly they were happy to have their money. However, there were limits. The U.S. aircraft carries would come up from Dixie station and?

Q: Yankee station.

WAUCHOPE: Yankee station. Right. The British felt that if an American aircraft carrier were to sail into the inner harbor it would be a provocation to the Communists. So, they insisted that they anchor instead off Lantau Island and the sailors, over 5000, would come to Hong Kong by launch. They figured that every aircraft carrier would put a million dollars a day into the local economy and they didn't want to turn their backs on that. So, they let them come, but they kept them at a distance, but fortunately the American sailors and GIs handled themselves well. I remember one instance, where some military type on R&R brought a gun with him. He was detained and returned to Vietnam on the next flight. He lost his R&R after waiting for months to qualify. Of course, they came for the liquor, women and a hot shower, which represented the civilized world. The colony was well set up for that sort of thing. Overall, I would say we came out very well with the British authorities at the time. There was another factor on the economic side, the U.S. bought a lot of goods in Hong Kong to support our troops in Vietnam and that was good business. American naval and supply ships were going to Vietnam via Hong Kong in support of our effort. The British wanted to avoid provoking the communists at this delicate time by having too high a profile of American military activity. Basically the Chinese residents thought, well, yes, there's a risk, but there's also the reward in the amount of money these guys spend.

Q: Well, then you left there?

WAUCHOPE: Right. I again bid on jobs in Africa. This was back in the days of the "Star Chamber" when you had no idea what jobs were available, or how the assignment process was done. I received a message saying that I was to be assigned to Khorramshahr. I asked the personnel officer, where? He said, Khorramshahr; apparently it's in Iran. Even he didn't know where it was. I wondered how the hell did they come up with that? I was very unhappy about it, but I did find out more about the post. It's the dry cargo port for Tehran and they speak Farsi. I was on language probation for French and I was not going to have any chance to get off language probation, as French was not used there. I thought this is insane. Here I am putting myself up for posts in Francophone Africa and they're going to send me to Iran. I thought this really is indicative of a system that doesn't take into account an individual's preferences or abilities. So, I thought I ought to make a stink about this assignment. I told the admin counselor, that I was unhappy with this assignment. He said, "You know, you are just coming out of Hong Kong, one of the great posts of the world. Nobody is going to listen to you if you say you don't like your onward assignment." I thought this doesn't make any sense. They haven't even thought about this assignment. He didn't know anymore about the assignment process than anyone else did. Then I talked to Dwight Scarborough who is the head of what they called the Hong Kong-Macau section, which is basically the economic section. He was a very decent guy and a senior officer. I

said to him, “What would you do under these circumstances?” He said, “Well, here’s what I would do. I’d draft a letter very carefully and explain to them how you’re more than willing to serve wherever they send you, but there seems to be an inherent illogic in this assignment. Mention the French language issue in some detail. Point that out to them the irrationality of the assignment without being confrontational. Make clear that this is very important to you, that if they cannot see it in their hearts to reconsider this assignment that you’re going to have to look into other options.” So, I drafted a letter very thoughtfully, and showed it to him. He made some suggestions, I finished it up and I launched it. I sent it off in the pouch figuring, are they are going to reconsider or are they going to pull the rug out from under me. I headed off for the U.S. My wife and I were separating after anguishing about it for some time. She went home directly via the West Coast, and I decided that, since this may be my last go round in the Foreign Service, I’d go the other way around the world, the old Pan Am One flight that stopped in Bangkok, Rangoon, Calcutta, Bombay, Tehran, Beirut and then through to Europe. I’ll stop in Istanbul, Vienna, Paris and London just to see those places at least once. I headed off not knowing whether I was going to be in the Foreign Service or not by the time I got home. I send my itinerary to Personnel if they wanted to get in contact me they could do so through the personnel office in the embassies in any of these cities. But I only made the effort of checking in Vienna and they said they didn’t have anything for me. So, I went to Paris and London and back home. I returned to the United States and I called Personnel to talk to somebody about my letter. I was given an appointment with a fellow who did assignments for junior officers. Personnel was structured differently in those days. Peter Spicer was the responsible officer.

Q: Yes, Peter, I knew Peter in personnel at that time. Yes.

WAUCHOPE: Right. I had an appointment on a given day, and I showed up at the office. I gave my name and the secretary says to me, “Oh, yes, you’re the one they’re reassigning.” I said, “Oh?” She said, “Oh, you didn’t know?” I said, “No, I didn’t.” She said, “Well, would you feign surprise when you go in?” I said, “Not to worry.” I went in and Spicer said, “Obviously, they weren’t paying attention when they made your assignment, it doesn’t make any sense at all.” He said, “There are several options.” He said that there was one in a slot in Abidjan and then there was one in Fort Lamy, Chad. He said, that our ambassador to Chad, Sheldon Vance, was at the UN at this time for UNGA and he’d like to talk with candidates to see if you’d be the right person for his small post. It was basically the ambassador, DCM and political officer and I’d be the consular/economic/commercial officer. I said I’d like to meet with the ambassador. So, I went to see Sheldon Vance, a very fine gentleman. He thought I would do fine, and so the deal was cut. I headed off to Africa.

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Q: This is the 22nd of March, 2002. Keith, you want to talk a little more and go back to Hong Kong?

WAUCHOPE: If I could, yes, I would like to say something about our sense of what was behind the efforts by the communists to try to take over effective control of Hong Kong as a part of the Great Cultural Revolution. First of all, in terms of our sense of the conflict, we really didn’t feel terribly concerned about our personal safety other than being in the wrong place when a bomb

went off. We had a strong sense that the communists, in employing its most extreme efforts such as the bombing campaign, were primarily trying to attract attention to their cause. They were trying to push the British into retaliatory actions that would provoke a backlash and thereby sway a larger number of the uncommitted population Hong Kong to their side. But the reality was that they were not very successful in that, and even their bombing campaign which included some 10,000 explosive devices, worked against them. Of these 10,000, probably not more than a thousand actually contained had any explosives. There were very few casualties given the number of devices. No one really felt that they would try to bomb the consulate. By contrast to today, for example, where we are vibrating over the "War on Terror," there was nothing of that sort at that time. There was no sense that we would be car bombed or anything of that sort. All the bombs were small containers, usually bottles wrapped in red paper and they'd have a slogan on the side, "Down with the Imperialists and all their running dogs," slogans that they'd taken from Mao's teachings. So, on the personal side, we really didn't feel that threatened by the conflict. It was disruptive to our lives, and the one thing I forgot to mention was that during this confrontation, the Chinese Mainland cut off the water supply to Hong Kong. Hong Kong's catchment areas provided enough water for more than a half a year to provide for the water needs of the population in a normal year. The reservoirs usually would fill up through the monsoon season and then in the summer, the dry period, the British turned to the Chinese to provide water through large pipes that ran along the rail line from China. Well, at this juncture, the Chinese were very coy about providing the water. The modalities were that every year an application was made by the Hong Kong government to the Province of Guangdong, the provincial authorities, to ask them to turn on the pipeline for the summer months. This time the governor of Guangdong refused to answer the British request. They decided they weren't going to acknowledge the legitimacy of the British control of Hong Kong. So, the water did not flow. Well, the British started water rationing. At first, we had 12 hours of water a day, and then we had eight hours a day, then eight hours every other day and eventually at its peak, or nadir, we were down to four hours every fourth day. The British handled it remarkably effectively. They divided the entire colony into A, B, C and D sectors. Where we lived, for example, up on Coombe Road, we were in B sector, and across the street was D sector. We had friends living in apartments across the road. We would store water when it was running in jury-rigged 50-gallon containers in the bathroom. So, we would oftentimes, when they had water, our friends would come to our place with their towels and in bath attire. In turn we would go down to their place and take a shower no matter what their social activities were going at that time. Whether they were having people to dinner or cocktails, you'd come in your bathrobes and have a shower and you'd go on back home. By this method we were all able to get by. Then the monsoon season came early, and then a typhoon that passed over the colony. That was the first time that the eye of the typhoon had passed over in over 60 years. It refilled the catchment areas very rapidly and then the British didn't need the water from the mainland. At that point the government of Guangdong decided to respond to the British request. "Oh, by the way, regarding your request made some four or five months ago, we will now agree to provide water." The British paid about a million pounds sterling for the water, which was nothing to be sneezed at that particular time. In any event the British said thanks, but no thanks.

Treasury Attaché Assistant
Hong Kong (1967-1969)

Gerald J. Monroe was born on October 13, 1933 in New York State. He attended City College in New York where he received his BA in 1955. Mr. Monroe served in the US Army as a 2nd lieutenant from 1955-1956. His career has included positions in Venezuela, the Dominican Republic, Germany, China, Switzerland, and Italy. Mr. Monroe was interviewed by Raymond Ewing on March 22, 1999.

Q: You went from the FSI economics course to Hong Kong?

MONROE: Hong Kong. I went to Hong Kong. It was a very interesting personnel exercise because I was posted to be a Treasury attaché assistant in Buenos Aires. I argued against this very vigorously. I went to my personnel counselor who in those days had power. The counselors dealt with the regions. The bureaus really had personnel power. I approve of that actually. I don't know if I should electioneer in oral history. I would like to say that that was the right way to go because the bureaus did discharge responsibilities. They didn't just take everyone they wanted and stand and fight. They knew that everyone had to be placed to get three they wanted they took four they didn't know about. Not necessarily, it was very rare in those years they would come up against someone they simply didn't want because his or her reputation was bad. In any case, this pal of mine in the course was posted to Hong Kong. He said I don't want to go to Hong Kong, I am an ARA specialist. I was saying to myself, to get back to ARA, and I happened to bump into Robert Hill. We had lunch and Robert said, "Well you have had your excursion tour. Now you are going back to your area of emphasis." I was extremely distressed at that because I wanted to get back to Germany. Not ultimately. So I went to my friend and said, "How would you like to go to Buenos Aires?" He said, "Buenos Aires, a dream." I said, "Well, I'll go to Hong Kong." We went to see our personnel counselor, Noble Mellencamp was his name. Noble said, "Why not. You are both equally qualified to go. You both took the course. Same grade. We don't see any difference. To tell you the truth neither of you are the answer to EAP's dream, but you know, why not." EAP didn't care in the least and out I went to Hong Kong. This fellow went to Buenos Aires. He fell off the face of the earth, I mean he must have gone through it. He must have gone to Patagonia or something. I never heard about him again.

Q: Was your objection to that assignment because you didn't like the idea of being under the Treasury attaché?

MONROE: Yes, that is exactly right. I had two experiences with that, one briefly at Treasury, and I was a little concerned about that because I sensed a certain guild attitude. Of course I had worked with this lovely man in Dusseldorf who I thought was very good at what he did but he couldn't write an efficiency report to save his life. He simply didn't know how to do it.

Q: So you were concerned about your situation.

MONROE: I was concerned about it yet again going to work for someone outside the mainstream. That was one issue. The other issue was as much as I had enjoyed Latin America, I didn't think that was where I wanted to make my career. To the extent I was thinking of a region

it would have been central Europe. By that I mean I was really interested in going to a Slavic language country. I was taking Czech or Polish or even Russian for that matter, but more likely one of the Balkan languages, Serbo-Croatian. It never happened because the jobs came and when the opportunities come, you take them while they are there.

Q: Now did you have Chinese?

MONROE: No, I didn't have Chinese.

Q: You didn't need Chinese in Hong Kong.

MONROE: You didn't need Chinese in Hong Kong. It wasn't that everyone spoke English. That would not have been true. It depended on the education level. Young people spoke English. Any child would speak English because the British had very recently opened up schools, a school position to everyone.

Q: What was your job?

MONROE: I was part of the Hong Kong, Macao section which dealt as the name implies with our very minimal relations with those two colonies.

Q: As opposed to mainland China.

MONROE: Opposed to mainland China. Hong Kong was one of the largest posts in the service, nine-tenths of it being directed towards the mainland for obvious reasons. However, one major thing happened, i.e.. the cultural revolution. Hong Kong became a coven of activity, some of it rather dangerous because of a bombing campaign. Hong Kong was part of an exercise known as confrontation in which the British agreed to leave Hong Kong at any point, but if they were to stay, they would control it. The Portuguese, on the other hand just stayed, and the Chinese controlled it.

Q: The confrontation was between the British...

MONROE: ...and the Chinese. So there was a large Communist Chinese presence in Hong Kong. There were some very striking engagements clearly. None of them on the border, all of them within the city.

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Q: Today is April 7, 1999. Gerry, we are talking about your assignment to Hong Kong from 1967 to 1971. When we finished the other day, you were just talking about some incidents at the border. I am not sure exactly when those were and I'm not sure exactly the extent to which you were involved as an economic officer at the consulate general.

MONROE: When I arrived which was at the high point or the low point depending on how you want to look at it, of the impact of the Chinese cultural revolution on the colony, on Hong Kong,

which would have been in late '67. Therefore, what had been a geographical organization for the post had been rapidly changed. There used to be a Hong Kong/Macao section and a China section which was about eight times the size of the other, and indeed was one of the largest posts in the world at this point, because there was a lot of what normally would have been in Washington instead of Hong Kong evaluating Chinese material and so on.

Q: There was nothing in Beijing, of course.

MONROE: There was nothing in China. We had, we were far from , it appeared to us we were far from recognizing China indeed having an interest section or anything like that. Our contacts with China were discrete in the extreme, and they were based on day to day issues or day to day problems such as American pleasure craft wandering over into Chinese waters. We were in touch with the Communists indirectly in attempting to recover these people.

Q: Indirectly?

MONROE: Indirectly, because we worked through intermediaries who were acceptable to both sides. The term the Hong Kong Chinese used was red fat cat. These were people who were generally fairly successful in business, but had retained for one reason or another, contacts on the mainland. They were sort of, well probably liked by no side where they were reasonably accepted by both.

Q: So they were Chinese.

MONROE: They were Chinese.

Q: And these incidents of American citizens on boats and so on were handled locally rather than through a protecting power embassy.

MONROE: That's right. They generally and during the cultural revolution particularly resulted in local decisions. There was a very active militia on the other side of the border, Cantonese both in language and attitude and so forth. At that point in Chinese history quite independent it appeared of Beijing. Also we were, when I say we, the Colony's government, the Hong Kong government, was a tremendously competent government, and very loyal to Hong Kong's interests. Certain things had happened. The pound had devalued. I started out by being very occupied with that subject matter including some World Bank data. In this instance I found the course work at FSI extremely valuable because I was able to do some statistical stuff I never could have done without that refresher course.

Q: So you were looking primarily at the colony of Hong Kong and also Macao and you were not particularly as an economic officer interested in the economic situation on the mainland.

MONROE: That is correct.

Q: And you did not speak Chinese.

MONROE: I didn't. I was not a Chinese language person; that is correct. However, as things heated up, they decided to form a Hong Kong economic-political unit which comprised three people. One was Alfred Horning who was a well-known Sinologist, fluent not only in Mandarin but Cantonese which is rare. There were not many people who spoke Cantonese. And a younger officer by the name of Goldsmith who was also an accomplished flutist interestingly.

Q: Flutist?

MONROE: Flutist, yes. He would play his flute at any point. It became more and more apparent to the British particularly that there was some chance that the Chinese might absorb the colony. Because Macao, effectively the Portuguese had lost any political control over it, was at that point a Chinese run city. That said, there were Portuguese officials there; however, neither the British nor we had been there for at least a year because of the mobs and the fact that several Brits had been mistreated. So, when I first got there, Macao was off limits. Indeed a good deal of Hong Kong was off limits. The overflowing cultural revolution manifested itself in a series of events beginning with riots moving toward economic pressures such as turning off the water unexpectedly now and again.

Q: Turning off the water...

MONROE: Well, the water came, I should say that most of Hong Kong's food and all of its water at that point came from the mainland. The Hong Kong [authorities] were working as fast as they could on a new reservoir, but it was going to take a little time, so we were short of water. At one point, a group of militiamen crossed the border, actually penetrated the colony as far as the first line of defense that was manned by Ghurkas actually. There was a small firefight, and the Chinese withdrew. The Chinese government maintained that it was not their decision, and that it was done by a local militia that was out of control. This, again, was manifested through these intermediaries. The first thing I became involved in which was an obvious subject for an economic officer was trying to tally what our investments were and what would be lost if we had to withdraw quickly. They were significant, but they were nothing like today. I might add that Hong Kong was nothing like it is today. Many of those buildings, well, almost all of those buildings had not yet been built. There were probably three or four modern office buildings in town. The others had been built during the ‘20s or before the war. They looked as if they were ancient because of the high humidity there. In fact, they probably dated to the ‘20s, the oldest buildings to the turn of the century. Hong Kong itself as a city dates back to only about 1860, so it is not an ancient place except for the outskirts where there is a walled village with the original settlement.

Q: To go back to this border incident again for a minute. What supposedly precipitated that? Was it that somebody was coming across the border or was it just an incursion to stir up trouble on the Hong Kong side?

MONROE: Well, It was an incursion and there was trouble on the Hong Kong side in the sense that Hong Kong was home to many communists, certainly not the majority of the population but perhaps 20%. It would be hard to reckon, but they were capable of mounting tremendous demonstrations. Just unbelievable numbers of people out on the street. It is clear as in most

cases, they were not 100% communists, they were communist supporters. It was an interesting experience because we could watch it without fear of being involved. Most of them walked past the consulate general up to the British governor general's residence. It was a rare opportunity to observe without necessarily being in too much danger.

Q: So nothing was aimed at the United States.

MONROE: Nothing was aimed at the U.S. The Chinese were very [careful] in assuring that impression was not given. The bombing campaign on the other hand, was indiscriminate and was dangerous for anyone, the communists included. We assumed that the incursion was a mistake, just a bunch of hotheads. There may have been more devious reasons. I mean there were a hundred different analyses. We reported to our government that it was a, you know after careful reading of the press. My two colleagues were extremely good at that, at the Chinese language. Their sense was that it was a mistake, the sort of thing that happens in a highly charged situation. There were among other signs of disorder across the border, the continuing washing up of bodies on the Hong Kong beaches. One didn't go swimming at that particular juncture. The Hong Kong authorities had closed off a good part of the city to western people except for police.

Q: That was primarily because of the security situation, the possibility of unrest or related to health conditions?

MONROE: Well, all three. One, there were enormous numbers of refugees who were sleeping all over the place. Beggars. Hong Kong actually slipped back a decade during this period. They had pretty much I understood, cut out begging, the more extreme begging techniques that one encounters in the far east. They had cut out street sleeping and all of these things were in full flood when we arrived. The farther east you went, the farther from the center you went in any direction, you encountered more and more of that, which was considered if not a security risk, just a risk of crime and so forth. They literally had, when they were targeting a neighborhood, what the British did as a tactic was to find out where there were concentrations of communists either labor union or a so called newspaper, and they would raid these places. The area would be cut off for days. I mean the Chinese were well warned that they were going to be raided. The British intention, of course, was to avoid conflict if they could, armed conflict. In fact, some of it got very warlike with helicopters landing on rooftops. The Ghurkas sort of cordoned off the area but mostly the Chinese police, the ethnically Chinese Hong Kong police who were more of a paramilitary force than they were policemen did the fighting with officers that were British. Some of it was pretty messy inside those dark dens, buildings without light and so forth and so on. But it was very much a, Well I had the feeling, and others shared this feeling that there were constraint that the Chinese were in fact trying to maintain some order among their own people and trying to keep to a minimum physical confrontation.

Q: In Hong Kong.

MONROE: In Hong Kong, yes.

Q: To what extent were the developments in Vietnam affecting Hong Kong in this period when you were there?

MONROE: Slight. The only thing that did occur was within our own organization. There was one group represented by some of the China watchers, not all, and myself and my colleagues in the Macao, the Hong Kong/Macao section, probably the majority of the China watchers. The argument was about whether China would intervene in Vietnam. The deputy principal officer had written his Ph.D. thesis on China interests in the Korean War, was the name of his book. He had a very strong view of the Chinese. It was inevitable that the Chinese would enter.

Q: Vietnam.

MONROE: Vietnam. Our sense, those of us who disagreed, and that included some well-known people who became later well-known in the Foreign Service for their Chinese expertise. My impression from just looking at the food delivery and the conditions over the border and farther south, sort of suggested to us the Chinese even if they had wanted to were incapable. We also felt that there was probably some ambiguity on the Chinese part toward Vietnam, toward the North Vietnamese. We didn't think their attitude was as benign as it had been or as neutral as it had been toward the North Koreans, whom they didn't fear and they didn't think would double back on them. It was always a sense that perhaps the Vietnamese, as later happened, could involve China in a serious war. But overwhelmingly, we were influenced by the conditions on the mainland. There was great disorder. It had gone on for almost a decade. The fact that it lasted for about three years in Hong Kong is no indication as to how stupendous an event it was on the mainland. We were of course, in constant touch with other diplomats who were in Beijing and came down to Hong Kong periodically for R&R with the pouch or whatever. The Degree of disorder, the degree of institutional collapse which was frightening actually was very apparent.

Q: Were you in contact also with foreign diplomats and consulates in Canton, Kwang sho or nobody was there much in those days?

MONROE: No, nobody was there much in those days. Our impression was that Canton province or Kwan do as it was then pronounced, was an extremely dangerous place. We had, as you might imagine, interesting experiences. I think perhaps the most amusing as well as in some respects, the most frightening was Al Harding and I went to Macao which hadn't been visited by British or American officials for about a year and a half. Some Congressmen decided it should be visited. The State Department decided it was [routine enough], I guess. It was, since we were going to visit the nominal governor of the colony, we got dressed in our suits and all, our demarche suits as we called them. Our itinerary was developed through a Chinese businessman in Macao. He had interests in Macao. His headquarters was in Hong Kong. One could argue that he was a member of the triad or closely associated with the triad. We got none of that at all, but in any case our reason for going was actually to visit two American Jesuits, one of whom had the interesting name of Father Lancelot. Between the two of them they ran the drug colony and they ran the leper colony in Macao.

Q: What was the first colony?

MONROE: The drug colony. Because opium was endemic in earlier years, the Macanese, and perhaps even the British in their time, and the British had long ceased to do this, but the

Macanese, the Portuguese continued to run leper colonies and these places where drug addicts who obviously weren't going to make it could go and, one get out of circulation and two, receive a modicum of medical care. It was Catholic run, Jesuit. You know, these people were left to sort of decline in dignity. This was on an outerlying island. We arrived in Macao which was a fascinating place in those days. Nothing built there except the old Portuguese villas and old Chinese structures. Oh, incidentally, what was interesting was we had to get a license from the Treasury Department to go and eat there. We did visit the governor. He was sitting behind his desk with dark glasses and didn't really have too much to say except be careful. In Macao, you could cross into China by just crossing the street. We followed our guide implicitly. Fortunately he was a good fellow. If he had wanted to bring us into China he could have done that very easily.

Q: And you wouldn't have known probably.

MONROE: We wouldn't have known. There were guards, of course, but there was a block or two between them. In any case, he brought us to a safe distance where we could look at the guards standing there looking very hostile.

Q: Besides these two Jesuit priests of long residence in Macao, were there other U.S. citizens there or not?

MONROE: Not that we knew of. There may well have been; one can never [be sure]. Certainly no one would step forward to see us. We did see this little island off Macao. I think it is interesting to note that the waters were Chinese around Macao. The Portuguese had no claim to the water, to the bays and so forth. And is some ways even more strategically important than Hong Kong. That is a hard thing to make, but that is what some of the navy experts told. As to how they were situated on the Prou river where the Prou River met the South China Sea. In any case we did take a small motorboat to these outerlying islands to visit our Jesuits and the Portuguese district officer who turned out to come from Cape Verde was an extremely handsome and well spoken gentleman. His English was flawless. He introduced us to his water buffalo. One of whom got very excited at our presence and gave us a foomp. Our new friend drove us in an open jeep first to the leper colony and then the drug colony, so by the time we got there, we were out of grey or brown or blue suits, and it was extremely hot. For some reason it seemed to us to be hotter than Macao. The one thing we did take away from that event was, you know, first a better understanding of leprosy and such, but also we committed ourselves to getting books to be bound. One of the things these lepers could do was to bind books in leather. He asked us if we could get as many books as possible from our consulates back in Hong Kong and send them over for with a ferry boat captain, it was a hydrofoil actually in those days. He would get them bound and send them back. The question would be if you told your would be clients that this was done by lepers.

Q: Did the Florida asset control rules come into play, too?

MONROE: Well, I hate to say it but we didn't look it up. We felt it was a worthy tragedy. Well, it was a tragedy for those people in the colonies, but we thought it was a worthy cause, and certainly something that we should do whether we had a license or not.

Q: After this initial visit, after a lengthy interval, did the consulate maintain a regular schedule of visits to Macao?

MONROE: No, we went back one more time. We stayed in the city and we did visit several Chinese emporiums, places called China arts and crafts, large structures that sell almost anything mainland. Hong Kong had them, too, but these were even larger. We were importuned one might say by the staff who started singing Mao songs, you know, "The East is Red. A Revolution is not a Tea Party." Perennial favorites at that. Fortunately Al Harding interestingly had been one of these people who had parachuted into communist headquarters during the war with Ludden and so forth and others who were later purged. Al was the junior, as a matter of fact, he was a staff sergeant at that time in the army, simply army support. But he did have, he did get autograph pictures of Ju Du, the great military leader of the revolution and Mao tse Tung. So he was able to produce these; he had them in his wallet, and he was able to show this to people who were taunting us and demonstrate that he was a man of great influence. It was like the Red Sea parting and they would let us out of the store. We went about our business. It was a good thing he had those snapshots. We did not as far as I know, debunk the schedule. I am sure we didn't; it was some years ago but I am pretty certain. Incidentally, my daughter was born in the midst of all this.

Q: In Hong Kong.

MONROE: In Hong Kong at the Mother Matilda Hospital which was actually an Italian mission. It was a good thing everything went normally because there certainly was no facility there to deal with emergency. But in any case, that took a lot of our time and energy I would imagine. During the first year, one was really working all the time.

Q: Because of the cultural revolution and the impact on Hong Kong, I suppose the economic duties that you had were considerable because even though the economy of Hong Kong was far from what it is today, it was still beginning, a business community.

MONROE: Yes. There was a very small American business community. However, the first, Citibank, Citicorp, as it is now called, never left. Then there is this great American insurance combine started by Cornelius Vanderbilt the AIM, American International Assurance. It had many names. They were headquartered there. They had moved their headquarters from Shanghai. One could talk hours about that company, fascinating company. Those were the biggies. Chase Manhattan came along and opened up. That was a special story because they had closed at the beginning of the cultural revolution and came back, so they had a hard time re-establishing themselves, but they did. Other than that, American interests generally revolved around transistors. The only significant community, economic community, where people put together transistors. At that time, the clothing industry was beginning. It was a well-known line of sleepwear called dynasty which later became sort of a fashion house. The gentleman who ran it was actually an American but he had been in China most of his life and had started the business in Shanghai many years before, but it hadn't taken off until Saks Fifth Avenue or somebody came out. His name was Lyndon Johnson incidentally, although he was a good friend of Richard Nixon he said.

Q: The transistor were mostly transistor radios that were exported to the United States?

MONROE: Just the pieces. They put together components. It was an interesting thing because if you get a couple of bottles of these components, these parts, and it was amazing how many transistors one could manufacture out of that. They were using, I mean there is no doubt about it, cheap Chinese labor.

Q: What about American Airlines or the shipping companies?

MONROE: Well, interesting question. There was Maxim had moved their Philippine operation to Hong Kong in earlier times. There was of course, Pan Am, who had a traditional association with the colony. That is where the old clippers used to go. The clippers were just right for Hong Kong. Kytak Airport, on the other hand, was a lollapalooza as the pilots would call it. Probably the hardest airport to land at in the world, according to many. They had to come right over the city and indeed go through two buildings to line up. Therefore it had an extremely good safety record.

Q: So they were very careful.

MONROE: They were very careful. Every pilot would land at Kytak Airport was alert. They since have built another one farther out. The Maxim lines were interesting because it was really a little bit of American colonial life, these people, many of them had been born in the Philippines. They were just an interesting bunch.

Q: What about, we have alluded I think to foreign asset controls, how about export controls, economic defense, was that important in your work, or did somebody else do that?

MONROE: Well, I was responsible for it, but I had an AID employee who had been brought up in China. As a matter of fact, his father had been a member of the old China customs, a statewide sort of Liddel Hart. So he spoke excellent Chinese. He did the leg work. He went around to these post transaction checks and so forth I think they were called. The Treasury stuff we didn't do at all. That was done by a Treasury attaché whose name was Morton Bach. He is still here and is in his 90s. I met him when we were at lunch the other day or the other week.

Q: Did the Treasury, you were the economic officer, the senior officer or was there someone, or was it a combined section?

MONROE: It had become a combined section.

Q: Political/economic...

MONROE: Yes, it was a political/economic section with focus on Hong Kong and the cultural revolution and Hong Kong's future as an entity.

Q: The treasury attaché was separate from that.

MONROE: He shouldn't have been, but he kept himself separate.

Q: Was there a commercial attaché, commercial officer?

MONROE: Yes, there was a commercial officer who as time went on, even got a deputy. As the cultural revolution wore down, and it was that, people gathered renewed confidence in the colony. Incidentally we were able to get an enormous apartment which we couldn't furnish because so many people had left Hong Kong. It was one of the few times in post war history when apartments were going begging. That didn't last long.

Q: The people who left were mainly expatriates or were they Hong Kong Chinese?

MONROE: Actually they were Hong Kong Chinese. I wouldn't hazard a guess as to the relationship. Most of the expatriates, of course, were British. We estimated there were 30,000 Europeans as they were called by the Chinese in the colony, 30,000 westerners and 4-5, 5 1/2 million Chinese. The numbers were swelling.

Q: Of the 30,000 westerners, most were British.

MONROE: Most were British. There was an American community, but it wasn't huge, not what you'd find in Frankfurt or any European country which had an extensive commercial interest.

Q: Some of the Hong Kong Chinese who had left could have gone to the United States and everywhere.

MONROE: Australia particularly. One major company in Hong Kong whose name will be forever linked with Hong Kong is Jardine Nassa. I forgot what that was called, that film.

Q: Taipan?

MONROE: Taipan, the big chieftain was about Jardine himself. They had American interests, so in many instances you would find an American financial company that was totally staffed by British and Chinese people, but it was an American interest. We found these sort of interlocking relationships as we did our inventory of American investments in Hong Kong. I don't remember the figure; it was less than I thought it was going to be. Certainly the number of Americans was less than I thought which taught me one thing among the many things I learned in Hong Kong, which was never trust your own social circle as an indication of how many people of a particular type there might be.

Q: But you knew most of those...

MONROE: Yes, because there was something called the royal, I don't know why it was called the royal, it was the Royal Hong Kong American club. It must have derived from the skittle club or something at one point. But it had become very prosperous, and they were in one of the first new buildings. They had moved out of the old, it had been a traditional British style club with

huge overstuffed chairs that would sort of waft up moths and mildew as you sat in them. Too old for a modern club facility. One thing I enjoyed enormously; I was on the library committee, so I had the great good fortune to help move and re-establish the library from one building to the other. It gave me the opportunity to read an enormous number of interesting books about China and the past, about the colonial experience, the European experience in China. Shanghai had been a great English language publishing city at one point, so the books there were just fascinating as a story.

Q: Did you wish that you could have gone across to Shanghai or the mainland during the period you were there or that was just sort of totally out of the realm of possibility that you probably didn't even think about it.

MONROE: It is an excellent question. No, one had any desire to go across in the [Canton] area. One could see through the various telescopes what was going on across the border and some of it was not very pleasant. They would bring people up for punishment to the border just to intimidate I suppose. So, no, there was no interest in going to Canton. Some of us, and I was one of them, had a great regard for Chinese antiquities and would have loved to have seen Peking then, you know before the building boom and whatnot. But again, there was general recognition that it was chaos and not a safe place to be.

Q: I have just been reading Henry Kissinger's third volume of his memoirs when he talks about the United States, about his trip to China in I think it was 1971 which was about the time you left, I guess.

MONROE: It was about the time we left, but we were preparing if not consciously for that visit, although we did, we were fairly well, we generally expected something like that by the time I left. One thing I did do a study on along with other colleagues in the China watching part of the consulate was on the impact of opening trade with China. Of course my part was from the Hong Kong perspective and Hong Kong's role in this. We put it all together and we had this superb consul general. His name was Ed Martin, but it was not Edward, it was another Ed Martin, Edwin Martin who had been of missionary stock as they said there. It was the only time that I saw in the Foreign Service a long report very highly classified at that point in which he put in a dissenting opinion. I favored opening trade without restriction and letting the market do the rest. People said well, let's just let tourists buy $200 worth whatever. I couldn't see much economic sense to that. Several of my colleagues agreed that this was not a, you know, it was going to help Hong Kong more than China. It was more of an opening to Hong Kong than to China. But it was the option the consul general chose and it is what happened.

Q: The way trade resumed, it was done without restriction.

MONROE: Without particular restriction?

Q: Yes.

MONROE: Oh, no. What I meant to say is the consul general's choice was for a staged opening of trade.

Q: But that was not what you...

MONROE: That is not what I recommended.

Q: But your views were...

MONROE: ...were expressed in the telegram as not his preference but arguably valuable and deserving of analysis and consideration of the Department. I thought that was some of the best, I don't know what to say, some of the best examples of what a diplomat should be that I have encountered in the service. He was really a fine officer in every sense of the word and a human being.

Q: He was willing to entertain other views and allow those to be conveyed and considered by others as well as by himself.

MONROE: That's right. Where his deputy wouldn't do that at all. His deputy was totally closed to other's views. His background had been academic. You know, he was very much the teacher and you very much the student as his subordinate.

Q: Okay, anything else we ought to say about your assignment to Hong Kong? It sounds like a fascinating period.

MONROE: It was a wise career move, let me put it that way. I chose, I was given that choice of Hong Kong more because I was in a class situation that we all had to get assignments, so I got Argentina first, and one fellow was desperate to go to Argentina for whatever reason. He was posted to Hong Kong. I really went to personnel and said could they switch. Of course, your careers have been identical. So, I have always been thankful for that choice.

Q: Did not having Chinese language hamper you at all, would you say, or were you able since you focused on Hong Kong to work around that predicament?

MONROE: Well, the interesting thing is that it didn't hamper me any more than anyone else, because no one else except for these two people who were working with me, no one else spoke Cantonese. It is quite a different language from Mandarin. Now, of course, they could read the papers, and that is what they did most of the time, but their focus was listening to the radio broadcasts and what have you from the mainland. Of curse, interestingly, the communists always spoke Mandarin even in Hong Kong. Their material were printed while in Chinese characters with a Mandarin language. I don't profess to know anything about it. These my Chinese speaking colleagues began with the exception or two that were working with me were pretty much focused on the mainland. They couldn't order a meal unless they were extremely good at picking up a few words of Cantonese.

Q: How about your relationship with the British as it related to the colony of Hong Kong? Did you, we obviously, we the United States, obviously had a great interest in the mainland. We were interested in Hong Kong as it was impacted by what was happening in China and as a potential

place for investment and to trade in the long run, but in the short run, did we ever completely defer to the British about the day to day operation of the colony. Did we give advice? Did we pay attention to the problems as they came up?

MONROE: We did because let us say we reported them to the extent that they impacted on China's communist attitudes or control or that sort of thing did in fact and water. No, we didn't advise the British except perhaps at the military level. Many of my contacts were in the British military because I guess we were doing pol-mil as well as everything else where Hong Kong was maintained. We had excellent connections to the military and to the intelligence community and to other groups. I think our relationship to the whole [group] they had out there advising the government, the British had a small staff including four or five advisors, I can't say, but I have a sense that our relationship was not as close with them. Not as close with them as with the security people. Well, whenever I met them, they were not particularly outgoing or overly friendly. Let's put it that way. They may well have had their contacts at higher levels in the consulate general.

Q: I assume the United States had a defense advisor or military presence in the consulate general.

MONROE: Oh, a very large one, one because of Vietnam. There was an R&R center there that we tried to close, never succeeded during the worst of it, you know.

Q: The worst of it being...

MONROE: During the worst of the bombing campaign.

Q: And the unrest in the colony.

MONROE: ...in the colony, but the military just insisted. That gave us a lot of work on weekends, as you might imagine. We had a Coast Guard signal ship. Their chief claim to fame was they couldn't leave the harbor during a hurricane or typhoon. I mean you would see aircraft carriers leaving the outer harbor going to sea, but this little Coast Guard cutter just rode it out there a few hundred yards from shore. Fortunately, nothing ever happened to them. We did have one major scare which I would like to mention before leaving Hong Kong. It is an indication of how a relatively junior officer can suddenly find him or herself in a very critical position. I got a call early one morning from one of my British intelligence contacts. He said he had intercepted a message from a U.S. vessel which claims that it is being fired on by a Chinese shore battery. So I said, "Well is it a naval vessel or is it a freighter?" which there were many on their way to Vietnam. He said, well, he assumed it was a commercial vessel but he couldn't really tell. I got in touch with the Coast Guard ship. They said, "Well there is something out there. We are picking up something pretty much like that. We were just about to call." So I called the consul general. He said, "I'll be right there; we'll meet at the consulate." So I went down. He told people to meet. Of course the naval attaches or their equivalent at the consul general were all over the place. They had picked this up as well. They were down there. Nobody could determine just what kind of vessel this was.

Q: Or who was doing the firing.

MONROE: We knew who was doing the firing. There was no doubt the Chinese were doing the firing because there was no one else there. I got there, and the consul general called on his radio to say that there had been you know the pass he had to go through to get to work. Hong Kong has a lot of little passes you went through. That is what the British called them. There had been a terrible landslide and it went all the way around the island. He was going to be quite late so he said prepare a critic. I wrote a critic.

Q: A critic being a high priority telegram to the State Department.

MONROE: It was sort of like the Department coming over the polar ice cap. "American vessel under fire by hostile Chinese." I then got a call from my British colleague, "I'm almost sure that just by the quality of the signal. I think it is an old tramp steamer." So, I called the consul general and said, "My guess would be, I mean the prevailing British view is that this is a old tramp steamer that probably wandered out of the channel."

Q: At that point were you still confident that it was an American flag vessel.

MONROE: Yes. That everyone was sure of. I don't know if anyone was looking at it from the air. It was unclear. They certainly didn't tell us though people seemed very sure, I suspect that was happening as well. Although, it would have been dangerous I would have thought, if the air, the helicopter or whatever it might have been got off the channel. In any case, there was a submarine proving ground there which vessels, not American vessels, but others had wandered into. Well, to make a longer story short, when we finally clambered aboard the vessel, when it reached the inner harbor, the captain declared that he needed tranquilizers and disappeared. The second in command said that he didn't think there were any shells. He thought they were flares and they were meant to warn them off. He couldn't be sure, but he didn't see any shells. Other crewmen said there had been one or two shells. In any case, not close to the vessel. So, it ended up as an immediate message reporting the facts and considering in general the Chinese were probably trying to warn the vessel off rather than sink it or do any damage to it. Which is fortunate because it was full of ammunition. It was in dreadful condition. I have never seen a vessel quite as rusty as that one was, and of course, the chart was very hard to read, full of grease on the top of it.

Q: It wasn't entirely clear that it had strayed into Chinese waters. It probably had.

MONROE: It very probably had which was our view.

Q: Not only Chinese waters but in a sensitive area.

MONROE: In the submarine proving grounds which showed up on a naval chart. I don't know what it was doing there. I mean it was on the chart just to intimidate the British, but who knows. The seventh fleet went through there often with major sized vessels. One of Hong Kong's great advantages is the deepness of the surrounding waters, which, incidentally were by and large under British control except for this little neck that they were trying to get through. In any case,

that was my hour of sheer panic I guess, and glory. I was running around carrying a critic message in my hand.

Q: But you didn't send it.

MONROE: I didn't send it. I was reluctant to send it. I was really quite, I was becoming more confident with each passing minute that this was one, not a U.S. naval vessel, and two, probably was where it shouldn't have been. In any case, I thought it was an interesting story.

Q: I visited Hong Kong in 1964, and I certainly heard lots of tales of countless visitors to Hong Kong, Congressmen, other who liked to visit Hong Kong for lots of reasons. Were you overwhelmed by visitors often or was it really not so bad?

MONROE: No it wasn't because of the cultural revolution. You got people who were in fact, interested in China occasionally, which was always a pleasure to listen to the consul general give them their briefing. I mean if I was the control officer. I frequently was because of what we focused on. We had quite a few visitors interested in the Maxim bank, who were selling paper at that time. That was very valuable because of the frequently visitors do give you an opportunity to meet people you wouldn't otherwise meet, such as the president, the CEO of a large Shanghai bank, that sort of thing. To the extent we got troupes of Congressmen, they were really interested in Vietnam. They were on their way to Vietnam.

Q: And stopped over on the way or on the way back in Hong Kong.

MONROE: We got some very distinguished visitors. I have forgotten his name, he was a Congressman from New Jersey. I forgot how to pronounce it, but it is an old family that he was fourth generation Congressman or something, and a perfect gentleman. What was interesting was that we had a , in spite my entreaties, he did come after midnight. The only way across the bay in those days, there was no tunnel, was in a sampan or what was called locally a walla walla. Hong Kong harbor was always choppy because it was actually part of the China Sea. It had a bore; the Proh River had a bore. Nothing like the Yangtze, but there was a tide that went up the Proh River, so this was rough. One really did walla walla in this thing.

Q: Is this after the ferries stopped running?

MONROE: The ferries stopped running at midnight. We did get them there. His wife was rather unhinged by the experience and she lost her expensive shop, because getting in and out of these things took a little experience. But he wrote a delightful letter later. He really did say he didn't know what he would have done without us. I think his wife would have just as soon have stayed at the Peninsula Hotel which unfortunately, was on that side, the Kowloon side as they said, but it was filled and there was just nothing they could do to get them over to the mainland. Anyway, the walla walla ride with these very wealthy very distinguished old family members was sort of interesting. He took it in good sorts, but his wife was definitely uncomfortable.

Q: How were the health conditions, you mentioned water shortages. Was there much typhoid or ...

MONROE: Yes, as a matter of fact, I had gotten typhoid it was assumed. One never really knows because they weren't all that great at those kinds of tests. In the last six months I was kind of ill, lost weight and that sort of thing. There was a lot of TB, endemic because of the Chinese penchant in those days at least for spitting, so that the streets just must have been hothouses of bacteria. My daughter from when she was born seemed to have strep throat. One reason we left a little early was to get her out of there.

Q: Okay, is there anything else we should say about Hong Kong? If not, where did you go from there?

MONROE: Well, just career wise it was I got two promotions there which was very good for me, and I think most unusual. So, from that point of view, it was a great post. Well, we were first assigned to Frankfurt and ended up in Bonn.

Q: Maybe just say one more thing about Hong Kong. Not only did you do well there in terms of promotions but certainly it is my sense in the sixties and in that period that some of our best officers wanted to go to Hong Kong and were assigned there partly because of people with Chinese couldn't go anywhere else almost except for Taipei, and I think throughout that decade there were really high quality officers in the consulate general in Hong Kong.

MONROE: Well, I think at least, I don't know whether I can include myself since it was in a way luck, luck of the draw. Certainly some of the men I worked with have later become very well-known Chinese experts including James Lilly.

EDWIN WEBB MARTIN
Consul General
Hong Kong (1967-1970)

Ambassador Edwin Webb Martin was born in India of American parents in 1917. He received his bachelor's degree from Oberlin College in 1939 and his master's degree from the Fletcher School of Law and Diplomacy in 1940. He joined the Foreign Service in 1941. His overseas posts include Leopoldville, Peiping, Hankow, Taipei, Rangoon, London, Ankara, and Hong Kong. He was the ambassador to Burma from 1971 to 1973. Ambassador Martin was interviewed by Charles Stuart Kennedy on June 4, 1987 and by William Johnson and Harold Hinton on December 9, 1987.

Q: Ambassador Martin, I think we've now reached the point where it's appropriate to begin talking about your tour of duty in Hong Kong, 1967. And you were Consul General at that time. I myself visited Hong Kong during that period more than once. Of course the period coinciding with the Cultural Revolution, at least the heroic days, so to speak, of the Cultural Revolution on the mainland, but first I'd like to ask if you could tell us something about your view of the utility of Hong Kong as a listening post with respect to China. If I may add, we now of course have an

embassy in Beijing which we didn't then, and yet we still maintain considerable listening facilities in Hong Kong. Why is this?

MARTIN: Well, let me go back to my time there before we had an embassy, before we had any kind of office. Before we even had the liaison office that we set up after Henry Kissinger's visit to Beijing in the spring of 1973, Hong Kong was a kind of window on the world for the Chinese and it was one that those countries such as the United States which did not have any official representation there, really any private representation of any kind in China, it was a window that we could look through to see what was going on in China.

And we got our information there through interviews, some very extensive interviews, with people coming out of China, refugees, people who were able to go in and out on business, and also the diplomats of other governments who were stationed there. And we were able during the Cultural Revolution -- as you pointed out, I went to Hong Kong during the height of the Cultural Revolution -- we were able to expand our sources of information because there was an increased flow of refugees. There was a lot of factional fighting among Red Guards and other communist groups who delighted in exposing what they would consider past crimes of the Party. They published their own little papers, they published documents. So there was a real explosion of information at that time about what was going on in China. And we also were able to supply even some of our diplomatic friends in Peking with information which they didn't have.

They were of course fairly restricted in the information they were able to obtain in China. And most of them had fairly small establishments in Beijing at the time. We had a very large establishment in Hong Kong. Our consulate there was larger than most embassies in terms of numbers of personnel, and we had a lot of people who were specialists in China, spoke the language, and we were able to monitor radio and monitor newspapers.

So on the whole this was a, especially when I was Consul General there, was a very fruitful source of information. And of all the sources that we had, it was the most important.

Now I don't know as much about, from personal knowledge, about the value of Hong Kong as a listening post now since we have an embassy in Beijing and we have consulates, but I can still imagine that there are certain types of information which we can get from travelers, and we maintain an expert staff there. I think we've considerably reduced, and we should have reduced, the size of the China- watching staff in Hong Kong, but we still have them there.

Q: *May I ask whether you found the British authorities in Hong Kong helpful in getting information?*

MARTIN: Yes, they were. The British were helpful. And they could supply information from first-hand observation, of course, which we didn't have. That was helpful. They could talk to Chinese officials, Chinese government, PRC government, and so they could get a certain angle that we couldn't get on the news. On the other hand, we could get a certain volume of information which they didn't have access to, or if they did they didn't have the facilities to utilize it, as we did. I'm speaking here of British officials from Beijing who came through Hong Kong.

Q: *In view of all the controversy we've heard in recent years about CIA, is there anything you could say about CIA as a source of information.*

MARTIN: Well, as you can imagine, I can't get into detail, but it was, the operation there in Hong Kong was an intelligence collection operation. It wasn't a covert operation. And naturally they played an important part in the information that we got.

Q: *There was quite a lot of radical activity in Hong Kong while you were there?*

MARTIN: Yes.

Q: *Did you either personally or did the consulate general in general feel threatened at any time physically?*

MARTIN: Well, I don't think we did except in this sense -- and I'll give you an illustration. When I arrived, which was the beginning of October in 1967, to take up the post of Consul General, we went to the residence from the airport by a rather circuitous route. And I recall that on the road when we were going to the Consul General's residence, there was a paper bag in the road and the driver of our car very carefully skirted this because the radicals or the terrorists or what you want to call them, were sort of randomly leaving bombs around on the roads and on the trolley tracks and so forth. And a number of people were killed.

I recall specifically that a police inspector who was trying to defuse a bomb was killed and the British in their inimitable style staged a very showy funeral with the bagpipes and the slow march and all the rest of it, learning from their long years of imperial experience how to put on a show like this. And of course the British stiff upper lip and all the rest of it. But there was another person who was murdered in a rather gruesome way, kind of a talk-show person on a Hong Kong radio and the Communists didn't like him for some reason or other, or the radicals didn't like him, so he was wiped out.

I think there was a certain feeling of insecurity, but there were never any direct threats against us or against the American consulate. When I went over to Macao, because I was also accredited to Macao, to the colonial government there, I remember seeing the vestiges of demonstrations there. The governor of Hong Kong at that time was David Trench, Sir David Trench. And the Colonial Secretary, sort of the number two man in the government, was a fellow named Gass, and there were slogans painted on the wall, "Hang Trench and Burn Gass."

Of course there had been a good deal of fright in Hong Kong during '67. And I think perhaps my predecessor, Ed Rice, experienced more of that than I did, although things were still pretty hot in the fall of '67. But one thing that rather brought this home to me -- well, perhaps I should say first that quite a few people evacuated Hong Kong and there was a good deal of capital flight in '67. A couple of personal experiences: My wife was asked by the International Rescue Committee to supervise a number of daycare centers for refugees children, which she did most of the time we were in Hong Kong. And the reason she was asked to do it, partly it was because she had the background in this profession, but the person who had been doing it before was one of

those who had left Hong Kong. The other illustration is one of the first official public acts that I was requested to do in Hong Kong was to open a small oil blending plant that Mobil Oil had constructed. And it was one of these things where I was asked to go and make a little speech and cut the ribbon. This was played up, it made headlines in the Hong Kong papers. There are something like a dozen papers in Hong Kong. And it was played up as an expression of American confidence in the future of Hong Kong. And that really brought home to me the extent of the jitters there.

And as a matter of fact, this was, I think, mainly coincidence but in '68 there was a steady recovery of confidence in Hong Kong and the number of incidents tapered off. And of course in China, I think, the army was beginning to crack down a bit on the radicals. But of course this oil blending plant had been planned and financed long before the panic, but the fact is that Mobil went ahead with it, while some other companies didn't go ahead with plans that they had. Early in '68 another American company, insurance company, asked me to come and do the same thing, cut the ribbon, and I did that. And that again was played up as an example of American confidence. So the Americans were among the bolder, more confident people of Hong Kong.

Q: *I think it's rather obvious that Hong Kong could have been taken over by some combination of internal and external pressures, say in '67. I realize this is a simple-minded scenario, but why didn't this happen, in your opinion?*

MARTIN: Well, pure speculation of course. The one thing that I used to emphasize to America businessmen -- and in '68 and '69, I don't know how many dozen presidents and vice presidents of corporations and so forth would come to my office and ask my opinion about whether they should invest in Hong Kong. And I would say, I certainly cannot make up your mind or the mind of your company whether you should invest, but I can try to give you a picture of how we see the picture in Hong Kong and on that basis you can make up your mind. And the main thrust of it was that Hong Kong is very important, at least at this stage, to China for economic reasons. Ninety-nine percent, roughly, of the people of Hong Kong are Chinese. Most of what they eat and what they wear comes from China. And Hong Kong's currency is a good hard currency. And China makes a great deal of important foreign exchange out of Hong Kong. Also I think Hong Kong is important to the PRC because of what I mentioned earlier, it's sort of a window on the world. And they had there the Bank of China, they had the people who sort of took the place of diplomats or consular officials -- the NCNA people, the news agency people. And it's a place that is obviously valuable to the Chinese, and it's so valuable, as a matter of fact, that although one would think that in this radical period particularly that Hong Kong would have been a target, even then they left it alone.

Now I think, however, that if the radicals had prevailed that they might have --

Q: *You mean prevailed in Beijing?*

MARTIN: In Beijing, yes. That's what I mean. If they had prevailed in Beijing conceivably they would have gone for Hong Kong, I think they might well have. But they didn't.

Q: *Of course they did in fact burn the British mission in Beijing.*

MARTIN: They burned the British mission, yes, and there were incidents like that all over the world, as a matter of fact. But that was the radicals who did it. Not only that, but they even took over the foreign ministry for a short time in Beijing. So things were pretty haywire as far as China's foreign relations were concerned. But of course they were also very preoccupied with their internal affairs, which may be another reason that Hong Kong survived.

Q: *If we could go for just a minute beyond your experience in Hong Kong down to the present, since obviously Hong Kong is still important to the Chinese for the reasons you mentioned, this hasn't really changed, why have they been so insistent on taking it over when presumably that will degrade some of its utility?*

MARTIN: Yes. Well, that's a good question. I would say that in -- what was it, '86 they decided this?

Q: *'84.*

MARTIN: '84, okay. As long ago as that, time goes so fast. Probably the main reason was that they were sort of on the spot. The 99-year lease which they made for the New Territories in 1898 expires in 1997. And there was a lot of speculation, has been for some years, what are they going to do then. It was a kind of deadline that they had to face. And they would have had to have some kind of excuse if they hadn't done anything about it. So I think perhaps that was the thing that triggered that.

Another reason is that comparatively, I think, Hong Kong is probably not as important on the economic side -- it's still important but not as important as it was in the earlier years. They've developed their trade much more elsewhere and so Hong Kong doesn't have quite the relative importance. And the same thing goes for the window on the world function of Hong Kong. They've gotten into the U.N., they've expanded trade. They've expanded their diplomatic relations. And so it just isn't that important. Whether or not the Taiwan situation had anything to do with it I'm not sure, but of course Hong Kong is a piece of Chinese territory, just as Taiwan is, and if they hadn't done anything about Hong Kong, one wonders if they could have pressed the Taiwan issue as much.

The other side of that is that they say they're going to treat Hong Kong in a way that will show the people of Taiwan that they have nothing to fear. So -- and I must say, I think this is pertinent, during my time in Hong Kong I asked, especially toward the end -- I left there in 1970 -- some of my British friends in the government about the future and what would happen. The Chinese presumably would take it over eventually or want to take it over. And I was told that the British at that time would have been glad to negotiate for the turnover but the Chinese were not interested. The Chinese simply were not interested.

Q: *If I could go back to Hong Kong as a listening or watching post with respect to the Mainland, you witnessed the hectic days of the Cultural Revolution, what would you say was the major turning point, as you saw it there in Hong Kong. For example, the rise and fall of the Red Guard movement. Were you able to chart that with some accuracy?*

MARTIN: Yes, pretty well. I really can't remember very many specifics. The things that stand out in my mind are that we felt that the Cultural Revolution more or less came to an end in '69 with the Ninth Party Congress in April of '69 and Lin Piao's ascendancy, and that the army really was then pretty much in control. And we wrote in this -- in fact I think this was fairly widespread -- that after '69 people talked about the Post-Cultural Revolution activities and so forth. And so it came as a surprise to me, and maybe to other people, when the Chinese began talking about the Cultural Revolution ending in '76. So to go back to '69, I would say that it really seemed to us to be a turning point internally with the army really assuming a very large role and Lin Piao being proclaimed the heir apparent.

And then another turning point in a sense, although it was sort of a culmination, was the 1969 Ussuri River Sino-Soviet clashes. That really triggered almost a panicky reaction in Chinese media. And I think that as far as the PRC was concerned they really began to feel frightened about the possibility of a war with the Soviet Union. So I would say that the spring of '69 was a real turning point. It was from then on that in Hong Kong we began to see minor signs of the Chinese being interested in getting into some sort of contact with us. It was at a low level, nothing at my level, but several of our China experts on our staff were invited to parties where the NCNA people would be and so forth. It was all very low level, but nevertheless you could see that the Chinese in Beijing were reacting to the perceived threat.

Q: *I remember having a friendly argument with your successor in Hong Kong in his office a couple of years later. He was quite convinced that the Chinese opening to the United States, whatever one chooses to call it, was motivated overwhelmingly by a desire to get concessions in Taiwan. I said, all well and good, but they've got the Soviet problem, which I think is primary.*

MARTIN: I think the Soviet problem was primary. I also think that by 1970 the Chinese were observing our interest in getting out of Vietnam. And this also provided somewhat of an opening. And just to give a footnote to this, following my assignment as Consul General in Hong Kong, I went to the Claremont colleges, specifically to Claremont Graduate Center, in Claremont, California, as a diplomat in residence and visiting professor. And of course this academic scene you know a lot better than I, but in the early '70s, in the spring of '70 it had been pretty bad.

Q: *Cambodia.*

MARTIN: Well, by that fall things had calmed down a lot but I went to a faculty meeting -- it wasn't a faculty meeting, it was a meeting of some members of the faculty who apparently had been meeting and were very upset about the Vietnam situation. And they were carrying on about it as though nothing had really changed. And I said, well, I just came from Hong Kong. And for the last three or four years we've had between 350 and 400 U.S. naval vessels a year in Hong Kong harbor -- I mean visiting Hong Kong -- and we've had a great deal of R & R and so forth. And I can assure you that the Vietnamization is going on and the statement of the Administration that they wanted to pull out of Vietnam is the policy. Those at the meeting were saying, oh, that's baloney. I said, it's not baloney, it's true. This is happening and I've seen the concrete evidence of it in the last few months that I was in Hong Kong. So the Chinese are not dumb, they could see it, too. So I think that was a factor. Now I really don't think Taiwan had anything to do with it, at

least very little. It was primarily -- after all, you know better than I, just as well anyway, that during the Cultural Revolution how isolated the Chinese were. There was one point where they only had one ambassador in a foreign post, and that was Huang Hua in Egypt. In this situation the realistic and hard-headed people in the Chinese government (and they still continued to be there despite the radicals), especially with the Ussuri River clashes, obviously have to look around for some way to break China's isolation.

So I think those are the factors, and that was our judgment there, too.

Q: *Was it your feeling that Zhou En-lai genuinely wanted some sort of relationship with the United States really for its own sake, but number one perhaps used the Soviet threat, which of course was real, as a way of levering his colleagues into it and perhaps the colleagues like Mao were more resistant? Or did you have any way of forming impressions?*

MARTIN: It's hard to know what the internal situation was there. I don't know whether we speculated on that. What we did do was act on the belief that the Chinese would be more receptive. Of course the Nixon administration when it came in immediately said we must do something to try to get China more involved in the world. We certainly weren't ready for anything like recognition, but we were willing to take small steps. And we in Hong Kong as early as the summer of '69 began to recommend, and into '70, recommend the kinds of steps that actually were taken, such as allowing tourists to buy Chinese-origin goods in Hong Kong, which had always been a real headache for us. And eventually allowing American-subsidiary companies to trade with China. That had been a very difficult thing, of course. And easing up on travel restrictions. I'm not saying that we were the ones that recommended them and the government acted on it, that's not true. Because they were also thinking the same things in Washington. And as you know, there were a whole series of small steps that occurred in the latter part of '69 and early '70 of the kind that I mentioned which preceded the famous invitation to the American ping-pong team.

I'm sorry, I really didn't answer your question because I don't know what the internal situation was there and I don't remember that we speculated on that much. We just saw what was happening.

Q: *I think the point you just made is very important and interesting, more so than the one I was talking about earlier, because there still seems to be an impression in American China-watching circles, I mean academic China-watching circles, that the opening really came wholly from the Chinese side. Which is obviously not true.*

MARTIN: Yes, if they just look at the record there and see the things that we did. And another sort of footnote, in August of '69 the new Secretary of State, Bill Rogers, came out with Marshall Green and a small entourage, Mrs. Rogers, to visit Hong Kong among other places. And we had a very good session at my house after we gave them a dinner one night, about what things were happening, things that were changing, our relation with China, what we could do. And we had a discussion, he was very open about it, and so were we, and Marshall, and we all agreed. So these kinds of steps that we took were concrete steps. And the Chinese could read them as such and did.

It's funny. I don't know what it is, academia or the press, but they picked up the Chinese invitation and they sort of ignored the steps that we'd taken. I really think that we took the initiative. But on the grounds that we thought the Chinese would be receptive, whereas in the '60s the Chinese really weren't very -- not that we did very much, but in the Warsaw talks we offered things like exchange of correspondents and easing up on travel restrictions. At one point we offered pharmaceutical supplies and grain and so forth. This was all turned down by the Chinese because in the '60s they were in no shape to do anything like this.

Q: *In May of 1970 the Chinese interrupted the Warsaw talks that had just resumed earlier that year, with a great blast over Cambodia, I'm sure you remember that. Was it the feeling of yourself and your staff at that time that this was a very serious and possible termination of the process, or did you expect it to be resumed later, or did you have any sense of it?*

MARTIN: Well, I don't think I did. And there again I must say that the Warsaw talks were something that we were not, and I think this was a mistake, but we in Hong Kong were not kept informed about them at all.

Q: *Really?*

MARTIN: No, we were not, which I think was too bad. We should have been. But in any case, the Cambodia thing I don't remember much about except in a kind of personal way. In the spring of '70, I don't know, maybe March or so, I was invited by Art Hummel, who was then ambassador in Burma, to come over to Rangoon and to brief, or to talk to, some of the Burmese officials about how we saw the situation in China. Because the Burmese, as you know, are very nonaligned nonaligned people and we didn't ever get very close to them on an official basis. They kept us at arms length. But he thought, well, if I have a visiting fireman come in it might provide an opening to get across our point of view. Well, as a result of his invitation, the department asked several other embassies if they wanted me to visit. Besides Burma, I went to Malaysia, to Singapore and on to Djakarta.

And the Chinese press picked this up when I got back and accused me of being the guy that was responsible for this Cambodian business. And I didn't know a damn thing about it, I hadn't gone near Cambodia or anything. But it was just one of these -- they picked up the fact that I visited these countries, although there was no publicity about it. Obviously they were able to do that without much trouble. And they said I was a conspirator responsible for Sihanouk's ouster -- was that what it was?

Q: *That's right. That started it.*

MARTIN: I had somehow engineered this.

Q: *It sounds as though your trip to Burma in early '70 might have had something to do with your appointment as Ambassador the following year.*

MARTIN: Well it might have. But of course I had served there before, too.

Q: *Oh, that's right. Of course. Yes.*

MARTIN: I'd been there before. But I think that was just because I had -- you know, as Consul General in Hong Kong, it was a much more demanding and important job than Ambassador to Burma. And it was considered by the department a Chief of Mission assignment. It's only because Hong Kong is not an independent country that you have to be a Consul General there, but in terms of the department, you get all the perks of a Chief of Mission, such as flying first class and all that stuff. Of course all consulates general, practically, have to report to an embassy. In other words, they're under the supervision of their embassies, but in Hong Kong you are as independent as any mission, you report directly to Washington.

Q: *To the bureau. Did you report to London?*

MARTIN: No, never reported to London. Had nothing to do with London. Unless it was something to do with British policy. But otherwise we had no more connection with London than we had with Manila or Paris or any other place. It was a totally independent post. And much larger than most embassies at that time. I had 400 people on my staff.

Q: *That is big.*

MARTIN: Well, another thing. It wasn't just, of course China-watching. That was important and I was the last Consul General there before we had some sort of an office in China. But in '68 or '69, we became the second largest immigration visa-issuing office in the world, because the U.S. had changed immigration laws so that more Asians could immigrate. So we had a huge visa staff. And while I was there, they established an American Chamber of Commerce for the first time in Hong Kong's history. I was the first honorary president. And for the first time our two-way trade with Hong Kong went over $1 billion U.S., so there was a big trade expansion, big -- as I was saying, I myself didn't have much opportunity to do much China-watching. I was engaged in dealing with all these visiting firemen from businesses, from the military, Seventh Fleet ships in there all the time, and we had an awful lot of congressmen, many more than usual because the Vietnam war was still going on. And Congressmen would go down there and they'd come up to Hong Kong to get a breather or to do shopping before they went back to the States. So I really had a seven-day-a-week job on that kind of thing. I had some good people on my staff. Allen Whiting was the deputy my first year and then Harald Jacobson took over. And they were both very good on China-watching.

Q: *Is there anything else you think we should cover from your Hong Kong days?*

MARTIN: No, I can't think of anything in particular. I might say just as a footnote that among the visiting firemen I had and entertained were Ronald and Nancy Reagan and their two children. He was then governor of California. And California having the largest Chinese population of any state, he had a special interest in Hong Kong. He was on his way to Manila as a representative of President Nixon to be present at the inauguration of President, I guess it was Marcos.

Q: *President Marcos, yes.*

MARTIN: Marcos at that time.

Q: *Shall we move on to Burma?*

MARTIN: Yes, sure. But before we do, I would like to say a word about an important aspect of the work of our Consulate General in Hong Kong that I have neglected to mention: its publications. It published a daily survey in English of the China mainland press, and, less frequently, a translation of important Chinese documents called Current Background. These publications were not only widely used by China-watchers in the U.S. government but by many private individuals, especially academics, both in the United States and in other countries. Monthly publications in English and Chinese were also put out without attribution to the Consulate General. Its Chinese publication was said to have the largest circulation of any Chinese language magazine in the world outside of China itself.

Q: *Burma must have been kind of a rest after Hong Kong.*

MARTIN: Yes, well I had that year in between as diplomat in residence. And that was an interesting year. I did some lecturing for the Council on Foreign Relations at various West Coast foreign affairs groups. That was a fairly good rest for a year.

I remember being at a conference in the spring of '71 and talking about how you could see the relaxation and the easing of relations between the PRC and the United States beginning to take place. One of the professors at the conference was absolutely incredulous. He pointed to all the wicked things that the Nixon administration was doing and said, how do you expect the Chinese government to improve relations with such a reactionary administration? His question showed how some people don't realize that the Chinese Communist leadership is pretty hard-headed when it comes to what they think is in their interest. They're not swayed by some things that people think they're swayed by.

Q: *Henry Kissinger has called Mao Zedong the most realistic statesman he ever encountered except de Gaulle.*

MARTIN: Sure. Well, I think Zhou En-lai was, but I don't know whether de Gaulle was or not. But they are. They are capable. It's amazing how people can be ignorant of this fact, and that they are willing to deal with anybody if they think it is in China's interest no matter how ideologically opposed they may be.

Okay, I can't think of any more Hong Kong at the moment.

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Q: *Your position as consul general in Hong Kong was actually, within the State Department, considered to be chief of mission.*

MARTIN: Chief of mission, yes.

Q: *A major chief of mission.*

MARTIN: Yes. Well, at least I got the perks of the chief of mission and was considered chief of mission because, unlike other consul generals, I was not under the general supervision of an embassy. I was independent, in an independent post that reported directly to Washington. At that time, particularly, Hong Kong was in the category of a chief of mission job because we had primary field responsibility for reporting on the whole of mainland China. I was there during the height of the cultural revolution, when we began to get far more information than we'd been able to get before, so that we had an important assignment beyond just Hong Kong. U.S. trade with Hong Kong exceeded $1 billion -- and this was back in '69 -- for the first time in history, when I was there. We at one time, I think it was the Immigration Act of '68, was it, that opened up Asia? Asians -- I think it was about that.

Q: *'67.*

MARTIN: '67, maybe. It probably was '67, because it was '68-'69 that we suddenly jumped into the forefront of visa issuing offices. I had a total staff there of 400, which was about four times what I had in Rangoon, and much larger than most embassies. So it was, in terms of importance, and especially at that time, I think, well deserving of being a chief of mission.

JAMES R. LILLEY
Deputy Chief of Station
Hong Kong (1968-1970)

Ambassador James R. Lilley was born in China in 1928. After serving in the US Army from 1946-1947 he received his bachelor's degree from Yale University in 1951. From 1951-1958 he worked as an analyst for the US Army. His career includes positions in China, Japan, Thailand, Cambodia, Philippines, Laos, and ambassadorships to South Korea and China. Ambassador Lilley was interviewed by Charles Stuart Kennedy in May 1998. Q: When did you arrive in Hong Kong?

LILLEY: In spring 1968.

Q: What was your position there?

LILLEY: I was Deputy Chief of Station [DCOS]. We had a big station there. I think that the CIA wanted to rework the objectives the Station was pursuing. An old friend of mine, Charley Whitehurst, was then the Chief of Station. He had been in Hong Kong previously. He was a Southerner with a wonderful sense of humor who liked to gamble and tell anecdotes. We worked together as a team. I was supposed to be a kind of "China expert." Charley Whitehurst had been in OSS during World War II. He dealt with the British Special Branch and was engaged in "thinking big" on Southeast Asia. He had also been Chief of Station in Laos. He was a very shrewd, smart guy but he had a sort of "corn pone" ["country

boy"] image.

Q: Hong Kong was one of our principal sources of reporting on China. I'm talking about information from the State Department side, the FBIS [Foreign Broadcast Information Service], and all of that. This was subsequently put together. I always have a little trouble talking to somebody from CIA and don't want to upset anybody's apple cart. At the same time, what was the difference between what you were doing and what the "China watchers" in the Consulate General in Hong Kong were doing?

LILLEY: The State Department put its "China watching" base in Hong Kong. People like Mort Abramowitz, Nick Platt, and then Ed Rice, the Consul General who came after Marshall Green. After them came people who were born and raised in China, like Ed Martin. Harold Jacobson was the Deputy Consul General when I was there. Allen Whiting was also there. He was considered to be "big on China." The State Department had a strong, China watching crew. These officers worked with newspapermen like Stan Karnow, the Kalb brothers [Marvin and Bernard], as well as all kinds of other Hong Kong residents. The State Department people would work with the China watching community and draft cables based on press reports and the debriefing of refugees from Mainland China, which the British handled in a professional way.

In addition to the reporting based on the press, the State Department people also had access to the debriefings of Chinese refugees who sought asylum in Hong Kong. They worked through us, and we contributed to State Department reporting. We had good relations with the State Department people. However, the role of the CIA Station in Hong Kong basically and originally involved dealing with refugees. We tried to "turn them around" and run them back into China. The British told us to stay away from Chinese communist organizations in Hong Kong because they said that this was "their" bailiwick.

At one point during my early time in Hong Kong we had a man called Bill Wells, who was the Chief of Station. He was very well informed on China and was in fact brilliant. He tried to run resident operations in China which, I think, were largely unsuccessful. Then he started writing papers which received wide distribution. The intellectuals loved them, because Wells was very good at that.

When I arrived in Hong Kong, I said: "We can't run operations in Hong Kong unless we get into the Chinese communist apparatus here." We moved ahead on that, despite British objections. In any event, the British chose to "look the other way." I give Charles "Whitey" Whitehurst, the Chief of Station, the credit for massaging the British on this matter. It was my idea, but "Whitey" dealt with the British on it. I got the Station guys out on the streets, trying to arrange for these "penetrations" of Chinese organizations. We shared one or two of these "penetrations" with the British. We handled these operations and gave the British the "take" from them. I knew that that was the way to get into China. It wasn't by sending refugees back. That was much too dangerous because when you try to send them back, you have to pay them, and if they get caught, there was the risk that they would be "doubled" by the Chinese and that their reports could not be relied on.

We knew at that time that the Chinese communists had a formidable security apparatus in Hong Kong. These were composed of hotel workers, servants in the houses, and switchboard operators. All of these people were part of a vast, Chinese security network. It was directed against Taiwan and against foreigners. I think that it probably still exists in some form. This was something we warned our people about.

We were also very much engaged in Southeast Asian operations, because everybody was involved in the Vietnam War. We had some big operations going against the Viet Cong and Cambodia, through the Chinese community. The Chinese community in Hong Kong was involved in all kinds of sub rosa activities in Southeast Asia. If you could get some of these hard, sharp, materialistic operators, you could get right into the Viet Cong logistics support network. We worked on that, and I think that we had some success. That, plus the penetrations of the Chinese communist apparatus, as well as some shipboard operations. These were really our "raison d'être."

Q: So you were working without telling the British that you were moving into the network there. I can see that the Consul General might well object to that. Normally, the Department of State and the CIA had two different objectives. The Department of State always tries to avoid "upsetting" the local authorities.

LILLEY: But we had made it clear to the British what we were doing. We had a sort of "tacit" agreement on this. The British simply agreed to look the other way. We knew that it would be "our neck" if we got caught. This was what the British told us, in effect. I don't think that the Consul General had any serious problems with what we were doing.

What the Consul General was concerned about was why we had so many people in Hong Kong. He asked us whether we could do what we were doing with a few good men. At that time we were overstaffed, and he knew this.

Q: Overstaffing is a constant problem, particularly with intelligence organizations. You make yourself more vulnerable when you have too many people "bumbling around."

LILLEY: I think that's true and I think that there is a lot of "bumbling around." I came to the conclusion that basically a Station functions with about 25 percent of its personnel effective. There are a lot of people who are just involved in "spinning wheels." A few operations are under way which justify their existence. At least this was my experience in the CIA in Hong Kong.

Q: I think that that is often the case.

LILLEY: We had a few good case officers who carried most of the load. We had a number of case officers in the Hong Kong Station who were unproductive, unless they were assigned to work which was "imposed" by CIA management back in the U.S.

We had some interesting operations going on in Hong Kong which, I think, justified the existence of the Station. We dropped this whole business of paralleling what the State

Department was doing. We didn't have people of the right caliber to do this kind of work. Besides, it was not our job, in my view.

The other aspect of this was that we were dealing with Chinese who were passing us "messages" from the Chinese communists. They were telling us that they were "reasonable" and were coming out of this very bad experience during the Cultural Revolution. They said that they wanted to "open up" to the United States. They were rationalizing the Chinese position. We reported this in some detail to Washington. We had a very capable officer who had a good sense of China and who was dealing with people like this. We were really passing messages back and forth.

Q: This is very interesting. In the first place, were you aware of what was happening in China? In a way, it seems as if everybody knew in detail what was happening, but you seem to be saying that nobody was putting together what was happening in this huge country, with a population of about one-quarter of the world. The younger generation in China was going virtually without education and was destroying itself.

LILLEY: I think that we had several different interpretations of the situation in China. One of these interpretations was held by a certain faction in the State Department which saw that what was happening was the disintegration of China. In this view, some of the provinces reportedly could not tolerate what was happening and was caused by madness at the center. There were reports of major violence between factions of the "Red Guards," which were using artillery, rockets, and all kinds of weapons against each other. Then we had reports of large numbers of human bodies flowing down the Pearl River, bodies with their hands tied behind their backs, in groups of 50, 60, and up to 100 bodies in groups. This gives you a sense of the horror that was going on in China. Civilian planes were being mobbed by "Red Guards" waving their "Little Red Books" containing the sayings of Mao Tse-tung.

We were able to talk to some defectors from China who had been in the Communist Party apparatus. They gave us insights into the revolution that was going on in the course of the Cultural Revolution. They had originally joined the Communist Party, thinking that they were going to get rid of "revisionist" elements. They realized they were the targets and some got out of China. They told us how this process worked inside the Communist Party.

I think that this gave us some insight, but overall reporting was basically the job for the State Department. We had people who, we thought, knew more about China and had better insights than what Washington was sending in messages out to the field. State Department officers serving overseas normally draft telegrams to capture the attention of Washington and give their reading of the local situation of the country where they are assigned. CIA officers report factual materials which feed in to what State as well as their CIA superiors need to know. Therefore, at times, they turn out a more useful product than State Department officers produce. Still, open reporting is really not the job of the CIA.

We really thought that we had to get into the business of collecting information, using clandestine sources. Then we had the job of reading the pulse of China in terms of what the Chinese communist cadres in Hong Kong were telling us about what China as a whole was

thinking and the changes which were taking place.

I think that Secretary of State William Rogers came out to Hong Kong some time in the summer of 1969. He began to lift our foreign assets controls on China. We saw what was coming. We didn't know about the "secret diplomacy" being carried on by Henry Kissinger [then the National Security Adviser to President Nixon]. However, we were talking to diplomats in Beijing, when they visited Hong Kong and they gave us their insights on China. Hong Kong as a whole had been somewhat "upstaged" by what was happening in Southeast Asia. I think that I mentioned what we did in Cambodia earlier, during the 1961-1963 period. Then, we got some real insights into the breakdown of China at that time. We didn't predict the 1962 "mass exodus" from China, although we sensed something big was about to happen. We were sending low-level agents into Southeast China from Cambodia. They came back through Hong Kong and told us of the cuts in food rations, starvation, and the escalation of mass movements against the Chinese Government. That was a terrible time in China.

Q: Oh, yes.

LILLEY: People back in Washington thought that the Consulate General in Hong Kong wasn't sufficiently "on top" of the situation. Then we began to get some key "defectors" from the Chinese communist intelligence and security services. They gave the United States our first real look into the Chinese communist intelligence apparatus. This was real intelligence, not "fake" information. Hong Kong made a massive effort to track Chinese communist intelligence. We looked to the British Special Branch people to help us in this regard. I think that, in some ways, we were tracking masses of data that most people paid little attention to, but we didn't have any dramatic breakthroughs. In Hong Kong, the British had some good sources inside the Chinese communist apparatus, which they shared with us, through Special Branch. So I think that, all in all, we had a role to play in Hong Kong and still do. However, it was beginning to "shift" from interviewing refugees to getting information from higher level sources.

Q: In some ways, even if you had the best "penetration" in the world, we still couldn't figure out what to do about this situation. I've just finished reading a book on the life of Chairman Mao Tse-tung by Dr. Lee. Just from that and other accounts, the Chinese communists didn't appear to know what was happening. China was in such chaos that you could get "signals" of unknown value. However, from whom did they come? The sources of these reports were individuals who might not be in power for very long. It was not the sort of situation on which you could do any prediction.

LILLEY: I think that that's a little too hard on us. I think that we had a lot of trained people who looked into the revelations contained in key Mao and "Red Guard" posters, exposing the "viciousness" of Madame Mao and her sexual predilections. And stories began to come out about Mao himself.

Q: This was in the 1968-1970 period?

LILLEY: Yes. We began to get stories about Mao, although they did not really come out in

force until later on. However, it was difficult to figure out whether the first stories that came out were examples of Taiwan "disinformation," or whether they came from people inside China who had an axe to grind, or whether these reports were just "hearsay" from third parties. This was mainly a job for the analysts to handle but case officers all had the responsibility to authorize sources. I think that, in some instances, these analysts did get the story right. They got it right because they had the right focus. Some of this good analysis was done by State Department people. They did a pretty good job of beginning to understand the fundamental argument between the Gang of Four, including Madame Mao and the Deng faction. This also eventually involved the return to power of Deng Xiaoping. Our analysts saw this struggle really beginning to take shape. I think that they got it right.

Then, in 1976, the situation "blew up." There was a high level Chinese defector from The Hague. He was the Charge d'Affaires in the Chinese Embassy there. In some ways he was a limited man, but he saw the cable traffic from Beijing. He knew about the arguments, and we understood what he was saying, factored against the background that we had. Then some good British sources came in, which added to our knowledge, plus the views of our own people who were "feeding us" from inside the Chinese communist system.

We put all of this information together and began to see the outlines of the real power struggle developing in China. The people who got it "wrong" were academics, some of whom regarded the Cultural Revolution as an experiment in participatory democracy.

Q: These were the same kind of people who looked back at the "Great Leap Forward" and thought that the Chinese were somehow going to produce better quality steel from backyard steel furnaces.

LILLEY: They were dead wrong. Then there were the people who were affected by the Shirley MacLaine syndrome. They felt that they had "discovered" China and that the Chinese were a selfless people. You asked them what they wanted to do, and they said that they would serve the Motherland. Our own Americans said that they had found their soul on Hua Shan Mountain. These Chinese people allegedly understood selflessness. What a lot of baloney!

Q: They had cute kids.

LILLEY: Yes, and the women curled their hair. This was regarded by some people as a sign that the revolution was calming down. This attitude affected some high level Americans who hated the Soviet Union. The Chinese communists played this attitude to a fare-thee-well. The Chinese communists said that they were the people who were standing up against the Russians and that we Americans must help them. Some very smart Americans were really sucked into this and they started to rationalize what was happening in China.

This is different from the attitude of the academics I spoke of. It was worse, because they should have known better. If they had done their research, they would have known what a "horror" was happening. Many can never forgive Mao Tse-tung for what he did to China. However, these American academics of whom I am speaking found it very difficult to

separate themselves from Edgar Snow's version of Mao, even when he visited China in 1969 and interviewed Mao. Snow said that he couldn't explain what was happening in China. He said that this process was "madness." Snow had been sympathetic to the Chinese revolution. Teddy White summarized his own conclusions in his book, "Roots of Madness."

Some of these people saw that something had gone terribly wrong. However, others rationalized it. This included young Americans who hated the Vietnam War, were disgusted with their government, and wound up supporting communist China.

Q: China has always had a lot of fascination for some Americans, perhaps more than any other country. If you go back to the beginning, our first Consul went to China in 1784 or so and supported what was going on with hardly any debate. He felt that China was "great."

However, if we can stick to the 1968-1970 period, you were saying that you were getting signals about a possible "opening" to China. Where did these signals come from? There was almost no Central Government.

LILLEY: These came from Communist Party of China members living in Hong Kong. These would be filtered through figures in the British establishment, who were talking to prominent Chinese in Hong Kong. The British picked up the views of a group in China that allegedly had connections with top levels in Beijing. These views probably represented the opinions of Deng Xiaoping. These people were telling us: "Look, we want a future for China that is practical and that gets away from lunatic social engineering projects. There were people in China who saw things differently, and they know who was the true enemy. They are your enemies and our enemies as well." They would tell us about certain things that were happening in Beijing and so forth.

But we always had to check out these reports. There clearly were serious splits developing at the leadership level in China. We were beginning to see developments like this now in connection with these horrible floods. Authoritative Chinese were saying: "Look, the emperor has no clothes. You outsiders have things wrong. This is a disaster for China." Many Chinese were reluctant to let this happen, because they knew that they had leveled the mountains and filled in the lakes in endless mass projects that ended in disaster. Now they were admitting this. In the old days Mao Tse-tung wouldn't admit it, but now it was becoming public knowledge.

During the Cultural Revolution, these "Red Guard" posters on display, attacking the other side gave us insights. We then got a sense of what was happening. The majority of these posters reflected extremism, but they still had a core of detailed information which told us what the leadership was doing.

Q: We got the views of both sides. You could see what everybody was doing.

LILLEY: In 1970, we sat down and tried to go through this whole period, including the Cultural Revolution and the rise of Deng Xiaoping There were two schools of thought in the U.S. as to whether we had had it right or wrong. But it became serious when what the United

States was doing was planning on how to deal with China, in this period from 1969-1972, when China was in real turmoil.

Kissinger made his first trip to China in July, 1971. He made his second trip to China in September-October, 1971. As he says himself, the Chinese had gone through an attempted coup d'etat led by Lin Piao. The leadership system had been shaken, but Kissinger said he didn't pick up a ripple of this. He came back from his second trip to China and said: "We don't know what the hell is going on. This coup d'etat was going on right under our noses, and we didn't know it."

I remember that we felt that we should really examine our entrails and learn why our analysts tend to become "hooked" on China. There were fights within the American analytical community about China. There was a group that said: "We have to open up relations with China. It's a bulwark against the Soviet Union. There are good people in China who want to move ahead. This is their history. They are not aggressive. Dump Taiwan and go toward China." Another school of thought said: "We know that the Chinese are basically hostile to the West. They were, to begin with, and always are going to be that way. They have deep, anti-foreign feelings in their makeup. They will allow us to be sucked in on these matters, but they really aren't our friends. They'll go back to the Soviet Union if it suits their national purposes."

These arguments became heated and bitter. Jonathan Spence has written a new book, "The American Perception of China." I was going to review it for "The Washington Post," but I wasn't available when the "Post" wanted it. Spence is very good on this subject.

Q: When you were in Hong Kong, say in 1970, was it generally felt that it made sense to recognize China, or were these dissenting views expressed by both State and CIA officers in Hong Kong? Remember that we were really on the eve of the opening to China at this time.

LILLEY: There was a ground swell in this direction. It was starting to move toward an opening to China. This had started earlier. I found indications of this way back in 1965. There was a move toward opening to China. There were all kinds of people who were thinking this way. Then, of course, this kind of move became more attractive during the Vietnam War. We looked for signs that China would do something about helping us to end the war, but China was not prepared to do anything of the kind. China was prepared to send supplies to North Vietnam, but there were already signs of some dissension between China and North Vietnam. Problems had arisen in connection with moving Soviet equipment through China to North Vietnam.

As I say, there was an increasing ground swell of people who felt that the time was approaching for an opening to China. It was at this point that we saw movement in this direction. The timing of it was something else. It was at this point that Barbara Tuchman wrote her book that said that General Joseph Stilwell was an authentic, American hero. She concluded that he was "flawed," but in essence Tuchman said that Stilwell was smart, he knew the Chinese, and he was sent to China, where he "took on" the corrupt, Chinese Nationalist Government. He led elements of the Chinese Nationalist Army despite their

shenanigans and ensured that they would fight. There were others in Chungking who went around behind Stilwell's back to Roosevelt and tried to destroy him. Tuchman said, in effect, that we still were living in Taiwan with these same Chinese Nationalists. This is what they did to us. The Tuchman book was an important book.

Then virulent arguments developed about the idea of moving toward rapid recognition of communist China. You could see that there was a pro-China faction who favored moving ahead. Henry Kissinger [National Security Adviser to President Nixon] was sort of feeling his own way as he developed his views secretly. When the announcement was made of the Kissinger trip to China in 1971, it hit like a bombshell. By and large the public reaction was positive. Public opinion was affected by the ongoing struggles in the UN about the Chinese representation question. As the American move toward China developed, support for Nationalist China in the UN was eroding very fast. However, there were UN members who supported the Chinese Nationalists and said that they wanted Taiwan to remain in the UN. This included George Bush, our UN ambassador. Then Kissinger went to China, and this had an impact indirectly on our UN position.

Q: What about the role of Taiwan when you were in Hong Kong? I would imagine that you would have to be looking over your shoulder and saying: "Anything to get there." Was there a kind of Taiwanese hand on information? Were the Taiwanese playing the game, too?

LILLEY: They were. I'd had a lot of experience with Taiwan during my earlier time in Hong Kong in 1952-1953. I think that I knew what the Chinese Nationalists were up to. We're talking now about the period 1968-1970. We had stayed with them and had large intelligence contingents in Taiwan. In Hong Kong, we could spot immediately what they were doing. In fact, our American military became heavily involved in Taiwan. They were "sold" on things that we had rejected years earlier. In fact, one cannot run operations from Taiwan against Mainland China, because the information we had was that the Taiwanese intelligence apparatus were fully penetrated by the Chinese communists. All of these people from Taiwan were picked up by the communists as soon as they arrived in mainland China.

However, the American military had absorbed the "quick fix" solution. Their counterparts in Taiwan would say: "Give us $10,000, and we'll give you information on China." Our military would come down to Hong Kong and show us these reports. We would look at them and put our analysts to work on them. The information was right out of the mainland newspapers and we were checking newspapers from all over Mainland China. We had had experiences like this in the early 1950s. Journalists in Hong Kong could get the mainland newspapers. The intelligence people then embellished these stories a bit and gave them a "twist." Earlier on in the 1950s, they sounded good and we were sucked into this. The American military were later also sucked into this same scheme. We were trying to tell them: "Stop it! This is not for you." I went to Taiwan and talked with the American military there a couple of times. I told them: "Look, you can get these refugee reports in Hong Kong through the British. Go back and read the history of U.S. intelligence in China in World War II." I knew the people who were in charge of putting out these refugee reports. I told the U.S. military not to duplicate this. There was a certain amount of intelligence on the technical side, yes, of what we could get in Taiwan. However, I urged the American military not to get involved in human

intelligence reports. My sense is that the Taiwanese did not influence us to any great extent. We were all very much attuned to what the Chinese Nationalists were doing.

At best, this Taiwan effort was a secondary operation. The British and we were well aware of what was going on. This is one area where the British did not "stampede" us. But we stayed away from intelligence produced in Taiwan. The British told us: "Well, you can collect all of this data from refugees, but we have it already. Why do you want more? The debriefing sources are in place and can be trusted and you can feed advisors to them. If you want to get more of the same kind of material, go ahead." The British had a different agenda than we did.

The situation in Taiwan has changed radically since then. At that time Taiwan was an authoritarian state, run by the old Kuomintang mainland establishment. Their survival rested on the possibility of hostilities between the U.S. and Mainland China. Now, I understand Taiwan is doing better in China.

Q: In many ways that made it easier for us in those days to look at mainland China and Taiwan. We didn't see an awful lot of difference between them. They were both "not very nice governments." We could be more fanciful in reviewing what is happening today.

LILLEY: You couldn't place any great confidence in anything that Taiwan did in the way of analysis of the "Great Leap Forward," the social engineering, and the "lunacy" of Mao Tse-tung. The fact is that the "Great Leap Forward" involved a calculated act of wiping out opposition to Mao. We also saw some suppression in Taiwan and arbitrary arrests. We saw assassinations going on, but they were on a much smaller scale. The American military, in particular, were focused on operations out of Taiwan. By the middle 1970s, they were really beginning to move ahead, and that was changing the face of Taiwan, in political and military terms.

Q: We're still talking about the 1968-1970 period. The changes in Taiwan weren't really in the forecast.

LILLEY: Taiwan was really beginning to "take off" at that time. American economic aid to Taiwan stopped in 1965. However, after all of the mistakes that we had made on mainland China, we finally "got it right." We had some really "crackerjack" people in Taiwan, including men like Wolf Ladajinsky. He promoted real land reform, the move into agriculture and light industry, export promotion, import substitution. Taiwan made a lot of progress economically.

Politically, Taiwan had to fight against authoritarian and single political party KMT control of the system. This is basically similar to what has been done in Singapore. So there has been economic dynamism and political feudalism. Taiwan had gone through this process in the 1960s. By the time I visited Taiwan in 1970, we could really see this process "taking off." However, in the late 1960s and early 1970s mainland China had gone through the awful consequences of the Cultural Revolution. All of this had happened in mainland China, when Taiwan was beginning to move forward economically, although politically and militarily, the progress made was not so good.

ROBERT W. DREXLER
Political Officer
Hong Kong (1968-1972)

Robert Drexler was born and raised in Milwaukee, Wisconsin. He received his Bachelor's degree from Harvard University before entering the Foreign Service in 1957. In 1975 he served as Deputy Chief of Mission in Bogota. Colombia. In addition to Colombia, he was posted to Malaysia, Hong Kong, and Geneva. Mr. Drexler was interviewed by Charles Stuart Kennedy in 1996.

Q: *You left ACDA in 1968, and whither?*

DREXLER: I went to Hong Kong. By then, Alan Whiting, the head of the Sino part of the Sino-Soviet Affairs in INR, had gotten assigned as the number two in our Consulate General in Hong Kong, which was the center of China watching. He worked there for Ed Rice, who was an old China hand, whose earlier career I'm not familiar with. Undoubtedly he had served on the Mainland as a young man, but he was not tarred with the brush that was used against purge victims. But there was an immediate clash of personalities. Mr. Rice, I understand, whom I'd met, felt threatened by Mr. Whiting, this high-powered, celebrated China watcher and specialist, with academic credentials and proven record in INR. The job of number two at the Consulate General was not traditionally one from which you did China watching or supervised it, and so I don't think Mr. Rice expected he was going to get such a person anyway. Alan lasted only a few months, but long enough to get me transferred there to work for him. By the time I got there, he was gone. So I was there for four years, 1968-1972. This was, I like to think, the heyday of China watching. Ed Martin replaced Rice as Consul General, and then David Osborn replaced Martin. None of them involved themselves regularly in our China watching work. We had a China Mainland section. I started at the head of its political unit, and did that for two years, and then I became the chief of the section for two years, and I had 12 officers working for me, and a large staff of 40-50 translators. It was wonderful to be there at that time. We had all the top Asian correspondents of the western American press there, some covering Vietnam, people like Robert Shaplen, who were based out of Hong Kong, Bruce Neelare, Stan Kumpa, all of these people. Plus, all of the leading academic specialists on China came through. We talked to them, got to meet them, exchanged views. The diplomats from Peking came down and talked to us and we to them, and it was a fascinating experience, and for me of course, it was the pinnacle of the China watching overseas operation. I couldn't get beyond that, because we did not have representation in Peking. We briefed an unending stream of Congressmen, military officials, and government officials going through Hong Kong, on China. That was standard, to say nothing of the women's groups and the others who came through and were entitled to this. I gave three or four long briefings a week besides doing writing and reporting. And we were also engaged in the acquisition of documents, which was largely funded by the CIA, and we were able to get some pretty important stuff on the Chinese atomic energy program, among other things.

Q: *Why would the Italians or the Germans -- was it just that they wanted to sell equipment off around? What would be their interest in resisting the Treaty?*

DREXLER: The Germans, and to some extent the Italians, saw the Nonproliferation Treaty as a means by which the Soviet Union was denying them the right to acquire nuclear weapons. And whether or not they actually had an interest in acquiring such weaponry, they felt that for giving this up, and thus meeting the Soviet foreign policy objective, they required compensation, either in the form of more liberal restrictions on their use of nuclear energy for peaceful purposes, or in the form of limits on the Soviets. Our ambassadors sympathized with these views, to the extent that we in ACDA felt that the Administration's policy and positions were not being faithfully portrayed and put forth to the host country governments. I recall one occasion where we had to use the Norwegians, either in Bonn or in Rome, I forget, to make sure that the substance of what we were after was conveyed. This came as a great shock to me. We ran into the same opposition in the EUR Bureau, under George Springsteen. And I witnessed fierce battles between ACDA and the EUR Bureau over the treaty. Most of the ACDA personnel at the negotiations were ACDA career employees. I was one of the few State Department Foreign Service people detailed there. So I felt more than embarrassed; I was dismayed and disturbed by the way my colleagues in the State Department handled this very important foreign policy project. But we prevailed with great difficulty, with our allies, and with even greater difficulty with the Soviets, and finally tabled a joint treaty. It was signed and ratified. We were all invited to the signing ceremony at the White House, which is one of the high points in my diplomatic career.

There was an Asian China twist to it, which I want to tell you about, because it's not very well known, and recorded nowhere, but is of some interest. The basic treaty languages were Russian and English, and once the treaty was approved by the UN, endorsed by resolution and in final form, there was a mechanical task making its text conform in the other languages of the UN, namely Spanish, French, and Chinese. I worked on the Spanish translation, first of all, to be sure that it conformed. Then something happened to the head of the Department's Chinese language unit in Language Services, so he was not available to work on the Chinese text, and they sent me to the UN in New York instead to do this. We did not work from scratch, of course, but rather, as in the cases of the other languages, like the Spanish, from a basic text done by the UN interpreters. But the treaty text was highly technical, and the translators at the UN in Chinese, as well as Spanish, did not have this background or expertise. And so, we had to do a lot of work on the basic draft that they gave us. My opposite number from the Soviet Embassy, was Igor Rogochov, whom I encountered later in Moscow, and who is now Russia's Ambassador to China. We worked together on this Chinese text. Now, of course, for me the sensible thing would have been to have someone from the Chinese UN mission with me, but this was the Nationalists; the Soviets would not allow them into the room, or even into the same general area where we were working. So when we came to a point in the treaty text where there had to be a change, I would have to leave the room, call the Chinese Mission on the phone, and tell them what the new phrase was. And the first question to me always was, "Did you suggest this, or did the Russians suggest this?" Because they were convinced that if the Russians suggested it, there was something devious there, and that the Russians were bent on putting something in the Chinese version, which would be more binding or tougher on China than, say, for the other parties. And so we labored at this for several days. We were helped by the fact that the technical terminology was already available to us in the Charter and Annexes that set up the International Atomic

Energy Agency. The Chinese definition of fissionable materiel and safeguards was already there in the IAEA context, accepted in usage, and so we used that. We were also able to draw on language from the Chinese version of the United Nations Charter, and there we discovered a problem in the text where the Nonproliferation Treaty has a preamble which refers to some of the objectives in the UN Charter. One of them pertains to the use of force, or the non-use of force, rather. We discovered that the Chinese translation of the UN Charter, which had been on the books for 15-20 years, was wrong, and had been incorrectly translated. Nonetheless, we were supposed to quote this passage in the preamble to the treaty. So we were faced with the question of do you quote the Charter language verbatim, even though it's wrong, or do you correct the Charter language when you quote it in the treaty? Well, we made the correction, and we put it in right, and never said anything about it one way or the other. And to my knowledge, the Chinese translation of the UN Charter still has this defect. The Chinese Mission, the Nationalists, later told me that -- well, they signed it, they ratified the treaty, so our translation wasn't all that bad. There were some passages that they felt didn't flow quite right, but by and large it was not such a bad job under the circumstances. The State Department gave me as my reward, a copy of the Chinese treaty text, one of very few, of the version that was used for signing, beautifully printed, on heavy paper, which I still have, as my memento of all that work.

Q: *You were still not a senior officer at this time, a mid-career officer. Did you make any attempts to do something about the non-support within the State Department, particularly the EUR Bureau, of getting our Ambassadors to support this, or not?*

DREXLER: No, I didn't. We aimed at the objective, which was to get the go ahead from Dean Rusk, the Secretary of State, and for him to get it from the White House. And we had our eyes on this, and we used all means for it. And so we all concentrated on this. I remember the day when Foster was on the phone to the Secretary and he said, "We go then Dean, we go?" And Dean said go, and that was the final go ahead by the Department and the Administration to accept the treaty as we had negotiated it with the Soviets. So for us then the battle against the parochial-minded European specialists in the Foreign Service was won, and I didn't carry it any further.

Q: *When this treaty went, were there any reservations about parts of it that concerned our delegation, although every treaty is usually a compromise of some part.*

DREXLER: One of the most difficult problems in the treaty concerned peaceful nuclear explosive devices. Because in that era, there was a vision of nuclear explosions being used to reverse rivers, dig oil fields, open up copper mines, build harbors, and so on. These were going to be popping up all over. Of course none of this ever happened, except perhaps in the Soviet Union, but this was a sticking point. It was an unknown technology, and other countries who were behind us in it, and we were not very far advanced ourselves, didn't want to be denied it. It was very hard working with the Atomic Energy Commission people on the delegation to satisfy those countries who wanted to be sure they would get the benefits. Then of course there were a few countries like India and Brazil, who never intended to sign the treaty in the first place, and who probably aspired to become nuclear weapons states, but who used the peaceful nuclear explosive issue as a means of staying out without high political costs internationally. So they used that against us. So that was one thing. But we finessed it, and got a treaty provision providing peaceful nuclear explosion services, but in the end, of course as I said, there was no

need for this. The technology was not called upon nor developed, and no one wants peaceful nuclear explosions being set off in their neighborhood anywhere. So that was a problem with the Atomic Energy Commission but it was resolved. The other problem was with the Pentagon on a nuclear weapon test ban. We were required and under great pressure from the countries giving up nuclear weapons to commit ourselves to stop testing ourselves. The Pentagon then, as probably now too, was completely opposed to this, and had allies in the Atomic Energy Commission. There were strong differences in the delegation between the Joint Chiefs of Staff, who always had a Colonel on the delegation, and the rest of us. There again, we made a treaty commitment that was artfully worded to resolve the problem. Many of these treaty clauses were very artfully worded. I learned quite a lot about treaty writing from that experience, from our very able lawyers there. And one of the phrases that sticks in my mind which served us so well was "effective measures." You would commit your government to take "effective measures" and then you would fill in the space: general and complete disarmament, world peace, to end testing, to end the arms race, whatever you wanted. The operative words were "effective measures," and that was subject to interpretation. You could label almost anything you didn't like, any specific proposal as not being really "effective," and not serving that purpose, as being misleading or misguided, and so on. So the treaty has many such clauses, and I ran into them, not only in the original, but then in the Spanish and the Chinese as well. So there were those problems. But the basic idea of the treaty, that it was in the United States' interest to stop the proliferation of nuclear weapons, had strong, widespread support, and among public opinion as well, in industry, and bipartisan support. Of course President Johnson was committed to it, and so there was momentum there behind this.

Q: *You left ACDA in 1968, and whither?*

DREXLER: I went to Hong Kong. By then, Alan Whiting, the head of the Sino part of the Sino-Soviet Affairs in INR, had gotten assigned as the number two in our Consulate General in Hong Kong, which was the center of China watching. He worked there for Ed Rice, who was an old China hand, whose earlier career I'm not familiar with. Undoubtedly he had served on the Mainland as a young man, but he was not tarred with the brush that was used against purge victims. But there was an immediate clash of personalities. Mr. Rice, I understand, whom I'd met, felt threatened by Mr. Whiting, this high-powered, celebrated China watcher and specialist, with academic credentials and proven record in INR. The job of number two at the Consulate General was not traditionally one from which you did China watching or supervised it, and so I don't think Mr. Rice expected he was going to get such a person anyway. Alan lasted only a few months, but long enough to get me transferred there to work for him. By the time I got there, he was gone. So I was there for four years, 1968-1972. This was, I like to think, the heyday of China watching. Ed Martin replaced Rice as Consul General, and then David Osborn replaced Martin. None of them involved themselves regularly in our China watching work. We had a China Mainland section. I started at the head of its political unit, and did that for two years, and then I became the chief of the section for two years, and I had 12 officers working for me, and a large staff of 40-50 translators. It was wonderful to be there at that time. We had all the top Asian correspondents of the western American press there, some covering Vietnam, people like Robert Shaplen, who were based out of Hong Kong, Bruce Neelare, Stan Kumpa, all of these people. Plus, all of the leading academic specialists on China came through. We talked to them, got to meet them, exchanged views. The diplomats from Peking came down and talked to us and

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Q: *How did one get documents?*

DREXLER: Well, we didn't have to advertise, because by the time I got there it was known that the US Consulate General would pay for good documents. The Japanese Consulate General would also pay, as would some others. We obviously attracted fraudulent documents, so anything that was offered for sale had to be carefully scrutinized. We thought we were pretty good at doing this, and we watched our money. Sometimes you had to take a chance. For the atomic energy documents, I remember the meeting in which I had to decide whether to recommend this or not. We did recommend, and as I remember we paid something in the order of $50,000.00. I believe that subsequently the documents were found useful. There was no question that they were authentic, but that was rare. To spend so much money.

Q: *You say that the Japanese were paying money. Did you see each other's documents?*

DREXLER: No, the Japanese had their own China watchers there in Hong Kong at this time, and they did not have relations with Peking then either. They were driving up the price. So, I met with my opposite number at the Japanese Consulate, and I said, look here, we're interested in the same material. People are playing one of us off against the other to get a lot of money. Why don't we work cooperatively, and share the documents, at least match notes, consult so that we're not being ripped off and so reduce our expenses. In other words, exercise a monopoly or duopoly. He turned me down. The Japanese refused. We met frequently though, to exchange views as all the China watchers did. I had a weekly lunch with the chief German Embassy China watcher, and the Chief British intelligence officer. Once a week we met at a restaurant and talked things over. And sometimes we exchanged documents. I also had a weekly lunch with foreign correspondents. There were endless dinners. You never had to buy your own meal in Hong Kong if you were a China watcher at the American Consulate General. We had a superb relationship with the press. These were very distinguished men, Stan Karnow was there, and others, and we trusted them and they depended upon us. There was, in my experience, only one not too important breach of confidentiality by the press, otherwise the working relationship was superb. So while I couldn't bring off the cooperative documents purchasing plan, there was never any obstacle to exchanging views and comments.

Q: *I'm not really sure why the Japanese would be so aggressively separate at this point.*

DREXLER: I can't account for it. I suppose that my opposite number saw the virtue in cooperation, but was turned down by his superiors. We had at the Tokyo level very slight exchanges with them. I went up to Tokyo once or twice, mostly to brief our embassy there on

what was going on in China, and I had a couple of meetings with the China specialists in the Japanese Foreign Ministry. But I found their people very stiff and inhibited, and not really very forthcoming or interested in sharing information with us. I think that they felt that there were real limits on the commonality of interest between American officials and the Japanese officials when it came to China. Probably they had their own agents and operatives on the Mainland, their own access, I don't know. They certainly had their own experiences in China. So I had the sense that they looked at China rather differently from us. They calculated their interest as not being entirely congruent with our's. This was not the case, say, with the Germans, the French, the English, the Canadians, the Norwegians, and so on. We were all in the same game together. But the Japanese had their own game going.

Q: *What did we see in China during this 1968-72 period?*

DREXLER: The Cultural Revolution had led to chaos. It was at that time that Mao called in the Army to restore order, and formed local units of government, revolutionary committees, in which the armed forces component was dominant. He also turned to his close comrade in arms and designated successor, Lin Biao, also. The downfall of Liu Shao-chi, and the other targets of the purge which Mao had in mind when he unleashed the revolution, the crushing of the spirit of bureaucratism and so on, all those goals had by then been achieved. But at a cost which Mao felt, and people around him felt should not be sustained. So they were beginning then to draw in the reins and bring the revolution to an end, and reestablish the purified successor generation to Mao, as embodied in Lin Biao. So we watched this take place. The one thing I modestly credit myself with was being the first to detect that Lin Biao himself had been purged. We saw that something strange was going on. There were, as we used to call them, anomalies in the press, in appearances, and there was great disorder involving Mao's wife, Jiang Qing, and the Shanghai radicals around her. We were all puzzled about this, until finally, it seemed to me that there was only one explanation, which was unthinkable almost, that Lin Biao, Mao's designated successor, his closest comrade in arms, was finally going to be purged, and that the whole succession scheme was off. I took my telegram about this up to David Dean, who was my superior at that time as Deputy Principal Officer. He questioned me about it, and we sent it off. We were the first. We were ahead of CIA, all of the other agencies in reaching this conclusion that Lin had fallen. And it wasn't until weeks after that the Chinese themselves confirmed it. So that was a big satisfaction for me personally. But then of course there came the great breakthrough, the Nixon and Kissinger visit, when I became very alienated from Washington's policy toward China. From the Nixon-Kissinger approach, that's when I started to back off.

Q: *While you were there, were these various groups that you would brief, they would essentially be public groups. What were we saying about China at that time?*

DREXLER: We gave them an accurate picture, of course, of the internal turmoil. China at this time was very much introspective. The action was all on the domestic scene, the Cultural Revolution. While they were feuding with the Soviets, and also with us and helping Vietnam, it was remarkable that they were able to maintain this revolutionary campaign at the same time. It was a China dominated by domestic political turmoil. And that's what people focused on and what we briefed visitors about, to help them puzzle out what was going on inside China. Because as far as the Sino-Soviet split was concerned, and Vietnam, our visiting groups more or less

knew what that was all about already. But what was going on inside China and what the Cultural Revolution was all about that was a mystery that we could try to unravel for them. Then of course, after the Nixon and Kissinger visit...

Q: *When did that visit take place?*

DREXLER: This would be 1971, I guess, 1971-72, around then. Then we had a stream of people. Erhlichman came through, and I briefed him. George Shultz too. At that time I think he was OMB Chief, or maybe Secretary of Labor. Frank Shakespeare, the head of USIS, Admiral McCain was frequently in from CINCPAC, Secretary of Treasury Kennedy, the Chicago banker, came through. It was endless. Especially after the breakthrough and ping-pong diplomacy led to more contacts. Some of the people who went up were woefully uninformed. Secretary of the Treasury Kennedy's questions and background knowledge were so poor that his own staff was visibly embarrassed as we sat around the table and he threw these dumb questions at me, but off he went. Erhlichman and Shultz didn't say very much. They were good listeners.

Q: *John Erhlichman was on the White House staff.*

DREXLER: That's right, with Haldeman, he was one of the two chief aides of the President. It was also at this time that the Chinese released some long-held American prisoners from the 1950s. The first one I received, unfortunately, after he died. His ashes, I can still see them. I was told that he had committed suicide. This was Hugh Redman. He had committed suicide and the Chinese were going to send us his ashes, and I expected a small urn. Instead I got an enormous package, about two feet long and one foot square, with a muslim covering and the large letters of his name on the side. And this was set on my desk, perfectly horrible. The Chinese told us he committed suicide, after being held for 20 years, with a razor blade in a Red Cross package. The Red Cross told us they never put razor blades in their packages. Then we got word that they would release a live prisoner, Fecteau. These were men who had parachuted while conducting CIA clandestine operations at the time that the Mainland fell to the Communists and who were captured and held for over 20 years.

There was Downey, Redman, and Fecteau. Redman was dead and they told us they were going to put Fecteau across the Hong Kong border at Lo Wu. So I was designated to receive him. The RAF provided the helicopter and took us to the closed border area, which was strictly off limits. We were escorted by a detail of Gurkhas to the bridge, where Fecteau was going to be put across. We knew that there was one train down from Canton, and we waited for it and he didn't show. At the border, in addition to the Gurkhas at the bridge, there was an enormous machine, looking something like those around here that are used to vacuum up leaves in the fall. But this was to spray a banana paste across the bridge in case the Chinese tried to rush across, this gooey stuff would be sprayed from this enormous machine with the great pipe, to coat the whole bridge with banana paste, so that the Chinese would then slip and fall while the Gurkhas went out to attack them. Of course that never happened. But we sat and waited, but there was no Fecteau. I had with me a US Army Colonel, who was one of our attachés and a British military doctor. The doctor was there in case Fecteau was in bad health, but I think also that we had in mind that if Fecteau was going to become difficult, we might have to require the doctor to tranquilize him, because the CIA wanted him taken quietly and quickly by helicopter directly to the RAF part of

the Hong Kong airport where there was a C-130 waiting to take him to Manila, Clarke Air Force Base. But there was no Fecteau. So we went to have lunch, and when we came back from our lunch there he was. The Chinese had insisted on giving him lunch at their little canteen at the border before putting him across, after holding him for over 20 years. And there he was, a big strapping fellow in very good health, but totally docile. And far from providing us with any trouble or needing any tranquilizers, he needed stimulus. That is, I took him over to the helicopter, and I said, "Mr. Fecteau, this is the helicopter we've laid on to take you to the air base, and then on to Manila." And he wouldn't move, until I told him to get onto the helicopter and then sit down. The poor man, after all this imprisonment, had been conditioned to such an extent, that he would not make an obvious physical move until told, even by an American friendly officer. With him was a young girl, a mystery girl, who had been put across with him. She told me that she had set off with a boyfriend from Hong Kong a year before and had sailed to Manila. They had been washed ashore, held in a Chinese village. Her boyfriend starved to death, because digestive problems made it impossible for him to eat what the Chinese provided, and she had his passport and a few things with her.

So I asked who she was, and she told me her name and the story I just related to you. She and her boyfriend had of course dropped off the face of the earth, and had been presumed dead for over a year. And I offered to call her father...

Q: *She was Occidental, I take it*.

DREXLER: She was an American citizen, and so was the boyfriend. She had his passport. The Chinese had never told us about holding her, nor alerted us that she was going to come across with Fecteau. I offered to phone her father in the US, but she said no, he had heart trouble, and he'd probably have a heart attack if he learned suddenly that she was alive after all. So I got her on the plane that was there for Fecteau, and sent her off to Clarke Air Force Base, and that was the last I ever saw or heard of them again. Fecteau, of course, said nothing to us, nor did we put anything to him, since obviously he was physically fit. I often thought that he might write a book about his experiences, but as far as I know, he didn't.

One further point, the previous Kissinger visit came as a total surprise to us at the Consulate General.

Q: *Were you all seeing things in the tea leaves on the Chinese side that they were doing something to make the situation ....*

DREXLER: We did not see this, but back in Washington, in INR, an officer and old friend of mine, Lynn Pascoe, strictly on content analysis and looking at editorials and so on, judged that some important positive shift in relations with the United States was in the offing. He deserves great credit for this and is the only one who spotted anything like that. Of course, it was not clear from that what this would exactly entail, namely a Nixon and Kissinger visit. It came not only as a surprise to me, but also as a shock. I thought it was very badly handled, that the terms in the Shanghai communique would come to haunt us, as the Shanghai communique has come to haunt us now these days. But this egocentric Nixon visit to China was done under terms which I think the Chinese regarded as the same way the emperors used to regard tribute bearers. It was self

effacing, almost self-humiliating, almost groveling on our part. That's how it looked to me then, and I was very disturbed by what had happened. I count this as a further progression in my disenchantment with the prevailing line among China specialists and among government specialists on what we should do about China. My colleagues were by and large elated by this development (the Nixon visit and the diplomatic breakthrough), and of course in terms of our careers we saw the prospect then of serving in China, and of having our China watching made immeasurably easier and more fascinating by service there. But in terms of American interests and how to deal with the Chinese, and how they perceived us, I thought we were the losers.

Q: *Was this at the time that this developed?*

DREXLER: That was my immediate reaction. I was appalled at what they did.

Q: *Looking at Mao, at that time--here you had this Cultural Revolution and you were beginning to see the consequences of many of these actions. What was your analysis of Mao? Was this like Stalin trying to stay in power, making sure he was in power, or was it for the greater good of the Chinese? What did you see motivating him?*

DREXLER: We thought of him as the greatest Chinese of the 20th century. An outstanding historical figure of unmatched importance in modern Chinese history. Sun Yat-sen, Chang Kai-shek, of course also made their mark, but they were failures. What Mao achieved, bringing a country of over 1 billion people under control, not only of his party, but almost under his personal control, was an astonishing achievement. To watch the man at work, to hear the crowds and see their adulation of him, to be bombarded as we were constantly in Hong Kong by Mao's thought and the little red book, and so on, we noted that we were in the presence of an historic phenomenon. We were also, of course, aware of his shortcomings, that he was authoritarian, and an oriental despot. We were aware of those faults. But we felt that by and large the Chinese people were behind him, that he had that sort of legitimacy; he had not lost, as the Chinese say, "the mandate of heaven." And so I think this was the same idea that Kissinger had when he was ushered into the Mao presence. This was not your ordinary Chinese restauranteur or laundry man. You were in the presence of a great man, flaws and all. And so that's what we thought about him. I must say that the inside story of his personal life has become known only last year, when his physician wrote his memoirs. It's an astonishing account of Mao's sexual depravity and loathsome personal habits and so on. This was a side to him that you have to add to his other despotic behavior and he now of course looks quite different. But that's what we thought then. He was an historic phenomenon, a great man.

Q: *One has the picture of the China watchers jumping up and down, gee, things are going to happen, and you sitting there scowling. How did your unhappiness or unease with the development take?*

DREXLER: It cost me an assignment that would have been the pinnacle of my Foreign Service career as a China specialist. But that was a little later. The Nixon visit came toward the end of my tour, and I was then going back to the Arms Control Agency to a good job in Geneva. But, if I can go ahead just a little bit, I was out of the China field for three years in Geneva, and then out of it for three years in Bogota, when I was DCM. And at the end of my service in Bogota, Carter

had become President, and had named Leonard Woodcock as ambassador and head of the liaison office in Peking. I don't know who was the DCM when Woodcock got there, but the man's assignment was up, and they were searching for a replacement. At that time, I was a front runner, because I was the only China specialist who had experience as a DCM running a large embassy with constituent posts. In Colombia we had three Consulates, and in China we were going to get more. I was a China specialist, I had the right rank, and so on, and finally they whittled down the list and I was asked to fly from Bogota to Washington for just a two-hour final interview with Ambassador Woodcock. He was an American labor union leader, and a very fine man. I liked him. I think he did well. However, before I went up, he had made a speech, a public speech, being back in Washington on consultations, and to pick his DCM, and in this speech he advocated a very soft, accommodating line toward China that went so far that the State Department felt obliged to disavow it, and say that it was his personal view. We did not know at the time that Carter was actually preparing to break relations with the Nationalists, to break the security treaty with Taiwan and have full diplomatic relations with Peking at the ambassadorial level. Undoubtedly Woodcock knew this but he got out ahead on his own. In my interview, everything went very well for the most part. And then we got to matters of policy, and I said to Ambassador Woodcock that I had to in all frankness tell him that I disagreed with the position that he had taken about a more liberal line toward China, and that I felt that he and I should really discuss this openly before I was assigned and got there, because this was going to be a continuing issue and as his DCM I would feel obliged after all these years to raise my own views and challenge his. He thanked me for my frankness and we ended the interview in a friendly way. I went back to Bogota. And when I got back in Bogota a few days later, I was called by Harry Thayer, the China Office Director, who told me that I had lost the assignment. So that was it for me, I lost it. And I was told that this was because of the policy difference. But curiously, years later when the Reagan administration came into office, this affair got me a job back in the EAP bureau, with Paul Wolfowitz, who at that time was the Assistant Secretary. I won't go into that in any detail. But when Paul, who was a very conservative person, as was the President, of course, interviewed me for an office directorship in his Bureau, I could tell the effect that I had on him when I told him the story I just related now, about how my harder line on China had affected my career. And so he gave me the job right off. And he and I were of one mind during that part of the Reagan administration, of the need to take a tougher line toward China. But there again he, to say nothing of me, failed to halt the pressures toward accommodation.

DAVID L. OSBORN
Consul General
Hong Kong (1970-1974)

David L. Osborn was born in Indiana in 1921. His career with the State Department included assignments to Taiwan, Japan, Hong Kong, and an ambassadorship to Burma. He was interviewed by Bert Potts on January 16, 1989.

Q: *And then you were finally chosen to be consul general in Hong Kong? You went there in 1970?*

OSBORN: This was a delayed fulfillment of personnel planning which had been underway before. Ed Martin had moved on from Hong Kong, to be ambassador in Burma; and I was sent out to take Ed Martin's place.

Also, certainly one of the reasons why I was interested in the Hong Kong assignment, was the fact that Hong Kong was considered a post of China watchers. I was sent to Hong Kong to be a China-watcher watcher. I spent a lot of my time agonizing over the Chinese representation issue, and over the issues of our relationships with China.

This was the period of the cultural revolution, which at one point made it seem as though the Chinese Communists were about to take over control of Hong Kong militarily. So it was a rather tense period.

Q: *You were there, of course, for almost four years. It seems to me, I remember some very important visits?*

OSBORN: Well, as I say, the pressures for a solution of the China problem had been building up, and building up. And finally, something had to be done about our relationship with China. President Nixon saw that, and of course, Secretary Kissinger saw that. This was the period during which Secretary Kissinger peeled off from a world tour, and went up to Peking; and held the initial consultations looking toward President Nixon's visit and the normalization of relations.

Q: *You had been sent, of course, to Hong Kong to relieve Ed Martin when he was named ambassador to Rangoon. Did the same procedure happen to you?*

OSBORN: Yes, in a way it did; I was sent to Rangoon in 1974, to relieve Ed Martin. For a brief period of time, it's my understanding that I was considered by Secretary Kissinger to be one of his staff aides; that is to say, to be the head of INR, in the Department of State. In October 1973, I was called back to meet with Secretary Kissinger in his office, as I was told, to see whether I would be given that assignment.

As far as I, personally, was concerned, I tried to make it clear -- and I think I succeeded -- that I would prefer assignment as ambassador to Rangoon, rather than having a Department assignment, at that time. Like most Foreign Service officers, I was conditioned to prefer overseas assignments. At any rate, that's what happened.

JOHN J. (JAY) TAYLOR
Political Officer
Hong Kong (1970-1974)

John J. Taylor was born in Arkansas and attended Vanderbilt University before joining the US Marine Corps and eventually the Foreign Service. Overseas Taylor served in Ghana, Taiwan, Malaysia, China, South Africa and Cuba. He

also served in INR, the NSC, as the deputy assistant secretary for intelligence coordination and as the chief of mission in Cuba. Taylor was interviewed by Charles Stuart Kennedy in 2000.

Q: What was your next assignment in 1970?

TAYLOR: I was posted to our Consulate General in Hong Kong. I was chief of the office in the political section responsible for following Chinese external affairs. The consulate general's political section was split between two offices, one reporting on PRC internal developments and one on PRC external affairs. The Consul General when I arrived was David Osborne. During my last year there, the Consul General was Chuck Cross. I was in Hong Kong from 1970 to 1974.

David was an outstanding officer as was Chuck. David was one of those people who had an infuriating facility for learning foreign languages. He spoke fluent Mandarin and Japanese, and while he was in Hong Kong, he learned enough Cantonese to give speeches in that (to me) strange vernacular.

Q: What was the PRC doing outside its borders that attracted our interests in the 1970-74 period?

TAYLOR: Well, a lot was going on. It was a time of major upheavals in world politics. At the beginning of 1969, Sino-Soviet tensions had almost broken out in actual warfare. Skirmishes had broken out on the Sino-Soviet border with heavy casualties along the Ussuri River. By early 1970, the Soviets were suggesting to us and to some of their Eastern European allies that they might have to use nuclear weapons to take out the Chinese nuclear facilities. Moscow expected that these comments would get back to the PRC, which they did. Kissinger for one passed them on. Dean Acheson had, many years earlier, predicted that some day the Soviet and Chinese communists would split. Twenty years later it was happening - and in a dramatic fashion.

Q: How was the Sino-Soviet split seen by you and tour colleagues?

TAYLOR: The split did not happen overnight; it had been developing over a decade. The first clear evidence came in the ideological rhetoric, which emanated from each camp in 1959. In 1960, Khrushchev tore up Russia's agreement to assist the PRC, most importantly with help in the development and production of nuclear weapons. By the early 1960s, the split became a political one that was manifest primarily in an exchange of hostile rhetoric. In the mid-1960s, however, the PRC again adopted radical internal policies - the Cultural Revolution and the Communes. Mao felt it was necessary to purge the party of its more moderate elements and the bureaucracy in order to insure that the PRC would not follow in the Soviet revisionist footsteps. Soviet "socialist imperialism" became, in his view, an enemy on par with the U.S. or even worse.

Skeptics abounded on the extent of the riff. For example, as mentioned, many in Taiwan considered the argumentative rhetoric to be a subterfuge to mislead the West. Most China experts in the West, however, saw the seriousness of the dispute. We saw it as a personal and ideological quarrel but also a national rivalry for influence, which reflected some important differences in national interests. For example, Taiwan.

Q: Were you informed about analysis being made in Moscow and Washington on this split?

TAYLOR: The Soviets did not have any representation in Hong Kong at the time. But a lot of exchanges took place in Moscow and Washington about what was going on. In one effort to "leak" their position, the Soviets even sent a journalist - actually a KBG agent - to Taiwan to talk to Chiang Ching-kuo about what might happen if they (the Russians) attacked the mainland. The Soviets again expected that this exchange would get back to Peking, put the PRC on edge, and perhaps encourage some anti-Mao thinking in the Chinese leadership. By 1969-70, the Soviets believed an opportunity had emerged to make mischief by playing off a disaffected part of the PRC leadership against Mao. In fact, a grievous split had developed in the Chinese leadership that was not readily apparent. After Nixon's inauguration, the beginning détente between the PRC and the U.S. gave momentum to this split. By 1971, the Soviets were apparently having secret exchanges with Lin Biao, the PRC defense minister. Speculation was rampant on where the PRC was going internally and externally.

Q: When you arrived in Hong Kong, the Vietnam war was very active. How did that factor in to your analysis?

TAYLOR: I believe I mentioned before that while in Hong Kong, I had written a piece, which Osborne liked, in which I speculated that in light of the Sino-Soviet split, if North Vietnam were able to conquer all of Vietnam, then we could see a split between Vietnam and China, possibly a violent one. We got back a cable from Washington, drafted in INR that took exception to my conclusions; Washington saw no evidence to support my predictions and thought we were merely speculating. After our withdrawal from China and -Vietnam did of course fall into a bloody and unannounced war.

Q: At the time, was there any evidence that the PRC might change its attitude toward Vietnam?

TAYLOR: Starting in 1970, signs appear of differences between the two regimes. They had to do with how Vietnam should respond to the American incursions into Cambodia. In 1971, another disagreement developed on how to respond to the South Vietnamese incursion into Laos. Internal splits existed within the PRC leadership on these same issues. The position as developed by Zhou En-lai and eventually supported by Mao, opposed a large counter-offensive in either Laos or Cambodia. The Chinese leaders felt that it was counter-productive and too risky to provoke the Americans with a large-scale counter-offensive, such as the North Vietnamese had launched during Tet in 1968. Most importantly, the Chinese were seriously entertaining secret overtures for détente from Nixon and Kissinger.

We saw splits widening between the USSR and the PRC, developing between the PRC and North Vietnam, and emerging within the PRC leadership itself. Various public statements and articles in the Chinese media hinted at these splits.

Q: Let's pursue this a little further. What were your main sources for information?

TAYLOR: Again, primarily from overt sources – the media. We read carefully what was in the

Chinese press and what was being said on the Chinese airwaves. FBIS (Foreign Broadcasting Information Service) still monitored those broadcasts. FBIS had a large monitoring operation in Hong Kong, as did the British. As on Taiwan, NSA continued to conduct signal intelligence that monitored communications between Chinese cities and sometimes between the Chinese leadership, including the military. That intelligence was somewhat helpful, although the Chinese knew what we were doing and tried to avoid sensitive subjects while talking over open phones and over the radio. Actually, we found open sources to be the most valuable.

Q: What about PRC efforts in other countries? They invested considerable resources in Africa, for example.

TAYLOR: China's foreign policy took a sharp turn in the mid 1960s. It became more militant in the support of Third World causes. This trend accelerated in 1966 with the Cultural Revolution. By then, Mao wanted to foster a polarization of both the Third World and the world communist movement into radical pro-Peking wings and "revisionist" pro-Moscow wings. In effect, he tried to challenge both the U.S. and the Soviet Union for world leadership. The PRC began working in Africa, not with communist parties, but with the newly independent, non-communists regimes. The Soviet Union was the principal sponsor of the communist movements in Africa, especially in Angola, Mozambique, and Ethiopia but also in South Africa where it backed the ANC, which was non-communist but included members of the South African Communist Party. Thus, in independent Africa, as distinct from Southeast Asia, China emphasized relations with established governments not revolutionary movements.

In Southeast Asia, the radicalization of China's foreign policy in the 1960s was reflected in its open support – both material and rhetorical - for communist insurgencies in Malaysia, Burma, Thailand, and the Philippines - as well as of course in Indochina. Understandably, that caused a sharp deterioration in relations between these countries and the PRC. Even in India, the Chinese were supporting "Maoists" and other extreme revolutionary elements. This was all part of Mao's Cultural Revolution, which in large part was a challenge to the 'revisionism" or relative moderation of Soviet foreign policy. What we saw was an amazing radicalization of China's foreign policy.

To jump ahead, in the mid and late 1970s, after the US defeat in Indochina, the USSR became the principal backer of Communist and anti-American insurgencies in the world. The Soviets and its ally Cuba backed pro-communist insurgencies and coups in Angola, Mozambique, Ethiopia, Afghanistan, Nicaragua, El Salvador, and little Grenada. Most importantly for China, Moscow backed Vietnam in asserting its hegemony in the rest of Indochina. This led to the 1978 Vietnamese invasion and occupation of Cambodia, which threw out the terrible Pol Pot regime. China backed Pol Pot, not because it particularly liked his ideology, although he was a devout Maoist, but because it opposed Vietnam's effort to impose its hegemony in an area in which China also had a traditional interest. China thus began to back off from its support for communist insurgencies in Southeast Asia. All these developments strengthened and widened the common strategic interests that were the foundation of US-China détente. Also, of course, this opened the door to China's improved relations with the countries of the region, most of which had been alarmed first by the fall of the United States in Indochina and then the aggressive moves by Hanoi with the aid of Moscow.

Q: Did we view the radicalization of some parts of the world as an aspect of the Cold War against the Soviets or as a PRC attempt to export its policies?

TAYLOR: I think it was both. In the 1960s, Mao believed that in supporting communist insurgencies against US allies in Southeast Asia he could make these countries pay a price for their support of American policies, especially in regard to the Vietnam War. But he also saw these subversive efforts promoting his thesis about "peoples war." He hoped this policy of radical support for insurrections in neighboring countries would show that Peking's revolutionary policies were far more vigorous and effective than those of Moscow. Mao wished to be the shaker and mover of the world revolutionary movement. This led him into adventures that had nothing to do with the United States, but only hurt China's position in the world, including the Third World. For example, Communist China had always had good relations with Burma, a strictly neutral country and in rhetoric a socialist one, but in the mid and late 1960s and even the early 1970s, Peking blatantly aided a new communist guerrilla offensive in Burma. Mao's policies were also aimed at his domestic audiences. His revolutionary view of world affairs paralleled his radical efforts at home to create a truly egalitarian society with the communes and the purge of the party, government bureaucracies, etc.

Q: What were our views of the Chinese diplomats?

TAYLOR: During my tour in Hong Kong, the mainland officials we knew, such as those in charge of CCP-controlled media, were nice chaps but politically behaved pretty much like puppets. Whatever view came out of Peking in the morning, they would religiously mouth in the afternoon. If they were required to wave the little "red book" at a reception, they would do so.

Q: Did we see a weakening of the PRC as the Cultural Revolution "ate its young"?

TAYLOR: By 1969, the Sino-Soviet dispute was becoming violent and the Russians were hinting at the use of nuclear weapons if a war started. This shook up thinking in the PRC. It was time to end the chaos of the Cultural Revolution. By 1970, the People's Liberation Army had for all practical purposes taken over the country. It essentially ran the government, both at the national and provincial levels. It also suppressed the most radical elements of the Red Guards. Mao himself felt that the Cultural Revolution had gone too far and therefore sanctioned a de-facto military government. In addition, a real military threat now existed on the northern borders. Beginning in 1969, Nixon made a number of gestures that suggested a serious American interest in improving relations with China. China's strategic and foreign policies quickly began to change.

In 1970, Nixon and Kissinger initiated private, secret exchanges with the Chinese, about which not even the Secretary of State was aware. The presidents of Pakistan and Romania facilitated these discussions. But it became evident that changes were taking place both in Washington and in Peking. Heavy anti-American rhetoric kept coming from China, but it included nuances that suggested that some new thinking was taking place and that differences existed within the leadership. Articles and editorials, for example, indicated serious divergences between the *People's Liberation Army Daily* and *The People's Daily* about the threat that the U.S. presented

to China as compared to that from the Soviet Union. The American invasion of Cambodia in 1970 not only created a split between China and North Vietnam, but one within the PRC itself.

Q: Was there any thought being given in the consulate general to the desirability of an "opening" to the PRC?

TAYLOR: We all thought we were heading in that direction, even though we knew nothing of Kissinger's efforts. We were reporting the subtle changes that we were seeing in the Chinese media. We had to read between the lines of the Chinese press; it was a challenge to convince some officials in Washington that the PRC was prepared to seriously consider détente with the United States. Kissinger and Nixon, however, clearly saw what was happening. At the same time, Zhou En-lai perceived the growing Soviet threat as an opportunity to move toward rapprochement with the United States - perhaps something he had favored off and on over the years. Our Consul General, David Osborne, and all of us in the political section believed it was wise for the U.S. to ease tensions with the PRC if we could. And, we thought, new geopolitical dynamics were making this possible. Thus we were very much in step with what Nixon and Kissinger were trying to do, although at the time we not aware of how far they had taken matters. In the dark, we sent our own suggestions to Washington on what steps might be taken to create a more positive atmosphere between the two countries.

Q: Did we notice a diminution of Mao's influence?

TAYLOR: By 1970, it was clear that Mao was not as vigorous as he had been. But he was still in charge, unlike Chiang Kai-shek, who by this time was not involved in the day-to-day affairs of his government and may even not have been kept current on major developments. In the PRC, the leadership knew that Mao's days were numbered. Individuals and factions were jockeying for position. The major factions included: Mao's wife, Jiang Qing and her Cultural Revolution group; the senior military group loyal to Marshall Lin Biao; other senior PLA officers; and the more moderate or pragmatic civilian group headed by Zhou En-lai. We saw signs of this rift developing as early as 1970.

In 1971, the visit of the U.S. ping-pong team to the mainland was the first sign that something was happening. Zhou En-lai played a y prominent part in this ice-breaking visit. Then came the incursion into Laos by the US military. This brought forth a Chinese response that was much milder than might have been expected. At the same time, unbeknown to us, Kissinger and Zhou En-lai were busy exchanges messages. Zhou stressed that PRC-U.S. relations could only become closer if U.S. support for Taiwan was somehow mitigated. In late 1970, Mao told members of his defense council – we only knew this much later - of the secret contacts with the Americans. He said that the openings were promising and that he intended to pursue the opportunity for closer relations with the U.S.

It was about this time that Jiang Qing and probably Lin Piao as well came to realize that a rapprochement with the U.S. would weaken their positions in Peking. We noticed signs of increasing tensions within the communist leadership. Before Kissinger arrived in Peking in July 1971, an article in *People's Daily* alerted its readers to "internal enemies" who had "illegal relations with foreign governments." That was a red flag, a clear signal that something was amiss

within the leadership. We suspected the "foreign government" referred to was the Soviet Union. Then Kissinger made his famous visit to Peking. Some one high up, we speculated, must be suspected of wanting to improve relations with Moscow.

We learned of Kissinger's presence in Peking just after Secretary of State Rogers was informed. We were surprised, although not entirely shocked since the visit was consistent with what Nixon and Kissinger had been saying publicly. Nixon had permitted trade to develop; the U.S. government had blessed the ping-pong team's visit; and other individuals and groups were now allowed to visit China. Nixon used the name "Peoples Republic of China" instead of the old phrase "Communist China" or "Red China." The Kissinger visit was the first step in building closer ties with the Peoples Republic.

Q: After it became clear that some closer relations were in the wind, what were you picking up in the media, which gave some clues to Chinese reactions? Did you see further split after the Kissinger visit?

TAYLOR: I mentioned earlier the reservations that the People's Liberation Army had about the idea of détente with America. Subtle signs of this existed, but were noticeable nevertheless. Now we know that in fact that very serious tensions were running through the regime on this subject. Lin Piao recognized that Kissinger's visit was the beginning of the end of his influence and that he would not be Mao's successor. The Marshall recognized that his policies were not acceptable any longer to Mao, but that Zhou En-lai represented the future. In retrospect we thought the article in the *People's Daily* in July that spoke of "internal enemies" was in fact referring to Lin Biao who was probably having some kind of an exchange with the Soviets. Moscow had made some gestures in 1970 to appeal to those in the leadership who most favored the idea of a return to peaceful and mutually productive relations with the USSR. Despite the near-war state on their borders, both sides sent warm messages on their revolutionary holidays in 1970.

A few days after Kissinger left Peking in July, 1971, we noticed one morning a spurt of anomalies on the mainland, most importantly, a directive that grounded all Chinese civil and military aircraft. This was an unprecedented stand down. Other intercepted military messages gave further credence to the assumption that something big and unusual was going on. After a few days, articles in the Chinese media began to denounce an unnamed person who among other things assumed a false modesty by asserting that he had "only made modest contributions" to his country. That passage about false modesty was repeated several times. The head of our internal reporting section, Sherrod McCall, thought that this line sounded familiar. He went back into the files and found that Lin Biao a year or so before had in a show of humility said on several occasions that he had "only made modest contributions." Sherrod speculated in a report to Washington that Lin was behind the anomalies and that perhaps he had met his final fate.

Looking back, we saw how portraits of Lin in *The China Pictorial* magazine had changed. He had appeared on the front cover in several issues during the preceding year. Then a month before Kissinger arrived in Peking, the magazine ran a picture of him without his military cap. That was the first time we had ever been seen him without his cap. He even gave his speeches in the Great Hall of the People wearing his little PLA hat. It turned out that he was quite bald. It occurred to us that someone confident of Mao's support was trying to humiliate Lin with the bald picture.

The next edition of *The China Pictorial,* which came out around the time of the Dr. K. visit, showed Mao and Jiang Qing in front and Lin Biao standing behind them. These anomalies were indications that Lin Biao was involved in the aircraft standdown and that he was probably on his way to being purged or was already out of the picture. Peking Then released the shocking news: Lin Biao had allegedly mounted an unsuccessful anti-Mao coup, which had failed. He was said to have fled in a military transport plane with his wife and others. His plan was to go to the Soviet Union. The plane got as far as Mongolia where it crashed. Lin's failure cleared the way for the US and China to proceed with their rapprochement. President Nixon made his historic visit in February 1972.

Q: How did that play in the Chinese media?

TAYLOR: It was of course lauded as a great break through for the PRC. Peking media and spokesmen described the Shanghai Communiqué as a major step by the U.S. toward supporting the PRC's contention that Taiwan was part of China. However, the theme that the U.S. was still an imperial power and an enemy of the Chinese people actually continued to be played at the same time, even though it was admitted that the U.S. imperial role was abating out of necessity. At the same time Soviet "social imperialism" was said to be by far the greater threat to China, Thus it was matter of allying temporarily with the lesser threat - the United States. This starkly expedient explanation was the ideological rationalization for the opening to the U.S. that was repeated for the next several years.

When President Carter recognized Peking as the government of China, the PRC dropped the theme that the US was still a major although diminishing threat. The Soviets invaded Afghanistan at the very end of 1979. Soviet support for Vietnam caused further apprehension in Peking and in 1978, Deng Xiao-ping who was by then the de facto leader of the PRC launched a large scale military attack across the Sino-Vietnamese border to teach Hanoi "a lesson" for its invasion of Cambodia. The Soviet invasion of Afghanistan at the very end of 1979 convinced the Chinese that the Russians were trying to encircle China with a ring of hostile states. Thus the Sino-US informal alliance reached its zenith at that time - 1980 - the year I arrived in Peking as political counselor in the American Embassy. But, we are getting ahead of the story.

Q: After the Nixon visit, did the PRC reduce its revolutionary efforts in the Third World?

TAYLOR: The revolutionary rhetoric sharply abated, as did the material support that the PRC was providing the communist guerrillas in Southeast Asia. Over the next few years, this sort of assistance further diminished, and eventually the insurgent radio broadcasts from China one by one shut down. This opened the door to the gradual improvement of the PRC's relations with the governments of Southeast Asia (except for Vietnam) - a process that has continued unbroken down to this day. China's relations with Japan and other governments also steadily improved.

Q: Did we see eye-to-eye with the British on the China analyses?

TAYLOR: No fundamental difference existed between our analysis and that of the Brits. The question of Hong Kong's status was not then even a subject for speculation. During the Cultural Revolution, some Red Guards in Hong Kong demonstrated against the British and even rioted a

couple of times. But Peking then gave strict orders to the Red Guards not to disturb the situation in Hong Kong. Even with its loud rhetoric about the evils of the imperialist world, of which Great Britain was certainly a part, the PRC didn't want to disturb the arrangements with Hong Kong because it was vital to its economic well being, providing China 25% of its hard currency earnings.

By about this time, the PRC also began to diminish its aid to African countries. This aid had increased dramatically through the 1960s as the PRC competed with the Soviets for influence on that continent. As I suggested before, the period of the 1970s witnessed a return to more normal relations between the PRC and all governments everywhere. Some remnants of the old ideological rhetoric of the 1960s continued, but it steadily softened.

Even after we opened a US Liaison Office in Peking in 1973 and as our common interests in containing the Soviet Union grew, dealing with the PRC on bilateral issues could be difficult. In negotiating sessions, Chinese officials often would go into high dudgeon, lecturing us about one thing or another. But gradually a more or less a traditional diplomatic style returned.

Q: How was our role in Vietnam playing during your Hong Kong tour, recognizing that by 1974 we were pretty much out of that war?

TAYLOR: The PRC clearly welcomed the peace agreement reached in Paris in 1973. The Chinese had been hoping for such an outcome for several years - certainly since 1971. They were of course happy to see the U.S. having to retreat from Vietnam but they did not want the U.S. to leave East Asia. They had to fine-tune their rhetoric. The Mao-Zhou En-lai view was that geopolitical realities for the time being required that U.S. power remain in East Asia. Given the Soviet threat, US presence was a stabilizing factor. The Chinese were seriously concerned that the U.S. humiliation in Indochina might result in the American people and Congress losing interest in the region. At the time of the Paris Peace accord, the Chinese fully expected the North Vietnamese in good time to push on and eventually take Saigon. But they were probably glad the Americans had a couple of years to disengage before the collapse. On this issue, we didn't notice any differences in the PRC leadership or in the media. As I said, the PRC clearly welcomed the 1973 accords.

Q: Did you find the Hong Kong press reporting fairly accurately what was happening in the PRC?

TAYLOR: Outspoken independent papers existed in Hong Kong. Certainly, the English language and part of the Chinese language press were not intimidated by the PRC and they spoke out as they saw fit. We got to know editors of communist media in Hong Kong. They were very careful in their analysis.

After the Kissinger visit, nations around the world rushed to recognize Peking and also to vote them into the United Nations. The State Department made a substantial show of trying to maintain a seat for Taiwan in the General Assembly. As I recounted earlier, back in 1965-66, when I was in INR, I had argued that a two China policy would be very dangerous over the long term. In Hong Kong, David Osborne essentially agreed with me; consequently, our reporting

from Hong Kong reflected this position. We said that the U.S. should be wary of a two China policy in the long run because we felt that it would foster a permanent hostility in Peking against the U.S. and perhaps lay down the foundation of a future war. As it turned out, I don't think Nixon and Kissinger ever intended to win that vote in the UN. Kissinger had promised Zhou En-lai that formal recognition of "One China" would follow in the second Nixon Administration. Kissinger did not want to be stuck with having won a two China's arrangement in the UN that Peking refused to accept.

While Secretary Rogers and the Department were going through the motions of trying to get votes for a two-China representation, that position was undercut by Kissinger on the day of the vote in the UN by arriving in Peking. Consequently, the Department's position was soundly defeated in the UN. I think Nixon and Kissinger were just trying to demonstrate support for Taiwan to minimize the anxieties that Republican conservatives were showing about the visits to Peking. They were also trying to mollify Taiwan, which was of course apprehensive about how things were developing.

Q: During this period, were you and your colleagues getting excited by the prospects for better PRC-U.S. relations?

TAYLOR: We had been waiting for this moment. We could now actually foresee the time when we would visit or be assigned to the PRC. We had been studying Chinese and Chinese affairs for a long time - China watching, it was called. Watching from afar. The closest I ever got to the PRC was Quemoy and the New Territories (Hong Kong) border with the mainland. Kissinger and Zhou agreed that liaison offices would be established which could exercise diplomatic functions. Thereafter, a real competition for assignment to Peking began. I applied for the job of political counselor, but Nick Platt got the job. Don Anderson, another close friend, was also assigned to the political section; he had been in Paris serving as interpreter at the Paris talks with the Chinese.

David Bruce became the first chief of the Liaison Office. Bruce had had a number of important diplomatic assignments, although he was not an FSO. He was part of the super-rich Mellon family, having married into it. In 1973, I made my first trip to the PRC. My wife and I went for a week as guests of the Platt's. It was a great experience finally to be in Peking. Living in Hong Kong and in Peking obviously were different, especially in regard to how the Chinese viewed foreigners. The Cultural Revolution was still officially on.

On the last morning, I bicycled around Peking on Nick's bicycle - we were leaving that afternoon. Then we caught the train, which was to take us to Canton in a thirty-hour journey. When we got to Canton, some Chinese functionaries approached me and asked me to join them in the station's private waiting room. They said that they had a report that while I was in Peking, I had entered a protected military area on a bicycle. It was true that I had biked along a canal and had been stopped by a Chinese soldier who told me that I was in a restricted area. I turned around and left. I told the Chinese that I had a diplomatic visa, which gave me immunity from any questioning by Chinese officials. But I could tell them that yes, I went bicycling in Peking; I had by mistake apparently pedaled into a military area, where I had been stopped. No wall or gate existed. After the guard explained the situation, I had turned around and pedaled away. The

Chinese were not satisfied and told me that I should have done this and that. By the time they got finished with their drawn out questioning, we missed our train to Hong Kong. The next one would not leave for a couple of hours. I told the Chinese that I would not discuss the matter with them any longer; that if they wanted to pursue this trivial matter, they would have to contact the Liaison Office in Peking. If they did not stop the questioning, I was going to call the Office myself and report that I was being detained. They finally went away and we caught the next train.

When I got back to Hong Kong, I reported what had happened in Canton. A couple of days later, the PRC Foreign Ministry called in one of our DCMs - strangely, we had two - and lectured him as the Chinese are wont to do - especially so in those days. It was the same sermon that I had received about how the imperialists were always trying to abuse the PRC and steal China's secrets, etc. I was disappointed that the USLO officer did not make a sharp complaint about my brief detention. USLO, however, bent over backwards to avoid any friction with the Chinese. Kissinger had told them not to make any waves. They simply expressed regret for any misunderstanding.

We had a peculiar situation in Peking at this time. As I mentioned, we had two DCMs - Al Jenkins and John Holdridge. When USLO was being established, a fierce competition broke out for assignments to Peking. Al Jenkins had been the director for Chinese affairs in State's Far Eastern Bureau. Secretary Rogers appointed him as DCM. But John Holdridge had been working for Kissinger at the NSC on the secret opening to Peking. Kissinger and Rogers feuded over the question of who would be the DCM in Peking. Finally, it was agreed that there would be two DCMs. Each had the title of Deputy Chief of Mission. Each had his own car and all the other amenities and privileges that fall to a DCM. In the country team meetings, they took turns on who would sit in the DCM's chair. It was a unique arrangement, which led to many wry comments.

Q: When your assignment in Hong Kong was up in 1974, where did you go next?

TAYLOR: First, I should say a few words about the events of 1973 and 1974 that we reported on in Hong Kong. Mao was still alive and the Lin Biao coup or whatever it was had been crushed, but the struggle for succession was now well underway. One had to read the Chinese papers carefully to see what jockeying was going on. The political fight seemed fairly clear even though it manifested itself in odd ways. For example, we found attacks on Confucius and Confucianism in article after article. These attacks came primarily from the media controlled by Jiang Qing. *The People's Daily* also carried some criticism of the ancient sage, but these were quite different from those appearing in Jiang Qing's press. No one was defending Confucius. The allegorical Confucian, it seemed clear, was Zhou En-lai. In the middle of this maneuvering at the top, Deng Xiaoping returned from jail, obviously brought back by Mao, who had had a change of heart, probably at Zhou's suggestion. Deng again became part of the leadership group. Mao knew Zhou was terminally ill and apparently he wanted one of the old guard trusted by the military to return. At this point, I returned to the Department as the China Desk Officer.

Q: Before we get to your next assignment at the NSC, let's talk about how you found the bureau and the China desk in particular after several years. Did you find a different world in

Washington in light of the seismic changes that had taken place in Sino-U.S. relations?

TAYLOR: It was a different world alright. When I was last in the Department, we had no official contact with the Chinese government on the mainland. Taiwan dominated the activities of the China desk. When I returned, I found a separate, small office for Taiwan affairs and a separate big and growing Office for PRC matters.

WILLIAM E. HUTCHINSON
Public Affairs Officer, USIS
Hong Kong (1971-1973)

William E. Hutchinson was born in 1917. His career with USIS included foreign assignments in Japan, Pakistan, Libya, Nigeria, and Hong Kong. He was interviewed by Jack O'Brien on August 10, 1989

Q: Henry was at that time deputy director of the Agency?

HUTCHINSON: That's right. After that I was made assistant director of the Agency for Africa. And I sat in that job for a year, year and a half, something like that. By this time it was 1971 and Richard Nixon had designs on China and somebody was needed to go over and cuddle up with the Chinese Communists. So I was sent off to Hong Kong as PAO. A very interesting time. We did get to know--

Q: What year was that?

HUTCHINSON: 1971. We did get to know the Chinese Communists' principal representatives to the outside world pretty well. And generally had a large and active program in Hong Kong.

Q: And that was for how long?

HUTCHINSON: '71 to '73. I retired in '73 from Hong Kong.

NORMAN W. GETSINGER
Deputy Principal Officer
Hong Kong (1974-1976)

Norman W. Getsinger was born in Michigan in 1919. He graduated with a BA from Harvard University in 1941, and served in the U.S. Navy overseas from 1941 to 1946 as a lieutenant overseas. His assignments abroad have included Cairo, Rome, Taijung, Taipei, Ankara, Seoul, and Hong Kong. Mr. Getstinger was interviewed by Charles Stuart Kennedy in 2000.

Q: *So, in 1974, I guess, you moved to Hong Kong?*

GETSINGER: Yes, to go down to be Deputy to Chuck Cross. I was the deputy principal officer. It's hard for me to explain to people who don't know the Foreign Service means that you are kind of the deputy counsel general.

Q: *You were there from when to when?*

GETSINGER: My little chart here says 1974 to 1976. A very, very interesting period.

Q: *What was the situation in Hong Kong at that time? What were you up to?*

GETSINGER: When I was there, we credited Hong Kong for being the fifth or the sixth largest Foreign Service post. It was a consulate general, but it was huge. It was that way because this was where we were learning about China, preparing to go into China, where all of our intelligence is on China. We had all the regional offices there: the DEA had an office, there was an Ex-Im Bank office; every kind of an office. It was a difficult thing for Chuck and I to really feel that we had our hands on everything, and this happens quite often in the Foreign Service. You can't do that. You are too thinly staffed to do it. There really were the two of us, and we were running a consulate general that had all these other agencies in it, as part of it, and yet we had very little opportunity to oversee on what was happening with them; big USIS, big everything. I almost felt, and I think we talked about it from time to time, that we really needed another person there, another deputy who is in charge of the overall responsibility of coordinating all the agencies that were working there. It was all that we could do to know what was going on in a very large consulate general. Of course, we had a large, a huge CIA station there which we had to keep track of. This was, at that time, because we had the liaison office up in Beijing; George Bush was up there as the liaison office there. He was the guy, we didn't recognize China, but we had the Nixon breakthroughs, so we had this office up there at the preliminary kind of embassy. But, what we had really found out was that the way to find out what was going on in China, was to do it through Hong Kong, and not through Taiwan. For a long time, we thought that Taiwan, with its mainland connections, would be an intelligence gathering source. It didn't work, because the people we would send over to the mainland would be captured. They were quite alert for it. But, there was such a movement of individuals and goods across the border, between Hong Kong and China. Do you remember the Brits had these fences and these perimeter guards, and so forth, but nevertheless hundreds, thousands of Chinese would come over all the time? They would swim across through Deep Water Bay, through the sharks, and so forth. The way we knew what was going on in China was through our connections with the British, and the very open border of Hong Kong to China. So, almost everything that was published in China, found its way across that border. Individuals would bring it over, and they knew the Americans would buy it. So, all of the written information, everything that we could collect in the way of manuals and books and party director's source came through Hong Kong and our big intelligence station. They were given a preliminary look over, and then this huge pipeline of material would go back to Washington for the analysts to work on.

We were really the China watchers. We were a consulate general in Hong Kong, and we had Hong Kong trade and economic relations with the U.S., but we really were the gate to China. That was very much illustrated to me. One time, Chuck was away and I was running the consulate general. George Bush was coming back from Beijing to take over his job as Central Intelligence Agency director. So, my wife and I took the consulate general car and went down to the border at Lo Wu. At that time, there was a single bridge across the border. The train stopped at that side, and the train started again on this side of the Hong Kong/Chinese border. So George Bush came down to the border and left his vehicle. I walked across the bridge with my wife to greet them and to carry their bags, leaving the Chinese officers there, and picking up the British over there. We got into the consulate car to come back to town. I thought, "Now, George Bush has been up there in Beijing, for a year, a year and three quarters." He must have some kind of notion about what is going on in China. So, I was delighted at the opportunity to have him imprisoned in the back seat of the car, so I could pick his brains. But he didn't really know what was going on in China. It's easy to understand, in a way, because of course, at that time, our relationship being what it was, he was not allowed, I think more than a quarter of a mile, outside the city wall of Beijing. Although he had title of "ambassador," we still had no diplomatic relations. His contacts with the Chinese government were very limited. Realizing this, of course, he was going to go back to Washington, after his period in Washington. He knew he would be asked by the Congress, the White House, about what was going on in China. So, we took George Bush and took him to the tank. That is that internal service room that you have to keep the intelligence from being monitored electronically. We briefed him for hours on the situation in China. Then we gave him a little time to go up and do some yachting around Hong Kong. When he went back to Washington, he was pretty well informed on China, but he learned it all from us.

Q: *One of the things that one hears is that our people, for so long, (and maybe it still pertains), are sort of trapped in Beijing. They really can't get out and about, particularly in the early days.*

GETSINGER: It gradually, and gradually got better. By the time I got to my second year in Hong Kong, I was sent up to the office in Beijing, on a trip just to have a look see. I was coming back to China, after 33 years away. I had been in China with the United Nations, from 1946 to 1948. There I was going back, and it was in the height of the cultural revolution. I could see how badly off China was. It didn't look like it had improved, if anything, it had gotten worse in the 33 years since I left. I remember I was standing with Harry Phare in his apartment in Beijing. There was a worksite where the communists were building a new building. The workers would come in in the morning and they would check around to make sure they weren't being observed. Then, they would stack their tools in the corner and drink tea all day, until it was time to quit and go home. On the railroad platforms, I saw drunkenness. Public drunkenness was something you were not supposed to see in communist China. But, again, it was the height of the Cultural Revolution and things were just going to pot in China.

Q: *What about Vietnam? The war ended in Vietnam while you were there.*

GETSINGER: While I was there, when we talked about Vietnam, the essential problem were

the boat people. They were coming up in every kind of rickety thing, up to Hong Kong. The Brits would give us a chance to interview them. They would have temporary camps for them. The Vietnamese would be asked "If you could go to any country as a refuge, where would you like to go?" Of course, France was number one. The U.S. was second. At the bottom of the list was Japan. Here, the wealthiest country in Asia, and none of them wanted to go.

Q: *It's not only that, but the Japanese, even today, don't accept them. Korea doesn't either. Those are two countries that don't accept outsiders.*

GETSINGER: Those who do get there are very unhappy.

Q: *What was our role? Were we, in the consulate general, pressing the British on the boat people?*

GETSINGER: Yes. They, of course, would look to us and say, "You're the country that is supposed to take these people, so why don't you do it?" I remember one time, Stu, the Brits had decided that they had had enough. They said that all of their refugee camps were full and they couldn't take anymore. There was this rusty old Panamanian freighter that had picked up a bunch of boat people. It was trying to come into Hong Kong and drop them off. The Hong Kong people said, "No, you stay out there." So, they put them outside the territorial limits of Hong Kong. Well, our job was to interview these people to see if we could possibly fit them into the U.S. refugee program. So, they told me I had to go out to the ship so they put me into a British Air Force chopper. We flew out beyond the territorial waters of Hong Kong. They lowered me from the chopper down onto the deck of this freighter, which was pitching in the seas there. Sometimes, as I was going down, the boat would be underneath me and sometimes it wasn't even there. This is one of the cases where I thought later that if I had known, as a Foreign Service officer, knowing what my duty is have said, "No, I don't think I should really do that."

Q: *Yes, but there you are. Well, were we responding pretty well at that time?*

GETSINGER: We really were. There was always a question about whether we were being too responsive, and the Brits would wonder whether they were being too responsive. It seemed that this great flotilla of boat people was heading up toward Hong Kong because the bamboo grapevine was saying that this is where it can happen. You land in Hong Kong, and then the Americans take you.

Q: *What was your impression of the staffing, particularly the China watching staff of the consulate general?*

GETSINGER: It was excellent. I must say that the Central Intelligence Agency group was just terrific there. We really were beginning to get some understanding of what was going on, as best you can because, of course, the big decisions are all made by a bunch of old guys up there in Beijing.

Q: *Was the cultural revolution on?*

GETSINGER: Yes.

Q: *Was this having an effect on refugees out of China*?

GETSINGER: Very much so. Every now and then, the Brits would try to close the gates and double their guard, but there was no way of keeping that many people who wanted to come in from getting in. It was true. They would swim through the shark infested waters to get across some of those bays, down into the territory. I had two big jobs in the consulate general, which were very interesting. One was to be the liaison with the last officers of the last British empire post. I was the liaison between the American embassy and the Hong Kong/British authorities. They were a marvelous group, Stu. It almost looked as if this great British empire had shrunk down to the point where they only had the few, the very best left, and they were in Hong Kong. They were a great bunch and they were doing a marvelous job. At that time, they were trying to control the Chinese, up to the corruption. There was this commission against corruption, and they were the busiest British office in town, but they did a good job. They kept corruption down in Hong Kong to a minimum, which shows it can be done, even with a mass of Chinese like that.

Q: *What were you getting from all the people who were looking at China, before that time, 1974 to 1976, whither mainland China?*

GETSINGER: Actually, in the consulate general we were working very closely with the biggest American Chamber of Commerce in the world, by far. We had every element of the American business community in Hong Kong in spades. When we had a meeting of the American Chamber of Commerce, it was a mass meeting. All the banks were there, the insurance companies, all the major manufacturing companies who had an idea that they were going to find some kind of a lodgement in the mainland. Of course, we were able to give them some information, but they were very wisely working with the Hong Kong Chinese, because, of course, they had very little opportunity to connect with mainland Chinese. Hong Kong Chinese were preparing to go in. As you know, they are still one of the principal investors in China.

Q: *Did you have the feeling that economic interests were shifting away from Taiwan and moving toward China?*

GETSINGER: We had an annual battle at that time between the Chamber of Commerce in Taipei and the Chamber of Commerce in Hong Kong. We had major investments in Taiwan, which were much larger than anything we have in China. Our trade with Taiwan was so much bigger than our trade with Hong Kong. You were working always on expectations, aspirations and hope about what the business connections were. Of course, there was that huge market there, so they were all poised and ready to go in. The Chamber of Commerce in Hong Kong back in Washington was asked to go easy on the mainland, to work on developing that economic relations. The Chamber of Commerce in Taipei would say, "Hey, let's be careful. At least we have the advantage that we have in Taiwan, and let's not spoil that." The investments were going very well in Taiwan. In fact, the last time I looked, even

today, there are more U.S. exports going to Taiwan. All of these years after China's opening, there is more going to Taiwan than there are to Hong Kong. In other words, there are more American jobs, depending on our trade with Taiwan and with China. That is not brought up very often.

Q: *No, it's not at all. Did the switch over from Nixon to Ford make any particular difference in our policy in that area that you saw?*

GETSINGER: I didn't see that. We had our noses to the ground over there. We were working on trying to develop that communication with the mainland. One thing that I should bring up is being stationed in Hong Kong, where all that activity takes place and where all of us have the bigger jobs than we can possibly handle, so we rest our heads at night, we can't say, "We did what we should have done." There was always that much more that you couldn't handle. It's a small island and the intensity of activity begins to wear you down. It was hard in that respect. Not only was the work of the office difficult and all consuming, but the social life was tremendous because the Chinese were determined in that respect. I found as the deputy that it would be a good idea if I could join a club. That was one way you could get it. Now, the consul general could join any club in Hong Kong. They were recreational clubs. There was the yacht club, this club and that club, the tennis club. But there were no slots for the deputy. The only club that had a slot for the deputy consul general, or deputy principal officer was the club at the Stanley prison. The Stanley prison had an officer's club; these were the British officers in the prison. Fortunately, that turned out to be one of the best clubs on the island. They had a grass tennis court. The Brits loved to play tennis on grass. They would have the prisoners out in the morning with little sticks that would indicate the heights of the grass. They would be down on their knees cutting each blade of grass, so by the time we played tennis, everything would be perfect. It was really a great club. It had one of the finest beaches in Hong Kong, and of course, bowling on the green, and pink gins at sunset. That part of it was good. I had a marvelous big house and would give cocktail parties for 150. I had a great staff. We found, as many Foreign Service officers do find, that having a great staff can create a lot of problems. We had a gardener, and a number one boy, an assistant number one boy, and a cook, and an amah. It was just a great staff; and we had a driver. But, they would get ill or they would have problems, and we would have their problems too. So, having a big staff is not the best way to get lots of free time.

Q: *Well, in 1976, where did you go?*

WILLARD B. DEVLIN
Chief, Consular Section
Hong Kong (1974-1976)

Willard B. Devlin was born in Massachusetts on September 30, 1934. He obtained a B.A. from Tufts University and went to Fletcher School of Law and Diplomacy where he received his M.A. and completed his doctoral residence in International Relations. He served in Baghdad, Lima, Hong Kong, and Santo

Domingo. He also served in the Visa Office in Washington, D.C. He retired in 1980. He was interviewed by Charles Stuart Kennedy on October 15, 1986.

Q: *You left Lima in 1974. Then you moved to Hong Kong as chief of the consular section there. Hong Kong has always had the reputation of being sort of a fraud capital of the visa world. Did you find it quite a change regarding the visa function?*

DEVLIN: No, not really, because Hong Kong's reputation as the fraud capital of the world was, to a large degree, based upon the old immigration law, where the only way for a Chinese to get in was via fraud. But with the new law...

Q: *...this would be the 1967 amendments to the immigration law.*

DEVLIN: That's right. So since most of the people in Hong Kong applying for visas were not born in Hong Kong, and therefore they were not subject to the 100 limitations per year from Hong Kong. Those who were born in China had 20,000 visa numbers available. Therefore, the need for fraud was not as strong as it had been before when whatever the quota was, if there was a quota for China, it reduced the chances of the individual applicant to virtually nothing.

But fraud is a habit and a custom in China, and we had absolutely marvelous, incredible files on the Chinese. We had files which would tell us about a certain village in a province, and it would tell us everything about that village. It would tell us where the well was, and the names of the principal families. And most of these villages really concentrated on one little family group there, another family group here, so that if a Chinese came in and said that he was from such and such a village, and he said that his name was Chung, we could check that file -- and did check the file -- and find that very, very rarely, if ever, did Chung live in this village. Then we could ask him more questions about the village and more than likely, he would be unable to answer those questions.

Q: *You used interpreters?*

DEVLIN: We used interpreters. This was a great, great disadvantage, because Chinese, particularly Cantonese Chinese, it is not a Western language, it is not a language that the average American with a normal ability in foreign languages can pick up off the cuff. It is not a language that if you listen to it, to an interpreter and so on, in this process day in and day out, that you gradually pick up words and so on; in Chinese, you don't. So that the dependence upon interpreters was total, and this is bad.

Q: *Were there any problems with interpreters?*

DEVLIN: Yes, yes, there were problems with the interpreters. Very shortly after I left, one of our interpreters was fired because he -- some of the charges amongst all those against him were that in order to process the papers well, he was getting sexual favors from the women.

The same type of fraud applied not just with the visas, but the same type of fraud applied to passports.

Q: *This would be Chinese who claimed American citizenship.*

DEVLIN: Chinese who claimed American citizenship.

Q: *Were you adequately staffed there on the visa side?*

DEVLIN: The staff was very good and quite adequate. I forget how many we had, but we could very well have had 50 people.

Q: *How about the officers? Would you say they were happy with their assignment there, not happy? How did they feel?*

DEVLIN: Most of them focused their satisfaction or dissatisfaction on Hong Kong, as opposed to the work itself. People either loved Hong Kong or hated Hong Kong, and much of this depended upon, obviously, the individual and on the housing. The housing intrinsically was pretty good; 99% of the people lived in very nice apartments. But it was still a concrete jungle, and not everybody wants to live in an apartment. It restricts one in terms of getting out easily and so on, and the recreational facilities were not as good as lots of people would have liked. So some people found the opportunity to be in a place as culturally exciting as Hong Kong to be one of the greatest gifts in the world. Others found it to be oppressive, because they were cramped up in a little corner.

Q: *Back to the flow of immigrants. What were the pressures? We're talking about the Chinese. What were the pressures on them to go to the United States?*

DEVLIN: It was pressures primarily economic, and it was an incentive, primarily economic. The Chinese, as most of the applicants evidenced, had an excellent ability to work in a western society. But they could do far better in the United States than they could in Hong Kong. They could do far better in Hong Kong than in China. So that it was a matter of just moving up economically to a better life for themselves.

Q: *In the period you were there, were people beginning to feel concerned, particularly the wealthy Chinese merchant class, about the mainland British claim on Hong Kong, which runs out in 1997?*

DEVLIN: Yes, they were. Every year that that came closer, there was something of a decline in their willingness to reinvest in the economy, more apprehension of what would happen, a greater desire to ensure that their children would be able to get to the United States, get to England or Australia. The United States, Canada, and England were the major objectives. It was difficult to get into Australia. Clearly, a Chinese tradition was to prepare the way for their families and looking at the date of 1997 coming up meant that the time to prepare is now.

Q: *I assume a fairly large number of rather wealthy people using their wealth to gain legal admittance to the United States but then would return, keeping their alien residence status.*

DEVLIN: Oh, yes. Yes, this happened quite often. Quite often. As a matter of fact, some of the local employees in the consulate were in a situation like that.

Q: *You left Hong Kong in 1976. You happened to be, if I recall, in Washington, and they told you instead of returning to Hong Kong, you were sent to Santo Domingo as chief of the counselor section. It's not only a change, but from a work point of view, a change for the worse, wasn't it?*

DEVLIN: Well, Santo Domingo doesn't compare to Hong Kong in any sense. Santo Domingo is the place where, if you win a prize, first prize is two weeks in Santo Domingo. The booby prize is a year in Santo Domingo.

MARK E. MOHR
Political Officer
Hong Kong (1974-1977)

Mr. Mohr was born in New York and raised in New York and New Jersey. He was educated at the University of Rochester and Harvard University, where he studied the Chinese language. After service in Korea with the Peace Corps, he joined the Foreign Service in 1969, and served abroad in Taipei, Taichung, Hong Kong, Tokyo, Beijing and Brisbane. In his service at the State Department in Washington, Mr. Mohr dealt primarily with Far East Affairs. After his retirement he worked at the Department of Energy on Nuclear energy matters. In 1997 he was recalled to the State Department, where he worked as Korean desk officer. Mr. Mohr was interviewed by Charles Stuart Kennedy in 2009.

Q: So in 1974 you are off.

MOHR: Yes, after completing language training, I was assigned as a junior political officer in Hong Kong.

Q: While you were in Taiwan were you getting much news of what was going on in Indo China?

MOHR: Not really. In Taipei, I was just trying to survive the visa experience. In Taichung, I was studying all the time.

Q: So you went to Hong Kong when?

MOHR: In the summer of 1974.

Q: And you were there until when?

MOHR: For three years, from 1974-1977. I helped report on the death of Chinese Premier Zhou Enlai, Chairman Mao's death, the end of the cultural revolution, etc. I just loved the job. We read four to six Chinese newspapers a day, from the mainland and Hong Kong, read translated

transcripts of provincial Chinese radio broadcasts, and talked to fellow China-watchers at other consulates and from the media. As we had only a small liaison office in Beijing, consulate Hong Kong produced a sort of Time Magazine weekly review of events in China. For some unknown reason, it was called the Weeka, and we went to press every Wednesday. We got it out before lunchtime, and then the political section would usually go to our favorite Italian restaurant in Hong Kong for pizza. At last, I was a real China-watcher, and I loved it. I could talk about Chinese politics all day long.

Q: Let's take your classic Chinese watcher. What were you watching and how do you do it, or did you do it?

MOHR: You read. You read the newspapers; you read the transcripts of the radio broadcasts, and you figured out, or you tried to figure out, what was going on with the leadership, who was in and who was out, what were the policies they were trying to pursue in the provinces, what were their economic policies, and of course what were their attitudes toward the U.S. It was all very analytical, and there was a lot of guess work, but for someone who up to that point had never had a "real" political job at an embassy, it was great fun. I was doing internal Chinese politics, so in my last year in Hong Kong, I switched to Chinese foreign policy so I could work on issues a little bit closer to more classic foreign service work, which centered on foreign policy issues and particularly the host country's attitude toward the United States.

Q: With regard to internal politics, had you had much experience in America following politics?

MOHR: No, not really.

Q: In Hong Kong, were you able to tap into the people who were coming out of China?

MOHR: The refugees?

Q: Yes.

MOHR: The British systematically interviewed them, and gave us copies of the interviews. But China was an elite communist political regime, and the refugees for the most part were in the same boat so to speak as we were: they had to guess at what was really going on. So the refugee debriefings were not all that useful, but they were interesting nonetheless. I recall that one woman refugee from Anhwei province, when asked in 1976 about the influence of the Cultural Revolution o her village replied, "What's the Cultural Revolution?"

Q: Well in Hong Kong were there people, like those on Taiwan, who were trying to prepare to leave if they had to. Was that going on in Hong Kong too?

MOHR: No. This was the mid-1970s, and Hong Kong was a British colony. The people of Hong Kong, although they didn't like the British, felt safe enough.

Q: Did you get any feel for a change in U.S. policy toward China, with the beginning of the Carter administration?

MOHR: Carter won the election in 1976. By that time, my tour was winding down, and in any case, I don't think we were privy to any sensitive negotiations of the time.

Q: I mean we had opened up with China. Did that play any role or was…

MOHR: Not much, because even though the U.S. liaison office (USLO) had opened, it was quite small. At the time, there was only a two-person political section, and its time was taken up mostly in the care and escort of visitors, so Hong Kong remained the basic political reporting base for events in China. The Weeka continued. It was a little strange. The post hundreds of miles from the capital of China did the basic political reporting, and the post inside China did not.

Q: Well was the Gang of Four over doing its bit? What was happening?

MOHR: Mao died in September, 1976, and the Gang of Four, including Mao's wife, was arrested within one month of Mao's death. As a matter of fact, I entered China on the day the Gang of Four was arrested. Each of us in the political section was allowed one trip to visit our colleagues in USLO during our tour, and mine was scheduled for the fall of 1976. It was an interesting time to visit. There were wall-posters in all the cities celebrating the arrest of the Gang of Four. I traveled to Beijing from Hong Kong with my wife on the train. We stopped off for a day or two in Guangzhou (Canton), and then went directly to Beijing.

Q: Well after your time there, did you have any impression of how China might go after the death of Mao?

MOHR: Mao was initially replaced by Hua Guofeng, but he didn't last very long, and then Deng Xiaoping took over. Deng was certainly more pragmatic than Mao, and he knew how to develop and grow an economy. There was a misperception in the West that because we could understand (and approved of) his economic policies, that he was a moderate. This was incorrect. Politically, Deng believed in the dictatorship of the proletariat, led by the communist party. He was not a cute, cuddly little guy. He was a communist dictator. In the 1960s, there was a down-to-the-countryside movement when millions of college students were sent to the villages to "learn from the peasants." Their academic lives were destroyed. Deng, not Mao, was behind the movement. Unlike Mao, however, Deng did believe that pragmatic economic development was important, so long as the Communist party maintained control.

Q: Did you get any feel of the central government and its rule, sort of the cadres running equivalent to the counties or not? Did the writ of Beijing run all the way to everywhere?

MOHR: No, in Hong Kong we really didn't get a feel for how policies played out at the local level. We were mainly studying the central leadership. It was a bit odd. We were living in this British colony, and we were the supposed experts on what was going on in China, even though there was a small U.S. liaison office in Beijing. We were the experts, but it was an academic kind of expertise.

Q: Did you feel that everything was in the hands of academics? You know academics have a tendency, a very strong tendency, to have firm ideas and often diverse ideas from each other. Was this sort of academic warfare sort of playing itself out?

MOHR: We weren't academics. Within the U.S. government (USG) in Washington, there were at times fierce disagreements on what was going on in China. Especially as the Sino-Soviet split built up, many within the USG failed to see this coming. Also, in the years leading up to the Cultural Revolution, only a very few analysts believed Mao was not in full control of China. But in the political section in Hong Kong, while I was there, there were no such disagreements. For example, there was a political campaign in China starting in about 1973 that began as the anti-Lin Biao campaign. Let me explain here that Lin Biao was a very famous Chinese general, hand-picked by Mao to replace him. Lin reportedly betrayed Mao, was discovered, and was fleeing China to the Soviet Union, when his plane crashed and he died. Anyway, this anti-Lin Biao campaign soon morphed into an anti-Lin Biao, anti-Confucius campaign. We in Hong Kong reported that the anti-Lin Biao campaign had been an attempt by the conservatives within the Chinese government and party to attack the radicals, led by the Gang of Four. The Gang of Four tried to turn the tables, and began their own anti-Confucius campaign, with Confucius being the fairly obvious stand-in for then Premier Zhou Enlai. So it was a real battle, played out with a war of words daily in the media, between the Gang of Four's faction and Zhou En-lai's faction.

Ironically, Henry Kissinger, who then I believe was head of the National Security Council (NSC), was concerned that Zhou might be in political trouble, so he actually contacted Zhou and asked him. Of course Zhou replied that he wasn't being attacked, so Kissinger decided that our reporting to the contrary was all wrong. It didn't occur to Kissinger that Zhou was not admitting the truth. By this time, it was 1975. As Zhou Enlai remained in power, Kissinger and his people felt vindicated that our reporting was seriously misguided. As a matter of fact, one of Kissinger's senior aides in the State Department received a "courageous" reporting award for writing memos to him that Hong Kong's reporting was wrong and Zhou Enlai was not in any political trouble. It was only after Zhou died in early 1976, and following the purge of the Gang of Four that fall, that the Chinese media let loose with a torrent of reporting stating the evil Gang of Four and its followers had continuously attacked "beloved" leader Zhou Enlai during the anti-Confucius campaign. So history proved us right, but it was too late for us to receive any awards. At the time, all we received was criticism. But fortunately, there was no Senator McCarthy around, so no one really suffered. All that happened was that we didn't get promoted.

Another interesting reporting "moment," I believe this was in 1975, occurred when the West German prime minister visited China. In a meeting with Mao Zedong, it was reported in the Chinese media that Mao said, when talking about Deng Xiaoping, that Deng "didn't listen to him anymore." Now I recalled that when Deng Xiaoping had been purged during the Cultural Revolution, Chinese documents had claimed that one of the reasons for Deng's purge had been that he was arrogant, and didn't listen to Mao anymore. I thought that Mao telling a foreigner that Deng wasn't listening to him was very significant. So I wrote up a report stating that this indicated Deng was in political trouble. The problem was that there was no previous indication that Deng was in any political trouble whatsoever. So the political counselor, Don Anderson, who was my boss, said he did not want to send the cable. I rewrote it, and made it much more conditional. I said although this was merely a straw in the wind, it might be important, and we

were reporting it so that the Washington China community might factor this one tidbit into its analysis. As I was about to depart for home leave, Don said the cable looked OK and he would send it.

When I returned from home leave, I was surprised to learn that Don did not send the cable. He said upon reflection, it was just too "iffy," and did not merit a report. A few months later, Deng Xiaoping *was* purged, and all the China-watchers in the Washington community came under severe criticism. There was even a study, launched I believe by the CIA, to find out why nobody ever reported that Deng Xiaoping was in trouble. Another possible moment of glory, and it passed me by.

Q: Well were you getting the feeling of reclusive scholars?

MOHR: Well, in a way, yes.

Q: But China really wasn't throwing its weight around the world in those days was it?

MOHR: No, except for supporting Vietnam.

Q: They were also doing things in Africa. I am not quite sure what that was all about.

MOHR: China was trying to use its influence to win support in the Third World, and not having a lot of money, I think they felt a little foreign aid could go a long way in Africa. They funded some major projects, such as the Tan-Zam railroad. They were also trying to compete with the Soviets. But because of the approximately 10 years of the Cultural Revolution, 1966-1976, where they were almost totally focused on internal problems, their foreign policy and influence abroad was fairly limited.

Q: Were you a source for say the Japanese or the French or other people coming around and saying what is going on?

MOHR: Yes, we were. There were only a few serious China watching posts among the consulates in Hong Kong. Of course, the British has great resources, and the Japanese put a lot of effort into China watching. Other than those two countries, other diplomatic posts were not serious China watchers, and drew much of their information from us. I was surprised that the Europeans, particularly the French and the Germans, just did not seem very interested in what was going on in China.

Q: Was anybody looking at the Chinese influence in other places, such as Indonesia, Malaysia and all that.

MOHR: In our political section, we had one Vietnamese language officer, to monitor Vietnamese influence in southeast Asia. Also, since we graduated more Chinese languages officers from school than there were postings, there were slots in various political sections in Indonesia and Malaysia for Chinese language officers to follow China's influence there.

Q: Yes, I think you are right. I have talked to people who were in Burma and Malaysia. Of course we had one who was doing something in Warsaw. But that was as a translator.

MOHR: Right. But in Hong Kong, in our political section, we had about a dozen people, and one slot designated for a Vietnamese language officer. When I was there, it was a fellow named Charlie Lahiguera. He had a very interesting background. His father had been a Spanish diplomat, who, in 1937, closed the Spanish embassy in Washington when Franco took over, and then asked for, and received, political asylum. So young Charlie then became an American citizen. We liked Charlie a lot, but our work rarely intersected, and he knew very little about China.

Q: Well had the Chinese Sino-Vietnamese war taken place while you were there?

MOHR: No, that took place in 1979, and by then I had left Hong Kong and had been assigned to Embassy Tokyo. The Sino-Vietnamese war was a brief affair, lasting only a few weeks. In the great words of Chinese propaganda, it was described as a "counter-attack in self-defense," and their attack was necessary to "teach Vietnam a lesson." Vietnam had just concluded a mutual defense treaty with the Soviet Union, and the Chinese were incensed. They felt Vietnam was complicit in a Soviet attempt to surround them by hostile forces. In any event, by all U.S. military analysis, the battle-hardened Vietnamese roughed up the Chinese forces pretty badly, and the Chinese had to retreat. Publicly, of course, the Chinese claimed a great victory.

J. RICHARD BOCK
Political Officer
Hong Kong (1975-1976)

Richard Bock was born in Philadelphia and raised in Shelton, Washington. He attended the University of Washington and Princeton University and entered the Foreign Service in 1955. His career included posts in Germany, Vietnam, Taiwan, Hong Kong, China, and Australia. He was interviewed in 2002 by Charles Stuart Kennedy.

Q: What was the situation in Hong Kong when you got there?

BOCK: Of course, the famous Nixon trip to China had taken place. Following that, a liaison office had been established in Peking in 1973, just two years prior to my arrival. So we had a very small establishment in China itself. Hong Kong was still at that point the major China watching post, although people were starting to think about how to handle that in the future, how much to transfer up to Peking. But most of the analytical reporting on developments in China was still coming out of Hong Kong and that was the function we had there.

Q: In Hong Kong at that time, the reversion to China was…

BOCK: Oh, that was far in the future. The negotiations had not started on that. Reversion itself

took place in 1998, but the negotiations started sometime in the ‘80s.

Q: When you went there, were you a China watcher?

BOCK: I was a brand new China watcher. We had a China watching section consisting of about eight people divided into an economic and a political side. On the political side, there were three of us looking at Chinese internal politics largely by analyzing broadcasts which had been picked up by either FBIS or the British and some other materials, including some Mainland Chinese newspapers.

Q: The local press in China was quite important, wasn’t it?

BOCK: The press was important, but the broadcasts were more accessible. The “People’s Daily,” of course, was available to everybody. But that was very tightly controlled.

Q: If you could get hold of it, the City Press would tell what was happening in the provinces.

BOCK: That was much harder to do because there was relatively little travel to the provinces by any foreigners.

Q: What was going on in China when you were there in ’75-’76?

BOCK: Well, it was still considered the Cultural Revolution period, although it was kind of in the winddown phase. Mao Zedong was still in charge, but his health was extremely poor. About a year prior to my arrival, Zhou En-lai had died. He had been not always officially number two but was de facto number two for much of the period since 1949 and had been generally considered both by outsiders and Chinese as kind of a moderating influence on Mao. The spring before I arrived, there had been a violent demonstration in Tiananmen Square in honor of Zhou En-lai but, in effect, protesting radical influence in the Chinese government. So, there were definitely signs that this was kind of the end of the regime in some sense with a succession coming up and a lot of uncertainty. So, there was a lot of interest in the western analytical community as to how this was going to play out.

Q: in effect, was the Gang of Four running things?

BOCK: The Gang of Four was pretty much running things. Deng Xiao-ping had been rehabilitated out of his exile to a potato farm in 1973 but had again disappeared in 1975 or ’74. So, that was seen as a sign that the Gang of Four, as they subsequently became known, their influence was rising.

Q: Did you have the feeling that the China watchers were sort of invigorated by the fact that we were beginning to open up to China? Prior to that, you had had Hong Kong, Taipei, and maybe the China guy in Burma or Indonesia or something like that.

BOCK: Yes. It was a little difficult for me to make comparisons because I was very new to the China watching business. But for people who had been doing it longer, there was certainly a

sense of excitement that now you could actually get into China after, in some cases, many years of standing outside peering in.

Q: Did you get into China?

BOCK: No, not during that year. We had a very limited program of trips up to the liaison office in Peking. I think the idea was to minimize the burden on the small staff there. The expectation was that during any three year tour in Hong Kong, you'd get up at least once, but I was not at the top of the list, of course, so I didn't make it.

Q: What piece of the action were you looking at?

BOCK: To the best of my memory, we had divided up the provinces geographically and I was looking at the southern provinces. Then several functional issues, too, but I'm not sure I can remember exactly what the functional issues were. But I think they changed a little bit during the course of the year.

Q: Were you seeing at that time a difference between particularly the coastal southern provinces compared to other parts of China? This has become and is now the hotbed of economic movement. Was any of that around?

BOCK: Well, not in the same sense. You still had virtually no outside influence in China and it's the outside influence subsequently which has caused so much of this disparity between the coast, which gets the outsiders, and the interior, which doesn't. There were individual hotbeds. I can remember the city of Wenzhou, which is in South China, where they were doing all sorts of not necessarily authorized experiments of one sort or another. There were other individual cases, but you couldn't generalize geographically.

Q: You learned Mandarin?

BOCK: I had learned Mandarin.

Q: Were you able to use it in Hong Kong?

BOCK: To a limited extent. Most of the Hong Kong citizens in those days didn't speak Mandarin. We had some contact with the unofficial PRC representatives there. They had a Xinhua News Agency office which was, in effect, the Chinese Communist Party headquarters for Hong Kong. They were there under semi-official guise and you would interact with them a little bit also with some of the communist press, which were also essentially Mainland based. They all spoke Mandarin. There were other Mandarin speakers here and there that we would have access to, but not very much. I was reading it all the time but not speaking it.

Q: How was the U.S. being played in the press and in broadcast?

BOCK: We were still the hegemonists. I would be hardpressed to remember the specific issues involved, but generally speaking, it was a fairly hostile treatment of the United States. Of course,

we still had our defense treaty with Taiwan at the time.

Q: Did the China-Vietnam war take place while you were there?

BOCK: That was later.

Q: Were we looking at that?

BOCK: We had in the consulate a person who was looking at Indochina in particular. There were two Indochina watchers overseas in the Foreign Service at that time, one based in Hong Kong and one based in Bangkok. We still had kind of a rough embassy in Laos, I think, but we were out of Saigon, we were not in Hanoi, we were not in Phnom Penh. His job, however, was more to look at what was happening in Vietnam itself than particular issues involving China-Vietnam relations. I should have mentioned that in the organization of the China watching division in Hong Kong, we also had an external relations section with two people. They would have been looking at that to the extent anyone was.

Q: Were we thinking of China being an aggressive power or one that was likely to implode?

BOCK: I think that was starting to change. We had, of course, looked at China as an aggressive power, particularly during the Cultural Revolution and then with respect to Vietnam. That was part of our motivation for the war. With the Nixon trip and the subsequent developments, we were obviously trying to build a relationship with China which would serve our interests. And we hoped that this could be done on the basis of a non-aggressive China.

Q: Did we have much contact with what you were doing with the British?

BOCK: They were doing the same thing we were. Of course, they ran Hong Kong. The governor was pretty much focused on running Hong Kong, but he had a senior political advisor and at least one junior political advisor and that shop tended to do a good deal of China watching. And we had a good deal of contact with them.

Q: How did you find life there?

BOCK: Oh, I loved Hong Kong. It's such a scenic city. The whole shopping and restaurant atmosphere was so interesting. I think some people eventually got kind of an island fever from Hong Kong because you couldn't get across the border and if you wanted to go anywhere, you had to take a plane out. But I don't think we were affected by that in our year there. We always had enough to do.

Q: Was one hearing any complaints about the lack of American troops coming through? This must have generated a lot of business.

BOCK: There was still a lot of American navy coming through. In fact, during part of the time, part of that year we were there, my wife got a job with the Navy credit union down in Wanchai. So, I was well aware through her every time one of these big aircraft carriers or frigates came

through because there was a flood of people coming in to get their money. That happened on a very regular basis.

Q: Was anybody prognosticating whither China?

BOCK: Well, a lot of people were trying to. Whether there was any consensus about it, I'm not sure. Everybody was kind of waiting for Mao Zedong to die to see what was going to happen.

Q: Did Taiwan have any influence at all?

BOCK: Little. There were pockets of Kuomintang loyalists in Hong Kong, but they were controlled fairly tightly by the British. The British had enough problems with China. They didn't need a Taiwan problem. So, there was this Kuomintang organization. Later there were semi-official Taiwan representatives there. I'm not sure what there was in 1975.

Q: Had the British started to Chineseify the administration there?

BOCK: I'm not sure how well I remember that. They certainly had a number of Hong Kong Chinese in their administration. I'm reasonably sure that the chief secretary was still British. In fact, I think he was British up until near the transfer.

Q: What I recall is that the British were pretty slow about working this out.

BOCK: Yes, I don't think they were in a real hurry. I suppose from the British point of view, they had to watch both sides of this. If they went toward an indigenization of the structure, that could be interpreted by the Chinese in Peking as saying, "Ah-hah, they're preparing for Hong Kong independence." That would get the British in trouble with the Chinese. So, that, I suspect, was one factor in their thinking of not going too fast.

Q: You left there within a year. Were there any major developments in China or in Hong Kong while you were there?

BOCK: I don't remember anything really earth shattering during that year.

Q: In 1976…

BOCK: What happened is, when I was in Hong Kong, this was the time that George Bush, Senior, was the liaison chief in Peking. He left then the spring of 1976. He had gone out there with his own private secretary and the State Department had created a slot for her. So, he had her, Jennifer Fitzgerald, as well as a State Department secretary assigned to him. When he left, the bureau cast a covetous look at that slot and said, "We're not going to give another liaison office chief two secretaries. Let's turn that into an officer slot." So they created a new officer slot and cast around for somebody to fill it as a part-time special assistant. My boss in Hong Kong was Don Anderson, who had just a year earlier come out of Peking. I guess he recommended me. So, on very short notice, I was asked would I like to go to Peking and I couldn't say no.

Q: How long were you there?

BOCK: Almost three years. Hong Kong was my first real assignment with my wife. My wife was less enthusiastic about going to Peking than I was.

Q: I was going to say, it would take a hell of a lot of diplomacy to take a new wife from the fleshpot of Hong Kong and go to the more austere Beijing.

BOCK: It wasn't so much that. She was game. But I mentioned she had had this temporary job at the credit union. She subsequently got a job as office manager for a major architectural firm in Hong Kong and was just starting on that job when this Peking assignment came up. So, her view of it was a little bit colored by that.

G. EUGENE MARTIN
Political Officer
Hong Kong (1975-1978)

A Specialist in Chinese Affairs and a speaker of Chinese, Mr. Martin spent the major part of his career dealing with matters relating to China, both in Washington and abroad. His overseas assignments included Hong Kong, Taipei, Huangzhou (formerly Canton), Beijing, Manila and Rangoon. His Washington assignments also concerned China and the Far East. Mr. Martin was born in Indiana of Missionary parents and was raised in the US. and India. He is a graduate of Kalamazoo College and Syracuse University. Mr. Martin was interviewed by Charles Stuart Kennedy in 1999.

Q: While you were taking Chinese, did you know where you were going to go?

MARTIN: I had an onward assignment back to Hong Kong. I had the feeling my career was going in circles.

Q: Was your wife learning Chinese?

MARTIN: She was doing some, through the spouse's course at the language school but we had our second child in Taiwan so she was preoccupied.

Q: Well, then you went back to Hong Kong?

MARTIN: Back to Hong Kong in the summer of 1975 until 1978 after I finished my second year of Mandarin Chinese language training at Taichung. I was assigned to the political section, but in a rather unique role. I was in what was called the Publications Procurement Office (PPO), as well as the Press Monitoring Unit (PMU), which had, at one point, almost been a USIS function. It was fun because it gave me some different

experiences and an opportunity to use my Chinese, daily. The PMU translated Chinese press periodicals. Its staff of about 25 Chinese employees translated key articles from mainland media and publications obtained by the PPO, for subscribers throughout the US government. The office was later run by the NTIS (National Technical Information Service), under the CIA, which does translations throughout the world

In those days, mainland publications and newspapers were very hard to get. We were able to subscribe to the open press, the Red Flag party journal, and other publications like that. When possible, we would try to buy other publications, which were not available to foreigners. Travelers from China would bring out newspapers, or they would bed smuggled across the border, and people would contact the Publications Procurement Office to buy them. We would try to buy whatever internal ("neibu", for internal use only) documents and publications we could from China. There was a great deal of interest among U.S. government agencies for all sorts of publications because there was so little information available as to exactly what was going on. Much of the information we obtained was about the Cultural Revolution, which was still going on, albeit winding down at that point.

Q: Were you able to tap into some of the friendly or quasi-friendly embassies in Beijing, such as the Brits, the French, the Yugoslavs, and others? Was that a source?

MARTIN: It was to a degree, but even there, they were just coming back after the Cultural Revolution. You remember the beginning of the Cultural Revolution when the British embassy had been basically sacked, and the Red Guards had run through the embassy. So most of the embassies, most of the diplomatic missions, in Beijing were, as I recall, operating on skeleton staff. But by '75, they were beginning to come back, and they were getting back to more normal business.

But Beijing was a very difficult place to operate in terms of finding materials. You could read the People's Daily, and you could listen to the Beijing radio, but that would be about it. Most of the publications of any interest were neibu, available only to Chinese cadre and Communist Party members, of which there were several tens of millions. But foreigners had a hard time getting such publications and people were reluctant to talk. So Hong Kong still provided a very useful function. We, of course, by that time, did have our U.S. Liaison Office (USLO) in Beijing, following the Nixon visit. *W*e had colleagues up there, who were able to begin to get some information, begin to make some contacts with people whom they could talk to.

Q: Well, what was your reading, I mean, you were getting yourself, but also from your colleagues who were working on China, about the situation in China when you arrived in '75?

MARTIN: At the end of the Cultural Revolution, we were seeing the beginnings of internal fractionalization between the Gang of Four, Mao's wife Jiang Qing and others, who were leading the Red Guard attacks, and the rest of the people, such as Deng Xiaoping, who had come back again. Mao was just about on his last legs. So there was a great struggle back and forth. This was apparent within the publications that we were translating. So we were able to determine that there was going to be a change as soon as Mao died.

Zhou En-lai died first in early 1976, and there was a great outpouring of grief in Hong Kong. I think that was really quite genuine because many people in Hong Kong saw Zhou En-lai as the one who prevented Hong Kong from being overrun in the Cultural Revolution. Shortly after that, when Mao died in September, the grief people expressed seemed much more pro forma, not really genuine in my view. There was a great to-do, official grief, by all the pro-communist schools, businesses, labor unions, and so forth, coming forth, and issuing condolences, and bowing, and having their ceremonies. But it was nothing like the personal sense of loss that happened when Zhou En-lai died.

Q: Who was our consul general at that time?

MARTIN: It was Chuck Cross, and Norm Getsinger was the deputy.

Q: Did you sense any concern in our consulate general in Hong Kong, which had been sort of the center of Chinese watching and all, and all of a sudden we're developing a liaison office but essentially an embassy - in Beijing. This must have been a time of wondering where are we going and what are we going to do.

MARTIN: There was very much of that. There was a sense that, as USLO was established and got off the ground and started operating, as things began to loosen up a bit in China, as people were able to move around more or really just be there to watch, that Hong Kong was being replaced. It took, I would say, probably close to a decade before this was sorted out.

I think the two posts have very different strengths. One is that people are more readily accessible in Hong Kong; they're willing to talk in Hong Kong, whereas in China, still, I think, the people tend to be more circumspect as to what they say. This, obviously, is breaking down as China opens up and has opened up over the years, and we have opened more posts there. We have four consulates and the embassy; so we have a nationwide presence. But I think Hong Kong for many years still provided a very important resource.

Q: Could you travel into China from Hong Kong?

MARTIN: This was the big change during my second assignment to Hong Kong - that China opening, and for the first time, those of us who were assigned in Hong Kong had a chance to travel into China. There was a long waiting list. Just about everybody in the consulate wanted to go, and one's place in the list was based pretty much on seniority. The consul general was the first to go in, then the deputy, the section chiefs, and on down the pecking order. My turn finally came in 1977, and my wife and I spent two weeks in China in September and October.

Q: What was your impression? I mean here you'd been watching this thing through a telescope for so long. When you got there what were your impressions?

MARTIN: It was a terrific eye-opener. I think the most vivid recollection I have of my thoughts when I was there, was the poverty of the place. The place was in shambles. Of course, you have to realize that they were just coming off of about 11 years of Cultural Revolution chaos. The infrastructure was in shambles, and the people were extremely, extremely poor. I had the sense

that in the U.S. everybody had talked about what a great country China was, and how rich and so forth it is; but on the ground, it was an extremely hard life; it was difficult to see how people could survive. Visually, I had a sense of monochrome, everything was blues and grays. In those days, they were still wearing their Mao jackets, if you will, or the blue tunics, men and women, and everything was severe. But this was still the end of the Cultural Revolution, and the Gang of Four had just been arrested, and so the political line was, "Everything was the fault of the Gang of Four." People didn't talk about Mao but held the Gang of Four responsible for all the chaos of the last decade.

Our visit was fascinating because it gave us a chance to travel to several places in China during those two weeks. We first went by train through Hong Kong's New Territories up to the border, got off the train, walked across the little border bridge at Lo Wu, then went through the immigration procedures on the other side, had lunch at the train station, got on the 2:00 p.m. train and rode it into Guangzhou. In Guangzhou we transferred to the night train to Beijing. That trip, as I recall, took about 36 hours, that night, all the next day and into Beijing the second morning.

That was an interesting train ride because it gave us a chance to see the countryside as we passed through. Again, very poor and very hard place for people to live. We also had a little contact with the Chinese on the train; although here again, they vigorously segregated the foreigners. As we got on the train in Guangzhou to go to Beijing, we were assigned to a compartment on the train. We walked in, and found two military officers. It was hard to tell rank in those days because uniforms had no insignia or symbols of rank on their uniforms. The only difference was officers uniforms had pockets. The officers were moved to another compartment within five minutes. In their place, a French couple joined us. In Beijing we met and stayed with colleagues working at the USLO in their diplomatic compound apartment. We spent our time traveling around looking at the sights in Beijing, talking to our colleagues at the liaison office. Our timing was perfect as we were there the end of September in 1977, and October 1 was National Day. We were lucky to be able to observe the national day celebrations on Tiananmen, thanks to our USLO friends. That was quite a show in 1977, the twenty-eighth anniversary of the founding of the People's Republic. We sat in the bleachers, below the wall, in front of the Forbidden City, next to the Gate of Eternal Peace, the Tiananmen Gate. All the leadership was up on the gate, as they traditionally are. The diplomatic corps was in the bleachers in the front of the wall, and in front of us stretched the Tiananmen Square filling with people.

I'm not a very good judge of crowds when you get over a million but it was an enormous crowd, probably the largest assemblage I've ever seen. The crowd was divided into various groups of activities. For instance, one circle of people consisted of a minority group doing cultural dances; others had acrobats, magicians, singers, banners, etc. All sorts of different activities. Then came the parade past the front of the reviewing stand. It was not very military, as I recall, mostly labor groups, schools, cultural groups, and so forth. This went on all afternoon. It was a beautiful October day, nice clear weather, and comfortable temperature. After dark we had a fireworks show like I'd never seen. The Chinese, of course, having invented it, knew fireworks; and it was quite a show. Beyond the fireworks, they picked up a trick, according to one of my colleagues, from Nazi Germany in the '30s. They positioned spotlights around the city perimeter, and aimed them at one spot over the square, forming what was called a dome of light right over the square. So you had all these beams of light centered over the square, with fireworks bursting all around

them. It was really quite dramatic! Our first visit to Beijing was a unique experience, being there for the national day celebration.

From Beijing, took a train south to Nanjing, the old Nationalist capital. The trip was overnight so we did not see much of the countryside nor have any contact with Chinese passengers on the train. In Nanjing we stayed at a foreigners only guesthouse and wandered around looking at the sights, walked around the university, went to see the Sun Yat-sen Mausoleum outside of town, Ming Dynasty tombs, and other sights. We were there just a day or two, just to see a different and historical part of the country. Of course, in those days foreigners did not wander around alone. One had a China travel agency guide to help you and also to make sure you were under control. They provided a rental car and guide, or chaperone who was like a shadow.

Q: When you were in Nanjing, was there any reference made to the Japanese atrocities that occurred in that city?

MARTIN: Our guide, who was really our only contact, talked about the war, and the fall of Nanjing, but not nearly as vividly as subsequent revelations in the recent book, *The Rape of Nanking*. The city was really very nice. It reminded me of a university town which it is. It is much smaller than Beijing and the other major cities of China. It seemed more laid back.

From there, we then took the train to Suzhou, which was the old cultural capital down the river toward Shanghai, and we spent a day there. We played tourist, visiting the old houses, elaborate gardens, and artwork. It was a lovely city, which, I gather, is not nearly as nice now as it used to be.

Then we went on into Shanghai where we spent a couple days, staying at the old Peace Hotel, down along the Bund. In those days, Shanghai was nothing like what it is now. It's changed so dramatically with modernization. In those days, it was still pretty depressing, pretty old; and the only "modern" buildings were those built in colonial days along the Bund. Most of the rest of the city was in pretty decrepit condition. We did have a chance to wander a little bit, we thought, on our own; although I'm sure that we were not totally out of sight of our minders. In those days, it was hard to get lost or disappear because the rare foreigners stood out in the all-Chinese crowd. We went to the old, what used to be called, the Chinese City in Shanghai, which was originally a circular walled city and wandered through the back allies of that, which was interesting. The Peace Hotel was a throwback to the old Shanghai of the '30s with a three-piece combo in the lobby playing pre-war songs from the '30s.

After Shanghai, we took a train then to Hangzhou, where the famous West Lake was a tourist mecca for centuries before Nixon visited in 1972. That was just sightseeing. We spent a day on the lake, which was very pleasant. Returning to Shanghai by train, we then flew back to Guangzhou instead of taking the train, which would have been a lengthy trip and we were near the end of our two-week trip. In Guangzhou we spent the night at the famous Dongfang Hotel, affectionately known by colleagues who opened our consulate in the hotel as "the Fang." The Dongfang (Orient) Hotel was right next to the Canton Trade Fair Exhibition Hall. The semi-annual trade fair was for years China's one big window on the world, where all the foreign buyers could come in and buy Chinese products. This was just when China was beginning to

open up, when we were beginning to allow some trade with China; and so we had Americans coming in and buying the cheap products China had to sell in those days.

Q: It was very much replicating what had happened during the eighteenth century, when Canton was, where you had your factories along the river, and that was it. They couldn't go out; they couldn't do it.

MARTIN: Exactly the same thought process. Foreigners were allowed into the country only in a limited way, for a limited time and in a carefully controlled area. It was very much the old way. In so many ways, the Chinese attitude toward foreigners is just a continuation of the traditional Chinese attempt to manage relationships. In the old days, they had the Bureau for Handling Barbarian Affairs, which became the Foreign Ministry. The name sounds a little bit nicer but it basically seems to have the same function and attitude.

I must say, when we came back across the border into Hong Kong, there was kind of a - I won't say the sky was clearer or the air cleaner because Hong Kong's air wasn't all that much better than it is now - but there was a sense that you had really crossed a border, and that there was quite a difference. After two weeks, China had become quite depressing.

Q: You and your colleagues, dedicating certainly a huge chunk of your life to this, and as you're sitting there, things are beginning to open up. What was the conversation like about whither China, whither U.S.-China relations? What were you thinking about this?

MARTIN: We were very optimistic. Now that the Cultural Revolution was over, the Gang of Four and other radicals arrested, we were hopeful that China would get over this fit and come back into the world as it started to during the early '50s. Right after the PRC (People's Republic of China) was established, China really was quite active internationally. You had the Bandung Conference, you had Zhou En-lai out making the rounds to everybody, beginning to play a role in the nonaligned movement. But the Cultural Revolution was such a seizure that they went through that they essentially closed their doors and disappeared from the international scene.

So it was a hopeful time when things began to come back. Hong Kong was much more at ease with what was going on. We had a chance to have more contact with the people in the New China News Agency and the other Communist organizations in Hong Kong for the first time. The cadre would both come to functions that we sponsored as well as meet with us privately. They certainly didn't tell us any secrets, but there was contact. There was a chance to have a dialogue and discussion. So this was quite an exciting time.

Q: What about a concern about China's expansionist power? Was this the time when they had a brief but rather bloody little war with Vietnam?

MARTIN: That was in '79, shortly after I left. When I was still in HK, no because they were just getting back on their feet domestically, and there were no indications they were moving out from that. The Vietnam War had just ended two years before that and so things had not developed to that stage.

Q: While you were looking at things, did the Soviet Union play any role in what we were looking at and concerned about?

MARTIN: Not particularly. The Soviets were always trying to poke around in Hong Kong, as I recall, to try to get a presence there, and the British Hong Kong government was very careful not to allow them in, and the Chinese were not anxious to have the Soviets in there as well. In those days, there was still a strong antipathy between the two of them, and so the Soviets were not very much in evidence in Hong Kong. They had a passenger ship that sailed between Hong Kong and Vladivostok. But that was about their only visible presence.

Q: In your political section, was anybody looking at Hong Kong itself and the political elements there?

MARTIN: Yes. After my first year in PMO/PPO (Press Monitoring Office/Publications Procurement Office), I shifted back to the regular political section if you will, although my previous job was part of the section, and I took over the external unit chief position. That was an interesting time because it was a time when China was beginning to reestablish contacts with the rest of the world, and so it was a time when we had a lot more dialogue with other consular missions in Hong Kong as well as with the NCNA and the Chinese representatives.

Q: I'm thinking about the relationship between the embassy, because particularly, we're trying to figure out what's going on in this country, and the academic world, American, but British, French, and others, because they must have all been thirsting to get in and start doing their thing from a…not…and really looking at this; must have been rather active time.

MARTIN: It was an active time. There was a bit of frustration because I think China was opening, but slowly; and I think a lot of the academics still were located in Hong Kong and didn't have much of a chance to go into China, perhaps for brief visits, but not to study for any length of time. The University Services Center was very active. It was an organization, funded by a number of universities, that provided a library and research facilities for scholars to come and work out of Hong Kong. There were still a large number of people coming out of China, or had come out of China recently, or had reestablished contact with relatives in China, that these researchers could talk to. That was the time when they did a lot of work on what the Cultural Revolution had been like, and what had gone on, and so forth. Researchers had general information which they'd been able to discover all along the way, but had not really been able to get to the depth they wanted. Once the Cultural Revolution ended, people were willing to speak a little bit more freely.

Q: Well, I mean, obviously, you had been looking at this and getting the feel for it, but did the enormity of what this had done to the Chinese individuals begin to percolate back to you? Only recently have I read accounts in English of individuals writing about, you know, what happened to them, and it's just appalling.

MARTIN: Oh, it was a national trauma. There was no question about it. People were traumatized and families were ripped asunder. Traditional cultural and family relationships had changed totally. People were unwilling to have any confidence in each other -- spouse-to-spouse, parents

to children, friend to friend. It was a very difficult time, and I think China is still working its way through all that. We were aware of what was going on in general from the stories and reports we received but the enormity of it was not known until years later.

Q: What about with the local Chinese? I'm talking about sort of the normal of people you'd talked to - business people, professionals, and all this - in Hong Kong. Were they gearing themselves up to get the British out of Hong Kong when the reversion came about?

MARTIN: No, because that was something long before reversion. In 1977,1997 was a long way away. It was 20 years, which is forever. People had, obviously, left Hong Kong in 1966 during the Cultural Revolution when they thought that the Red Guards were going to come across the border, and so the property prices were at the pits, and people were leaving, and the consular visa section was very active for visa applicants, and so forth. But that had dropped off, and Hong Kong was, once again, the window on China; everybody was there; people were looking forward to the time when it would be possible to do business with China or in China. But in China was still down the road several years. Businesses were locating themselves in Hong Kong and working out of there, hoping to be able to go across the border. It wasn't very many years after that when the big shift came and almost all the manufacturing in Hong Kong moved across the border. But that was still a couple years away.

Q: Were you getting any feel for the new Chinese leadership after Mao, after Zhou En-lai?

MARTIN: Not so new, because Deng Xiaoping was the key person that came back for his second coming, his second return. That gave everybody a sense of confidence. Hua Guofeng, who had been designated by Mao as his successor, was technically the premier, but was not expected to last very long, and did not. But again, Deng didn't last all that long himself, and then he came back; and then a short time after that, he was back in internal exile again, until '78, when he came back for good.
That was a very uncertain period. It was not clear as to which side was going to win out, because the radicals still had some influence, certainly within the Communist cadre. It was back and forth for a while, and it wasn't until about '78 that it began to clarify, when Deng came back for the third and last time.

Q: Were you seeing any cracks at the time in - I don't know how you'd best describe it except to say that - the belief in the Communist theology? Because today, I mean, this is very much a concern that the Chinese…I mean, there may be three or four people in China who believe in the Communist ideology. But, you know, it was being taught, and slogans, and all that. But was this something we were looking at?

MARTIN: We wondered about it, but it certainly was not something that people would talk about. There was no sense that the masses would say, "Given all the things that the Communists have put us through, this is a disaster. Let's get rid of it," or, "We have lost confidence in the government." People would not talk that freely, even in Hong Kong. We were quite aware, given the traumatic experience that they had gone through over the last 12 years of the Cultural Revolution, that people, particularly intellectuals, must have some qualms about the system, and the ideology. There were obviously indications that something was not working right. But the

sense, particularly at the end of my tour in '78, was that with Deng coming back, things were on the up, things were going to get better, they had gotten over this seizure, and they now had a chance to move ahead, and progress would be possible. People were more optimistic again.

Q: When one was talking about progress in your minds at that time, was it more in…sort of on economic terms rather than on freedom of expression, or you know, political, or social terms, or what was -

MARTIN: I would say it wasn't even quite that well developed. We were talking about China essentially going back to a sort of status quo, status quo before the Cultural Revolution. A government was governing, there wasn't chaos in the streets, and institutions were functioning again. This is what people were hoping for. Nobody predicted that within a couple of years there would be this tremendous economic boom. I certainly don't remember that because there were no indications that early that they were going to make that kind of radical change. The big change came after Deng returned to power in 1978. The Party Congress, I think it was in the fall of '78, was the one that really launched that road, but this was fairly new.

Q: What about Taiwan? Was that something that wasn't your business, or you didn't deal with it?

MARTIN: I can't say we in Hong Kong spent much time worrying about Taiwan. Nixon and Kissinger had deftly established all but official relations with the PRC while maintaining formal diplomatic relations with Taiwan. The US Liaison Office (USLO) in Beijing was functioning as an embassy in all but name and Taiwan representatives in Hong Kong still seemed to be holding their own, particularly since the communists were in such bad odor after their rioting. Communist schools, unions and businesses had been in the forefront of demonstrations and riots orchestrated by the New China News Agency (NCNA) operatives and Red Guard wannabees. Pro-Taiwan unions had stepped in to replace striking leftist workers, gaining public support. Taiwan reps held big elaborate parties on the tenth of October for their National Day, they would fly the Republic of China flag, and so forth. On the first of October, the city was festooned with Chinese (i.e., mainland) flags; on the tenth of October, there were almost as many Taiwan flags. This was a sort of rivalry that went on, but there was never any indication that there was going to be a big shift. Taiwan was not really on our scope in Hong Kong at that point.

Q: What policy guidance or information were you getting back from Washington, from the desk and other persons involved with China?

MARTIN: They were obviously looking at how USLO was operating. We in the Consulate and USLO had these negotiations, or discussions, back and forth as to how we would share the load, how we would share the responsibility; and it was an effort to try to divide the pie in such a way that they would do what was easy for them to do, but we would also continue to do things in Hong Kong that were available to us. Information was more readily available to us, whereas they had the opportunity to actually work with the ministries and meet the people in the government. That was essentially how the work was divided. I think that the sense was that eventually Beijing would reinstate itself as sort of the embassy, rather than having Hong Kong as the embassy in exile. Once you had an office open there, the movement was to begin to use that as the main

point. This caused some heartburn by some people in Hong Kong. Obviously, you have some competition, but that's okay, and I think it worked out all right.

Q: What about Tibet? The Chinese occupation of Tibet, was that of concern to us?

MARTIN: It was not a live issue. Obviously, it was an issue that we knew about and were aware of, but there was almost no information out of Tibet as to what was happening there. The Dalai Lama, of course, had left in '59; and that was now almost what, eighteen years previously; and it was not really a front burner issue.

CHARLES LAHIGUERA
Political Officer (Refugee Office)
Hong Kong (1975-1979)

Mr. Lahiguera was born and raised in New York. After graduating from Georgetown University and serving in the US Navy, he entered the Foreign Service in 1963. Though he served outside the South East Asia, his primary duties concerned the Vietnam War and its aftermath, particularly refugees. His overseas posts include Germany, Curacao, Vietnam, France, Hong Kong, Thailand and Swaziland, where he served as Deputy Chief of Mission. Mr. Lahiguera was interviewed by Charles Stuart Kennedy in 2000.

Q: How did the system work? Did there seem to be a developing system for moving the refugees on?

LAHIGUERA: Yes, we set up a camp in Pennsylvania, one in I think Florida and another one in Arkansas. There were three camps and we shuttled them from Guam into these camps. I didn't get involved in that operation. I just felt I wanted to get away from it at that stage. So, when I went back to Washington they asked me if I'd like to go to Hong Kong and be an Indo China analyst. They had originally intended to send me and Charles Twining to Bangkok. Charlie Twining just finished studying Cambodian and they were going to have him as the Cambodian analyst and me as the Vietnamese analyst. The Thais at that point were putting pressure on us and there was some cooling in our relationship. The Thais wanted some kind of guarantee that if the Vietnamese continued to try to expand that we would give them a commitment to come to their aid and that wasn't forthcoming. There was some coolness in our relationship. In any event, our ambassador in Thailand felt we should start to cut personnel and it was decided to move my job to Hong Kong. So, I was assigned to consulate general Hong Kong. I arrived in August of '75. Chuck Cross was the consul general. The place was heavily staffed by China watchers. John Anderson was the chief political officer and I worked for him. But I was the only person in the political section, which must have had six or seven officers, who wasn't working on China.

Q: Were you there from '75 till?

LAHIGUERA: To '79. To July of '79.

Q: What were we getting out of particularly South Vietnam, I mean it had collapsed. We had expected a, what were we expecting?

LAHIGUERA: Politically it is hard for me to judge. We were concerned about the impact on the rest of Southeast Asia, particularly Thailand and Malaysia. The Chinese at that time were still supporting the Vietnamese, as were the Soviets. We were interested to see how; we were interested in developments in Cambodia as well. The Khmer Rouge had taken over in Phnom Penn. I always said that the Vietnamese were very fortunate in having the Cambodians next to them because compared to the Cambodians they looked like nice people. There was a Vietnamese presence in Hong Kong as well as a Cambodian presence. They had people there to conduct trade and shipping into both Vietnam and Cambodia. There was a flow of refugees from Vietnam. I don't recall any from Cambodia. I guess the Cambodians were principally going to Thailand. So, I was interested in the refugee flows. I had a lot of contact with the Hong Kong authorities on the question of refugees. We were certainly supporting the policy of giving them first asylum and we took the view that people with relatives in the United States or people brought into Hong Kong on American vessels would be taken care of by us essentially. We felt that whatever ship picked them up really should take care of them.

I was interested in debriefing refugees on conditions; I was interested in the fate of our staff in Vietnam. We had a continued interest on the MIA (Missing in Action) question and any sightings of Americans including any Americans who in fact stayed behind. There were those that just elected to stay behind. As I think I mentioned there was in Bien Hoa a young man who was working in a mental hospital. I also recall a priest who stayed behind, an American priest and quite a few others. So, we were interested in those kinds of thing. I followed the Vietnamese efforts to sell goods and to import goods. We had an embargo on American company trade with the Vietnamese. My presence was pretty well known in Hong Kong. I was active in the American Chamber of Commerce there, which is a large organization. They in fact formed a Vietnamese committee of people interested in Vietnam. Some of them had been in business in Vietnam and had left. Others were just looking for new opportunities. We managed to obtain information on what ships were going to Vietnam and what cargo they were bringing, so any time we noticed American goods we let it be known that that was illegal. I recall one ship going into Cambodia and it was carrying a large shipment of Kodak stuff. We had a customs representative in Hong Kong. The U.S. Customs Officer went to Kodak and told them that we were distressed about this. They assured us that they didn't know anything about it and they would look into it. We had a similar thing with Monsanto's shipping chemicals. No great harm would be done by Kodak selling film there, but when we did that the word got around very quickly in the American community that we were watching this kind of thing. I can remember one banker in particular saying, "Well, you know you're not going to stop shipments of stuff into these countries." I said, "Of course not, but it's going to cost the Vietnamese and the Cambodian communist governments an increase of 10% or 20% to buy through a middleman, then we've already achieved our objective. This is not a wartime embargo; it's an economic one." So, I got involved in that kind of thing. I did debrief a lot of refugees. I read the Vietnamese news agency broadcast every morning religiously. It was a chore that I really used to dread, but it was very interesting what you could draw from it. I also developed a range of business contacts who were going into Vietnam and Hong Kong. I used to visit foreign diplomats from Hanoi who would

come down and do their R&R in Hong Kong including Australians, Indians, and Swedes. I can remember speaking to the Swedish aid people who were very frustrated. There was an agreement between the Swedes and the Vietnamese that any equipment that arrived became the property of the Vietnamese government. They'd bring in equipment and the Vietnamese would want to tax it going in. Then after that they'd take the equipment and say it's ours now and we'd rather put it on this other project that the Soviets are helping us with and not have it on your project. This used to just drive the Swedes wild. They had this huge paper mill that they were developing in the north of Vietnam. So, this is the kind of information I gathered in bits and pieces. It was interesting. I can't say that there was any major breakthroughs or that I made any great major discoveries.

I did notice that around '78 the Vietnamese had a party congress. All the people associated with the Chinese were removed as well as people supporting the ethnic minority programs. I didn't understand the link at first until I realized that the ethnic minorities in the north of Vietnam, I kept on thinking in terms of Montagnards, but the ethnic minorities in the north of Vietnam were largely out of China. So, they must have looked at these things as being linked. In any event, this was an early indicator that things were going sour between Vietnam and China. There was a gradual buildup of Soviet relations with Soviet aircraft going into the north and Soviet ships going into the Vietnamese ports. I think that's what really triggered the downward slide. Chinese continued to leave Vietnam including leaving through the north into China. The Chinese made some quite a bit of noise about this, but I think their real concern was the developing Vietnamese relationship with the Soviets and feeling circled by enemies.

Q: Obviously we must have been looking for the possibility of a conventional bloodbath after the revolution, after the North Vietnamese had taken over South Vietnam. What were we getting from that?

LAHIGUERA: Yes. We had these terrible reports out of Cambodia. I had very little information about what was going on in Cambodia, but it was obvious from what we had that it was very grim. We were concerned that similar events would occur in Vietnam. I was very pleased to see that it wasn't as bad as I thought it could have been. The first reports I got were about the women who were associated with American efforts, our former female staff. I heard that the women were given very brief reeducation as they called it, usually a month or two, and then released. I attributed this to a certain Asian chauvinist approach that women couldn't have done anything of any real concern so you didn't have to bother much with them. The male staff members had a much more difficult time. I did learn from refugees who did get out that male staff members were in reeducation for at least a year or more. Officers that I knew such as General Ba and General Dao were both in reeducation camps. I recall one particular figure I believe the governor of the central bank of Vietnam who had prevented President Thieu from absconding with the gold. Thieu had, I understand, a Swiss aircraft in Saigon he was going to take the gold on. I forgot how many millions of gold it was, but this gentleman had barred the president's access to the gold. The communists ended up getting the gold and after all that effort they threw this poor guy into reeducation as well. So, I guess that didn't count for a lot.

There were reports in Hong Kong that if you had money you could buy your way out. There were boats that would take people out and drop them off near Thailand or try to get them into

Hong Kong. The British also set up flights between Hong Kong and Saigon to take out people who were connected to Hong Kong. I was able to talk to those kind of people. In general things were severe, difficult, but we didn't have the kind of mass executions that occurred in Phnom Penn.

Q: The land reform that happened up in North Vietnam in I guess the '50s when the villagers basically were given carte blanche to go after the land.

LAHIGUERA: In fact the communist government maintained the Republic of Vietnam piaster for quite some time. I had left with a bag full of this money. I didn't think anything of it. I thought it would be worthless the day we left. I had it as a souvenir and I would have gladly have given it away to the Vietnamese staff before I left if I had thought that it was worth anything. I was very sorry about that. I think it took them about two years before they changed to their new communist dong.

Q: Were you consulting with the China watchers on Chinese Vietnamese relationships? Was there much thought given to this?

LAHIGUERA: Yes. Well, in fact this report I wrote on the deteriorating relationship between China and Vietnam sparked quite a bit of interest. We had started to normalize relations with China, we had a liaison office in Beijing at this time. The staff sent me up to visit it. I saw Ambassador Woodcock then, but things started going downhill. In '78 when I visited China, the people in our embassy in Beijing thought that I might be able to get near the Vietnamese border, which is what I would have liked to have done to be able to see for myself any military buildup. They decided that when I got to southern China I should apply for a permit to go from there to the border area and that I'd probably be turned down in Beijing. Anyhow, they wouldn't allow me near the border, but they did allow me to go to the refugee camp and I got an opportunity to interview the Chinese who came out of Vietnam. It was an eye opener to me. What the Chinese were complaining about, and I was certainly not one to be a great defender of the Vietnamese communists, was they wanted some sort of privileged minority status. They wanted a different kind of ID card. The Vietnamese wanted everybody to register and if you were going to live in Vietnam you should be a Vietnam citizen. That included being eligible to serve in the military. Well, they didn't want to serve in the military.

Q: They hadn't in the South Vietnamese system?

LAHIGUERA: These are Northern Chinese. These people had fled from the north. They didn't want to serve in the Vietnamese army and they didn't want to speak Vietnamese and they wanted to have some sort of special status and have their own schools and be left alone. They just wanted to live in Vietnam. I said to myself, well, I can see why the Vietnamese regarded this as unwelcome. Of course, I didn't say that to the Chinese. It didn't sound to me like they were being abused and the Vietnamese took the attitude of well, if you want to go to China, feel free to leave and they did. Of course the Chinese didn't feel they needed any more people. So, this is a bone of contention between the two countries. When I got back from this trip the Chinese had started moving forces towards the border. I can recall that I estimated there were about 1,000 aircraft moved south in the vicinity of the Vietnamese border. I knew at that point that this is not

a bluff, this is not posturing. I filed what was to be my only real dissent cable in my career. At that juncture the consul general didn't see it my way. We didn't put it in the dissent channel, although it was originally written that way. He decided to send it in as another view from the consul general. The consensus of the China watchers was that the Chinese were very reasonable people and they were just concerned about these refugees and they were just trying to put some pressure on the Vietnamese. I said, no I thought that they were really concerned about a Soviet buildup in Vietnam. They really didn't care much about the refugees and they fully intended to attack. In December of '78, a China watcher, Sarah Ann Smith, and I wrote a joint cable, saying that the Chinese actions had vindicated our position. I felt satisfied with that. By that time I started meeting with the Chinese officials or semi- officials in Hong Kong. One particular gentleman was specializing on Vietnamese affairs. So, I mean he knew who I was and I knew who he was. The day after the Chinese attacked the border in February of '79 he invited me to lunch. I can recall arriving at the lunch and he was sitting at the table already waiting for me and he was beaming. So, I went in and sat down and he didn't know what to say and he finally looked up to me and said, "Well, what do you think?" I paused and I thought it over a while and I finally said to him, "I think it's pretty good that you're just four years too late." He laughed. I hoped that they reported that as such. But, I can still recall from our conversation that we were in discussions of normalizing relations with Vietnam ourselves. He expressed some very strong views of his disapproval of such a move. He noted we were normalizing relations with China and that pressing to be friendly with these abusive Vietnamese probably would not be taken well in Beijing. I think that attitude had a certain influence on our terminating the exercise. I don't say it was that factor alone, but I certainly think it was relevant.

Q: Hong Kong had developed this China monitoring system, highly sophisticated, getting newspapers and listening to news and interviewing people and all and they had a staff that filtered it out and it's kind of still going on even though we had people up in Beijing at that time and it still for some years remained our major way of finding out what was going on in China. Were you kind of there by yourself though on Vietnam; was there another closed society?

LAHIGUERA: Yes. I was a sort of a one man band and my contacts were people who really were interested or had business links with Vietnam when the Vietnamese were approaching for credit or barter arrangements or that kind of thing. I also followed the Laotians. I went over to Bangkok from time to time as well and met with Charles Twining and we went up to refugee camps and talked to the refugees.

Q: You must have been concerned about all the military equipment that ended up in the North Vietnamese hands?

LAHIGUERA: Yes. One of the disappointments was what happened to the military equipment in Da Nang. We had this mass of fighter aircraft that were all set to be flown off. The Vietnamese pilots instead of flying them off took their families and got on the boats. When the communists arrived they found these aircraft all set up and ready to go. We lost aircraft in Bien Hoa air base as well. I did debrief former military ARV people who got out on the status of the aircraft. The Vietnamese weren't able to maintain and they couldn't get spare parts for much of the aircraft, so it was of limited use. I would think that they have a 100 years supply of artillery however. The aircraft was a more perishable kind of commodity.

Q: Was there any indication that our equipment was being used against the Chinese?

LAHIGUERA: Yes. They used '70s aircraft certainly including against the Cambodians when the invaded Cambodia setting up a new government. That was also during the same time.

Q: How were you seeing the Vietnamese/Cambodian relationship in this '75 to '79 period?

LAHIGUERA: Well, originally, when Pol Pot first took over, there wasn't any obvious break in relations. Things slowly went downhill along the Vietnamese Cambodian border. Frictions, clashes developed and it just slowly deteriorated. But historically they hated each other, so it wasn't a surprise.

Q: Did you have the feeling that in a way that you were looking at Vietnam. I mean, here is a place that we had spent lots of lives, lots of our money and all and this was a focal point of our foreign policy for over ten years and all. Then all of a sudden it disappears.

LAHIGUERA: Yes, it certainly was erratic. In fact, Charlie Twining and I used to say that we two replaced Graham Martin and his cast of thousands. Yes. It went from one extreme to another. Of course, in our realignment, our new relationship with China changed the whole picture and Vietnam became really of marginal interest. I mentioned previously, we made quite a bit of effort with the refugees on the questions of MIAs and also with travelers, people like the Swedes. We were always looking for Americans. I had worked with joint casualty resolution center people in Vietnam and they used to come to Hong Kong as well. So, we were always being urged to see if we could find out anything about Americans. I always thought that they would surface. I was very skeptical about prisoners remaining from the war period, but I expected that deserters would surface. There were reports of an anti-communist insurgency trying to reorganize and I was concerned about Americans going back to support that kind of activity. In fact there were Americans who wanted to go back to get their families out. So, that was another question. I thought there would be a good chance that there would be Americans arrested in the post-war period. We did get some reports from people in the North of seeing Americans. I recall a Swede telling me about a black farmer who apparently spoke English and he was out plowing the fields. That he didn't look like he was a prisoner, he looked like had a farm and a family there. The Swede tried to talk to him and he just ran away. I was very skeptical that there would have been any prisoners because it would have just caused a lot of embarrassment to the Vietnamese government and there was no advantage in their keeping them once the war was over. So, I didn't take the Rambo kinds of things very seriously, but I certainly did take seriously the possibility that Americans were there under other conditions.

Q: Well, as we both know that during a war they had developed a considerable deserter colony in Saigon hidden away where GI's were selling dope and you know, sort of living under cover with a girlfriend involved.

LAHIGUERA: Well, when I was in Bien Hoa we had information on somebody whom we believed was a MIA, who was listed as an MIA. I tried to make arrangements to have him photographed just to show that he wasn't a prisoner somewhere, but he was in fact on the loose.

We never were successful in getting a picture of him. We had people who described him. There were a lot of these kinds and reports of these kinds of characters running around.

Q: What sort of apparatus were you reporting to back in Washington? Was there sort of a Vietnamese desk?

LAHIGUERA: Yes, Jim Rosenthal was our original desk officer and then he was replaced by Steve Lyon, a director from Vietnam and Bob Miller was our deputy assistant secretary over all of these kinds of divisions. So, they would get our reporting and they would send me instructions on any particular thing that they would like me to focus on.

Q: Well, is there anything else you should talk about during this time?

LAHIGUERA: I can't say that there was any particular event after the invasion. I was amazed by the press at that time, I'm talking about the invasion of the Chinese into Vietnam. The press made a lot of noise about how it was really a victory for Vietnam because of the high Chinese casualties. That kind of comment was surprising. I couldn't believe Beijing being worried very much about casualties. I thought that the invasion was pretty much a success in sending a message to the Vietnamese that they were very vulnerable to China and better behave. The Vietnamese were fearful of China, China being their traditional colonial boss. They always had this historic fear that they would come back as Ho Chi Minh did. You might like to know that Ho Chi Minh organized the Vietnam communist party in Hong Kong and had the first party congress in Macao. He was arrested by the British and then eventually released. But they had to sneak him out of the colony because they were afraid the French would assassinate him to prevent him from returning to Indo China. I met actually one lady who had met Ho Chi Minh while he was there.

Q: Well, were Vietnamese politics raging in Hong Kong. I mean were these just people that the Vietnamese had got to Hong Kong just waiting to get the hell out.

LAHIGUERA: Most of the refugees that made it to Hong Kong were ethnic Chinese and they had no interest in Vietnam once they got out. Most of them were economic refugees and they would largely like to go to the United States. We had some problem and friction with the Hong Kong government because we weren't willing to take everybody that came out. There wasn't any Vietnamese activism in Hong Kong directed against Vietnam. That didn't develop at all or I would have heard about that. I'm sure of that. It was interesting to see how the attitude in the Hong Kong business community changed significantly after the Chinese government became hostile to the Vietnamese. Then suddenly the businessmen and the American Chamber of Commerce were pretty well decided that they weren't interested in Vietnam and in fact weren't sure that they had ever been. It sort of, this whole effort vanished overnight. That was amusing.

Q: Were you getting any reflection of, I mean there had been a major anti-American movement both in the United States and Europe and all against our involvement in the war and cheers for Ho Chi Minh and all. Did these activists try to head out for Vietnam for the new workers paradise and all that?

LAHIGUERA: I didn't see much of that kind of thing. It seemed to me, after the war, especially

on the American side, there was a great loss of interest on what was happening there. I didn't notice any concerns about human rights in Vietnam after we were out in contrast to all the noise that had been made before. I do remember there was an Italian journalist at the Far East National Tribune, Tiziano Terzani, I think he's the editor now. He may have just left. He who wrote a book on the fall of Saigon. He also wrote for the Spiegel, which is funny. I remember I had great pleasure in telling him first how I bought his book in Taiwan. He got the point; he didn't get any royalties on my purchase. I then enumerated all the mistakes he had made in the book. He had written something of a sympathetic presentation of the communists. He went back to Vietnam after the election, after the Vietnamese communists finally set up some sort of election machinery. When he came back again he was very disillusioned. I have to give him credit, he did criticize the new regime. I found that the foreign journalists took a far more serious interest in what was going on than the Americans. They were interesting to talk to and they would ask me far more interesting questions. The Americans tended to call me up and ask me what was new. That was the kind of question I would get while the reporters from the Guardian had really very penetrating questions.

VIRGINIA CARSON-YOUNG
Consular Officer
Hong Kong (1978-1982)

Virginia Carson-Young was born in the state of Washington. She obtained a B.A. from the University of Washington. She was the spouse of a Foreign Service officer until she became an officer in her own right after the death of her husband in 1972. She served in consular affairs in New Delhi, Hong Kong, Merida, Bucharest, and Lima. She was interviewed by Charles Stuart Kennedy on July 29, 1991.

Q: You were there for four years from 1978-1982?

CARSON-YOUNG: Yes. I was actually American Citizens Officer in Hong Kong and had an extremely interesting time. The Consulate at that time was filled with China Watchers. Their focus was on the Mainland and, of course, there was and is now this huge interesting business community. Because American citizens services are not limited to the destitute, and I had a legitimate reason to know as many as possible, I started going to Chamber of Commerce luncheons. I got to know many of the business people. I became a member of the only overseas branch, at that time, of the League of Women Voters. Working with the League, I was very active in a U.S. program for the 1980 elections, and was on local television promoting the idea of democracy, the responsibility to vote So I had quite an interesting, but essentially non-visa experience.

Q: What were your main problems and issues that you had to deal with?

CARSON-YOUNG: It was relatively uncomplicated compared to India. We had certainly the drug-related arrests, but the prisons were well run, the officials were uncorrupted, so jail visits

and drug problems were not as complicated. And, of course, the geographical area was much smaller, so it was easier to make these visits. Persons qualifying as citizens became one of the main items of interest for me. We recognized China during the time I was there. The Chinese are experts in using our citizenship laws in order to emigrate. I think that at FSI, probably even now, when they are demonstrating citizenship fraud, they use a photograph of a Chinese family as an example. If you count the heads and the number of feet, they don't match up, because some heads have been pasted in, in order to establish a fraudulent family member's claim to status.

During the Chinese cultural revolution, many documents were destroyed. But one thing the Chinese are reluctant to do is to destroy photographs. And they take many family pictures. In Hong Kong I had a former Chinese national employee who had actually been the one to close out Shanghai in 1948. He was Fred Tao, a very dapper little gentleman, in his sixties, I think at that time. He was my citizenship expert. Many of the people of Chinese origin born in the United States in the early 1900s went back to China as children. They were now elderly, newly able to come out of China. Most of their documents had been destroyed. Even if they had a birth certificate, how did we know that this was the same person? They were wanting to go to the U.S. in order to qualify their children to go. These elderly people, I think, did not really intend to remain in the United States, but they were eligible to go if they were citizens. So they tried, through photographs, to establish that they were the same person who left California as a baby, and were U.S. citizens by birth.

Fred Tao was my expert on photographs. He said, "If you will notice, the nostrils and the earlobes do not change." And apparently that is the reason for the three/quarter view for immigration photographs. The ear is a very distinctive feature. A baby's ear and an old man's ear will be the same shape. I think there were probably lots of people who assumed we had records and archives and computerized ways of checking, when in fact I would just take a photograph to Fred Tao and he would check out the nostrils and the ears. He would say, "Yeah, it is okay," and we would often issue the passport on this basis.

GILBERT J. DONAHUE
China Reporting Group
Hong Kong (1978-1981)

Economic/Political Officer
Hong Kong (1989-1992)

Gilbert J. Donahue was born in Virginia in 1947. He received his bachelor's degree from American University in 1968. His career included positions in Mexico, Ivory Coast, Taiwan, Hong Kong, China, and Brazil. Mr. Donahue was interviewed by Charles Stuart Kennedy in April 2000.

Q: We're in 1978. You left Taipei and you're off to Hong Kong.

DONAHUE: That's right. Staying in Taiwan for a minute, I'd like to describe some of the

characteristics of Taiwan at that time and contrast them with Hong Kong. Taiwan has subsequently changed a very great deal, as our relationship with it has changed. I was a member of the last class at the American Embassy School of Language Studies in Taichung, Taiwan, to graduate while we still maintained diplomatic relations with Taiwan holding the seat of China in the UN. There were many, many changes following my departure from that school. The school itself subsequently was moved to the outskirts of Taipei. Purposely, the State Department had located the language school in Taichung, which was a rather small city, instead of Taipei because they did not want the embassy to look upon us students as a pool of workers who could be pressed into use to fill their needs. We were to be kept quite separate from the embassy staff. On the other hand, we relied on the embassy for administrative-type functions. So, there were two or three times during the year when we had to make the trip to Taipei to visit personnel, to square things away with the embassy in one way or another. We found the embassy very efficient and almost working on a military footing partly because U.S. military bases occupied large parts of downtown Taipei in those days. So, there was an American Air Force base right next to the civilian air facility terminal. On the main road going from downtown Taipei to the famous National Palace Hotel, both sides had U.S. military bases, including an officers club and commissary. All of that subsequently changed entirely in the year following my departure from Taiwan so that we were part of the last of an era. Even while we were there, it was very apparent that Taiwan had grown a lot and the nature of its economy was changing a great deal. There was a sense of great economic dynamism. All of that having been said, however, there was a world of difference between Taiwan and Hong Kong. Although my wife and I felt that we would have benefitted a great deal from having a follow-on assignment in Taipei, certainly it would have cemented our Mandarin being in a situation where we had to use it on a regular basis, nevertheless, we were very much looking forward to our assignment to Hong Kong, which was then and remains now truly an international city. The orientation of our jobs was very much to China, which was a much bigger fish than Taiwan. So, we left Taiwan very much looking forward to working in the realm of China relations, not knowing for sure, but having an expectation that, finally during the course of our tour in Hong Kong, the U.S. government would indeed shift the recognition of China from Taiwan to the People's Republic.

Q: This was the shoe that everyone was expecting to drop.

DONAHUE: That's right. As we were leaving Taiwan, all of our social contacts with Taiwanese had that sense of anticipation. Was there anything we could tell them about when this decision would be made? There was a lot of expectation and concern because no one anticipated the Taiwan Relations Act that would essentially allow us to more or less continue our relations with Taiwan as before.

Q: The real feeling was that they were expecting to be really cast adrift?

DONAHUE: That's right. There was a lot involved with the sense of the loss of national recognition. A lot of it had to do with the Chinese sense of face, that they would lose their face internationally. They were very concerned about maintaining their trade relations and their economic well being.

Q: What about your wife's family relations?

DONAHUE: There are several different kinds of people living in Taiwan. There are actually Aboriginal people related to the Polynesians and similar to the people of the Philippines. They are island Malays, a distinct minority. The people that most English speakers refer to as native Taiwanese are in fact people of Chinese ancestry whose families migrated to Taiwan since the 1700s. They mostly came from the southern part of Fujian Province on the Mainland of China and speak Southern Fujian dialect. It's written in Chinese characters, but the spoken language is as different from Mandarin as German from French. It almost represents a different language family. So, those are the people who are referred to as native Taiwanese.

My wife did not have any relatives among them. Her relatives were so-called Mainland Chinese who migrated to Taiwan with Chiang Kai-shek's armies following WWII. It was a harrowing experience for them. My wife's mother was a Hakka from Meihsien County in the northeastern part of Guangdong Province. The Hakka people are probably originally (2,000 years ago) from the Yellow River Valley in northern China and migrated to the south after the culture of Guangdong Province had become established. They were seen as interlopers, refugees from the north. They were never fully accepted into southern Chinese society. For a number of reasons, they maintained their distinction, so their language is different, their customs are different. The women, for example, never bound their feet. They remained apart from the dominant society of the south. Sort of like the Medicis or other people in Renaissance Europe, they maintained family ties with other groups of Hakkas elsewhere in China. Hakka people were very prominent in financial affairs, having run a kind of banking industry throughout China over the last 1,000 years. The Hakka also were mainstays of so-called secret societies and brotherhoods, many of which had a political dimension and were active in the 20th century revolutions and civil wars.

Q: More like the Masons were in Western Europe in the last couple of centuries.

DONAHUE: That is correct. The Hakka group's secret societies played an important role at the end of the Ming Dynasty and the Ching Dynasty. A foreign group known as the Manchus ruled the Ching Dynasty in China. The Hakkas also played a significant role in the downfall of the Ching Dynasty and the early period of the Republic. Furthermore, the Hakkas played a role in the communist uprising in China, and Chiang Kai-shek used Hakkas on his staff. He probably largely relied on Hakkas in his intelligence network and secret police network. One of my wife's uncles was in fact a general in Chiang Kai-shek's army involved in intelligence.

Q: At the very end there, did you find that the group, including your wife's family, but others, were looking to meld into the Taiwanese population? Were they looking to get the hell out? How was this group getting ready to deal with the situation?

DONAHUE: As a group, the Mainlanders who had migrated to Taiwan following WWII never felt fully accepted by the so-called native Taiwanese, the majority of the population. Under Chiang Kai-shek, the Mainlanders held a privileged position, and indeed, they dominated most high level government positions. As time progressed and the native Taiwanese got wealthier and got more political power under Chiang Kai-shek's son, the relative power of the Mainlanders waned. I think a lot of the immigration to the United States and to Australia from Taiwan has been Mainlanders realizing that their prospects on Taiwan were very limited. They felt they

would be better off moving on to someplace where they would be given greater scope. At the time we were in Taiwan, Linda's uncle and aunt were still living. They were very elderly. They had a very large family, eight adult children and two still in high school then. All of them aspired to leave Taiwan. Subsequently, almost all of them did. Two family members continue to live and maintain businesses in Taiwan. However, most of the family went abroad for advanced university degrees and then subsequently either went into business or entered a profession while maintaining their lives outside of Taiwan.

Q: You were in Hong Kong from 1978 to when?

DONAHUE: 1978-1981. That was a defining period for our relations with China. It also was a major period of decision making for what to do with our consulate general in Hong Kong. Hong Kong had been a rather insignificant part of the British Empire for most of the 20th century up until WWII. From the 1890s to WWII, the main city in East Asia was Shanghai, and it had the bulk of British and other foreign presence. That was the economically dynamic region. Hong Kong, while it remained very important as a major port, nevertheless really had no industry. So, what gave Hong Kong its industrial base was the flight of refugees from Mainland China into Hong Kong in the early 1950s, as many of those businesspeople were forced to leave China. Most of the refugees in that early period were the so-called capitalists or what the communists termed "bourgeoisie." They took out whatever resources they could, as well as their skills. Many of the refugees from Shanghai established the textiles industry in Hong Kong, its economic mainstay for much of the '50s and '60s. When we arrived in Hong Kong, the early period of the shock of foreign recognition of Mainland China had already subsided. So, Hong Kong business and the Hong Kong population had gotten used to the fact that western countries were rebuilding their relations with China. However, the U.S. had not yet made that decision. So, there was a lot of expectation, not apprehension, but expectation that once the U.S. did indeed recognize Mainland China, it would be ultimately good for Hong Kong because a lot more business would flow through Hong Kong to China. There were many reasons to believe that. Hong Kong had become the main entrepot for China trade. Probably Hong Kong was responsible for as much as 80% of China's foreign exchange earnings. Many foreign countries would not or could not ship to the port of Shanghai. So, a lot of Chinese goods would go by lighters or coastal vessels from Shanghai to Hong Kong to be placed on international ships.

The British government in Hong Kong had evolved during the course of the '50s and '60s, and by the late '70s there was a maturation process. During that period, from 1950-1980, Hong Kong's population increased about three times. So, during the '50s, which was the greatest period of the influx of refugees, the Hong Kong government had been mainly concerned with how to house these people, how to provide normal city services like schools and water supplies to the new areas that were being built. That was consolidated during the '60s. However, the '60s was a period of great tension in Hong Kong because of the Cultural Revolution taking place on the other side of the border, the flow of another group of refugees, and the concern that Red Guard or similar political activities would cross the border into Hong Kong. There was a feeling of tension. For a period during that time, the Red Guard effectively controlled the Portuguese enclave of Macau on the south side of the mouth of the Pearl River. It was only with great patience and concern and close coordination with the government in Beijing that Red Guard control was ended and the Portuguese were allowed to retain a fig leaf of rule over Macau. It

never got that bad in Hong Kong, but nevertheless the Hong Kong government was greatly challenged during that period. There were times when it could not provide a sufficient supply of drinking water to the inhabitants of Hong Kong. They were concerned about power shortages and so forth. That ended by the '70s.

Q: We really want to talk about 1978-1981. Who was consul general, what were you doing, what was the situation?

DONAHUE: At the time that we arrived in Hong Kong, the consul general was Thomas Shoesmith, who had been DCM in Tokyo and was a member of the so-called "Chrysanthemum Club" in the State Department. Virtually all of his foreign assignments had involved Japan, and he did not speak Chinese. It was perhaps by happenstance that he was assigned to Hong Kong. I guess the Bureau owed him something. Perhaps there wasn't the expectation that our relations with China would be affected to the extent that they were during the period of his assignment there. Interestingly, he subsequently became ambassador to Malaysia. Shoesmith was highly regarded and extraordinarily knowledgeable on Japan and the U.S. strategic relationship with Japan. However, he really did not have a background in Chinese affairs nor was he particularly knowledgeable about our relations with China as they were to develop. However, that was also a strength. He didn't have preconceived notions. He was willing to ask for guidance and ideas and took them on board very well and cogitated a lot before determining action. So, he was a kind of broker of options that were put forth by various agencies when the questions arose as to what to do with the consulate in Hong Kong. When I arrived in Hong Kong, I was assigned to what was then called the China Reporting Unit. I have to go back a little bit in history to explain the significance of that and then describe what subsequently happened to it.

Hong Kong had truly been insignificant up until the end of WWII and then it became a staging area for American military operations once it had been recaptured back from Japan (it had been occupied by Japan during WWII). Hong Kong became extremely important to both Britain and the U.S. in the 1950s as Mainland China was taken over by the communists and most foreign delegations were forced to leave China, with the exception of the British. Of the main Western European countries, only Britain retained a presence in China continuously. The British Government did this in part because it felt the need to safeguard its presence in Hong Kong. The other western countries increasingly recognized the value of Hong Kong, as well. The U.S. considerably beefed up our operations there. Hong Kong became very important as a source of intelligence and analysis on China for the U.S. and for Britain during the early 1950s for the Korean War, and in the 1960s for the Vietnam War. It was also an excellent location from which to follow the North Koreans, the Russians, and the Vietnamese. Hong Kong became a significant collection center because it was right there on the coast of China. It was easier to get information than any other place.

The China Reporting Unit was composed of a very unusual group of people, including highly talented FS nationals, some of whom, like David Wong, had actually worked for the U.S. Consulate General in Shanghai during WWII. He was one of the last people who closed our consulate in Shanghai and fled the city when the communists were telling foreigners they had only a limited time to remain. So, David and some of the other people at the consulate, like Vincent Li, literally brought papers with them as well as other belongings from our Consulate

General in Shanghai. We had a sizeable library of works on and about China written by Chinese and foreign scholars. We had incredible and extensive files of various kinds of happenings in China. David Wong and others of his generation essentially established the filing system that allowed us to track what was going on in China. I know that various places in Washington had some of the same materials, similar materials anyway, but I think that we would have had to visit several such facilities in Washington, whereas they were all together in Hong Kong. So, Hong Kong became a kind of analyst's paradise. Even as late as the 1970s, it was visited frequently by Washington-based analysts to pick the brain of David Wong and Vincent Li. They could find immediately what the analyst was looking for. The reason why this was so very important was, a kind of theology has developed in the world of Marxism and governments claiming to follow Marxist ideology. Certain terms have a particular meaning and they are often associated with people in the leadership. I'm sure in Russia there were terms or ideas that were associated with Lenin as opposed to Trotsky. In the Chinese context, there were similar ideas. There were ones associated with Mao, with Deng Xiaoping. One of the aspects of the analytical function was to very carefully read Mainland press and look for trends or changes in content that would indicate which leader might be coming to the fore or which political line would seem to be most influential at a given period. People like David Wong were past masters at detecting those ideas. David's strength was economic. His political counterpart was Vincent Li. Both of them had reputations that caused people in Washington to really follow what their thinking was. They were that important. So, the China Reporting Unit was one of the places to be assigned, and it was considered quite a feather in one's cap to be part of the staff. It was a learning experience as much as a job for us to accomplish.

Q: 1978-1981. What was the situation in China as seen by you all?

DONAHUE: When I began studying Chinese in 1976, Chairman Mao had just died. There was the expectation that China could return to a more liberal or pragmatic approach to politics following his death. We had not really expected the subsequent Gang of Four period that lasted for about two years. About the time I was leaving Taiwan and going to Hong Kong in the summer of 1978, the Gang of Four was arrested. At the very time that I arrived in Hong Kong, there were trials for the members of the Gang of Four. These were show trials and were televised by Chinese TV. We were able to pick up that in Hong Kong and we watched the trials in real time. We also taped them. That way, we could watch the tape as a group, stop it periodically, and discuss the import. So, among the first few weeks that I was working in Hong Kong, it was very exciting because we knew that we were witnessing an historical period. We did not know precisely what the outcome was going to be. Deng Xiaoping had been reinstated, which was his third resurrection politically. But he was not particularly well known or understood. There were debates on the extent to which he would reintroduce Maoist-type policies, whether he would carry out more pragmatic policies. There was also some apprehension as the trial of the Gang of Four unfolded as to whether they themselves would garner popular support and make it difficult for the mainstream communist authorities to continue to pursue a criminal case against them. But the Chinese government was very astute in staging the TV show trials and arranging testimony from people who had been directly and awfully affected by the excesses of the Cultural Revolution. Many of those witnesses were able to finger specifically one or another member of the Gang of Four. This totally discredited them. This was over a period of some months. So, it got wide coverage in China and a political pulse reading was taken at that time. I would say by

November of 1978, we were beginning to realize that indeed a new era was taking shape in China, that Deng Xiaoping was consolidating his power, that the period of excess under Mao and the Gang of Four was over, and that China was getting ready to take a more pragmatic approach. Also, Beijing began really welcoming foreign investment. Already, it had engaged in foreign trade. However, it was a major step politically and ideologically to actually permit foreigners to own property in China. It was even more threatening to the leadership to permit foreign firms to employ workers in China. This was a big step for them, a major concession to capitalism for a country that until then had not recognized individual property rights. The concept of Chinese people working for a capitalist enterprise was just anathema ideologically.

Q: What were we seeing during this time, the China watchers? Were they concerned about where we might go?

DONAHUE: I think that this is one of the strengths of the China Reporting Unit that we maintained in Hong Kong at the time. We had files that went back probably to the 1930s, including some files that had been carted out of Shanghai. People like Vincent Li and David Wong went back into that material to research extensively the biographies of Deng Xiaoping and the other people he was bringing back into government. So, we looked very carefully at the period when Deng Xiaoping had lived in Paris, which was in the 1930s. We looked very carefully at what we had known about Deng Xiaoping in the '50s and '60s before he had been imprisoned for a period during the Cultural Revolution. We looked at why he had been placed on Mao's enemies list, what Mao had seen in him that he didn't like. Going back to a point that I made earlier, Deng Xiaoping was a Hakka. He had been on the communist side rather than the Nationalist side during the civil war. Nevertheless, he was part of this Hakka family network and there were Hakkas we knew who could shed a little bit of light on what Deng's thinking or likely operations would be. What we saw was that Deng had maintained contact during the period of his disgrace with a number of people who had been pragmatic thinkers in the 1950s and there had been a period in the 1950s in China when China had done something similar to what Lenin did in Russia in the late teens and early '20s. In Russia, it was called the New Economic Program. Lenin had allowed a level of capitalist enterprise to be maintained. In China, there was a similar period in the early 1950s, when Mao had allowed certain types of capitalist activity. He had divided the capitalist society into two groups. One was called the large bourgeoisie, the other the small bourgeoisie. The large bourgeoisie, with capitalization valued at hundreds of thousands of dollars, were the owners of factories. These were the major enterprises that the state decided to nationalize. It was because of that policy that many of those factory owners from Shanghai had fled to places like Hong Kong. But the so-called "small bourgeoisie," the people who owned small storefront shops, restaurants, various services, were permitted to maintain their operations. There was no problem for them as long as they did not employ people from outside their family. However, this was not a problem culturally. Typically, Chinese never felt comfortable employing people outside their family except in very menial positions. They certainly would not invite people from outside their family to keep their books or have deep insight into their financial situation or their business operations because they didn't want competition. So, this worked in China. It worked until the period of the Cultural Revolution. During the Cultural Revolution, however, even these small businesses were wiped out. In big cities like Guangzhou, that had thousands and thousands of restaurants, they were reduced to only four restaurants for a population of five million people.

So, what we anticipated was that Deng was going to revive this low-level capitalism. Indeed, that's what happened. Of course, it took years to actually bring back this activity. China's economy actually shrank during the Cultural Revolution. There was incredible demand, but insufficient production, of certain items, including most consumer goods. During the waning years of the Cultural Revolution and up through the time that I was in Hong Kong, ration coupons were required to buy mainstays in China. That included not just food but also low-level industrial products such as a fan, a radio, and a bicycle. Therefore, there really weren't products that small shopkeepers could buy that would allow them to maintain their shops. So, Deng Xiaoping faced a number of problems. He had to increase agricultural production, increase industrial production, and make available products that could be marketed through retail operations at the grassroots level. He did accomplish this by bringing back into government and pressing into service people who had been discredited by Mao and considered Mao's enemies during the '50s and '60s. But, it took several years for those people to be located and reestablished.

Q: During this period (You were there up through the second half of the carter administration and the full recognition of China), how did that impact on the consulate general?

DONAHUE: It impacted in a number of ways. First of all, there were opportunities for us to make official visits to Beijing that would include travel to other cities between Hong Kong and Beijing. The U.S. Liaison Office in Beijing asked us to string out our travels so that they wouldn't have too many visitors at one time. They were very conscious of the need to not wear out anybody's welcome and they wanted to manage us well, which is also a Mainland Chinese thing, to manage the foreigners. So, the timing of our travel to China was related to the date of our arrival in Hong Kong. Because my wife and I had arrived late in the summer, we were somewhat later on the list for making our trips to China. Some of the people in the office were making their orientation trips to China during that fall, talking with the liaison office, and getting a sense that the shoe was ready to drop. Even so, it was a considerable surprise to us.

I remember being at a Christmas party at the home of Stan Brooks, the head of the China Reporting Unit, in December 1978. It was a beautiful day and life was continuing on per usual. Then we got the news. I believe somebody called him from Washington or Beijing. "The President has announced that we are normalizing relations with China." So, the party that had been a holiday party ended up being a kind of celebration of our new relationship with China. We also spent the rest of that time, and indeed the rest of the month of December, ruminating about how our situation in Hong Kong might be affected. We knew that when the Liaison Office in Beijing was turned into the U.S. Embassy, there would be a great desire to make it a full-fledged embassy and to have it do everything that an embassy could do. We thought our whole unit might be moved to Beijing, lock, stock, and barrel.

Well, for a number of reasons, it didn't happen. But we had lots of meetings in the consulate where all of us had the opportunity to make our views known. This was another thing that perhaps was most unusual about how Hong Kong was run. Tom Shoesmith almost viewed us as a combination faculty on China, sounding board on what to do with China relations, and cabinet. All of us members of the China Reporting Unit were given equal standing to voice our opinion.

He ran the consulate in a very collegial way. He did not rely exclusively on his section chief to advise him, but really wanted to hear all of our views. One by one, we would go over various themes. I remember contributing to speeches and drafting some speeches he made during that period when he was explaining to various groups in Hong Kong, business groups, groups of Chinese, perhaps even people in the Hong Kong government, what this particular move on the part of the U.S. Government meant for our presence in Hong Kong. He also needed to discuss its effect on our relations with Taiwan because there was considerable dissent about that. As well, our new recognition of the People's Republic had implications for our relations with other countries in East Asia like Japan, and the so-called balance of power in the region. At the time, although we were no longer involved in the Vietnam struggle, we still had a considerable U.S. military presence in South Korea.

Q: We had pulled out of Vietnam fully in 1975.

DONAHUE: You're right, but Hong Kong had been affected in several ways by Vietnam. There was a kind of dirty war going on in Vietnam and the rest of Southeast Asia. There were all kinds of things going on in Cambodia. There was a quasi-military tangle between Cambodia and Thailand that involved U.S. military and other parts of the U.S. Government. We had a Vietnam watcher-type position in Bangkok looking at Indochina from that side, but we also had an equivalent position in Hong Kong looking at the operation from Hong Kong's side. The person in that position is still living in the Washington area and is very much involved in foreign affairs: Charles Lahiguera. I believe he served in Bangkok as well. He was a very astute political officer, and his job involved looking at Vietnam. He also looked at what North Korea was doing in this area. There was concern on that score, as well. Because Shoesmith had served in Japan, he was looked to by a number of people in the Hong Kong community and the Hong Kong government for a readout on how our new recognition of China might affect our relationship with Japan. There had been a feeling in some quarters that as we renewed our relationship with China, we would diminish somehow our relationship with Japan. There was also a concern about whether China would seek for us to minimize our presence in South Korea, whether China would press forward more vehemently to bring about reunion with Taiwan. So, all of those issues were up in the air at that time. They were a matter of debate within the consulate as well as in Washington.

Typical for being assigned overseas, you are aware of but not always completely knowledgeable about debates taking place in Washington. A lot of times, decisions are made in Washington without necessarily involving the post. So, I would say from December 1978 through about May of '79, many of us had the expectation that we would just be reassigned to Beijing. None of us frankly expected at that time what subsequently happened.

In Beijing, the U.S. was Johnny Come Lately. I think the fact that we were so late in our recognition of the Beijing government in comparison with other Western governments made it inevitable that we would be further delayed in bringing our embassy in Beijing up to full status. There was a shortage of everything in China, really a great shortage. Because Beijing was a government city, the government provided all municipal services. That means not just a single municipal water and sewer supply, but the provision of heat was based on a city steam plant and things like that. So, even though we could get a plot of land that the Foreign Ministry would allow us to have to build on, it was on the outskirts of town and not part of their plan to be

supplied with heat for another 10 years or so. The better plots, the ones that were already connected to that city grid, had already been taken based on order of recognition. So, we truly lost out. Our tiny liaison office building simply was not sufficient to handle the large number of people and multifarious agencies that would want to be in Beijing during a period of normal relations. Everything had to be done. So, in the end, our embassy was able to obtain a series of buildings on two different compounds several blocks away from the liaison office. It was certainly not an ideal situation. But it became sort of adequate. One of the buildings had been the former Pakistani embassy that was moving to newer, better quarters. We had to refit it and it sort of worked but was never adequate. Then the other compound was where we put administrative, consular, and embassy community functions. It was never adequate either, and they are probably still adding a little room here, there, and the other place. But these were all fixes and they are not a true solution. Just refitting the Pakistani embassy required another year or two to make enough room for people. There was a severe housing problem for diplomats; the embassy could not add personnel as rapidly as it wanted to.

So, a kind of division of responsibilities came into being. First of all, even though we maintained the China Reporting Unit at least initially, we changed its nature fundamentally. We split it into an economic section and a political section. The China Reporting Unit officers were split so that Stan Brooks, Ray Burghardt and Neil Silver went to the Political Section, and John Modderno, Kaarn Weaver and I went to the Economic Section. At that time, we were only concerned about political relations with China, not with Hong Kong. The Political Section essentially was a China Political Section. The Economic Section had some people dealing with our relations with Hong Kong with the expectation that China trade would increase. However, it was expected there would be a lot of Hong Kong-related work involved. So, the China economic unit was analytical, and the Hong Kong economic unit was primarily commercial. At that time, the Foreign Commercial Service function was still part of the State Department, so this was not a problem. However, all of this changed during the period I was in Hong Kong. It seemed like every year we had a reorganization and we went through a number of different section chiefs and so forth. By the time I left Hong Kong, the Foreign Commercial Service had been taken over by the Commerce Department and had moved out of our unit physically, operationally and bureaucratically. Therefore, what had been the China Reporting Unit, global in its scope and providing close collaboration between economic and political officers, became much more stratified and separate and our orientation diverged. But we were also in a way backstopping Beijing. We were doing things that our embassy in Beijing could not do, so they were tasking us for research that they knew only we could do.

Q: I suppose too at this point your Chinese national staff in Hong Kong were highly skilled and were not about to go to Beijing anyway. You had the expertise and all there that could not be duplicated somewhere else.

DONAHUE: This was true. At that time and even now, we cannot hire FS national employees in China. The Chinese employees of foreign embassies are in fact employees of the Ministry of Foreign Affairs who are seconded for assignment to a particular foreign embassy and the foreign embassy pays their salary by contract. They can be yanked out at any time and they usually are recycled on a fairly regular basis. In fact, it's like employing a spy in your operation so you have to keep them at arm's length. By the time they're trained and are helpful, they're taken out and

you have to train somebody else. I think that the people in our embassy in Beijing recognized early on that this was going to be the pattern and that we had a resource in Hong Kong that they could use and they needed to use. We had people in Hong Kong who, in reading a newspaper and especially the editorials in *People's Daily* or *Guangming Daily*, could immediately remember that a given phrase recalled something from the 1950s. These FSNs knew which leader had been involved and they knew what policy could flow out of that. So, we had a capability of forecasting that people in our embassy in Beijing simply did not have and would never have.

However, State Department Security interjected itself and forced some changes on our operations in Hong Kong. Together with the other bureaucratic changes, these fundamentally altered how we worked. In the days of the China Reporting Unit, the entire unit had been on a single floor. The Americans worked right next door to FS national employees. We saw each other all the time. We had meetings throughout the day. We were in each other's offices all the time. I would say we jointly drafted analytical pieces. Yes, only officers had access to classified information. A lot of times – of course, this was an era before computers – a cable or other kind of report drafted by a FS national employee would come to us and we would intersperse paragraphs that were classified that they would never see. Although we would be responsible for the whole piece, the bulk of the report might be mostly their work. Sometime during this period of 1978-1981, State Department Security decided it would not work for us to be located together. They wanted all of the FS national employees to be on other floors in the consulate and for the Americans to operate behind a hard line. So, we had to make a major shift in our operations. Although we remained very friendly and we had to work with each other, it became a bit of a chore. We had to travel between floors. The national employees had to ring a bell or call in advance to get into our office space. It did alter how we were working. As a result, not right away, but over time, some of the longer serving FS nationals who were among the most skilled and had the most institutional memory of the staff ended up retiring. By the end of the time that I was in Hong Kong, 1981, what was left of the China Reporting Unit staff had been weakened. We had a new generation. They were people who had not been born in China and did not have the sense of familiarity with the Chinese countryside as the people who had departed.

I cannot overemphasize the importance to the U.S. Government of Hong Kong as a listening post on China and other parts of the Asian mainland. Hong Kong was a safe, convenient location, with a solid and supportive government, all of which encouraged the activities of a strong resident China-watching group. This included some knowledgeable expatriate businesspeople, foreign and Hong Kong Chinese academics, non-governmental organizations, and journalists. Although Hong Kong is a big city (4.5 million population), the foreign community, and especially the China watchers, frequently saw each other. There were well-established lines of communication, and many venues for the sharing of knowledge and views. These encounters included meetings of the American Chamber of Commerce's China Commercial Relations Committee, the Foreign Correspondents Club, the Hong Kong General Chamber of Commerce, and various receptions and lunches around town, as well as university lectures.

During both of my assignments to Hong Kong (1978-81 and 1989-92), I was privileged to be invited to participate in the Williamsburg Group. This was a handpicked "club" of no more than 20 China watchers who met monthly for dinner. I believe the original meeting had taken place in

the Williamsburg room of a club and so the name stuck even though the meeting place changed many times. During my tours in Hong Kong, the group usually met at the Foreign Correspondents Club. During my second tour, I was the only one from the American Consulate General who received the coveted invitation; all the other participants were in the private sector, working for companies or themselves, or else academics or journalists. The meetings were conducted in English and the main rule was that all discussion would be kept confidential. Journalists and others who wrote for the public were not allowed to attribute any views to the participants. These rules became more important in the run-up to 1997, when people became more concerned about how they might be treated by China or the future Hong Kong Government. I found the discussion at these meetings extremely important to my understanding of events in China, helpful to my reporting and analysis, and invaluable as a way to bounce ideas off seasoned professionals.

Unfortunately, my Hong Kong contacts inform me that the China watching community has dwindled significantly since 1997, which caused many of my former colleagues to leave Hong Kong, for retirement or professional relocation. While some of them moved to Beijing or Shanghai, and are doubtless able to maintain their professional activities there, they may not feel so free to voice their views in settings on the Mainland as they were in Hong Kong during the "good old days" of China watching from a short distance.

Q: What about cooperation with the British and the French in Hong Kong?

DONAHUE: We have, generally speaking, an outstanding working relationship with the British. Perhaps just one rung below are our relations with other English-speaking countries like Canada, Australia, and New Zealand, where we share a very great deal of information. Up until the period when we first established our liaison office in Beijing, we relied almost exclusively on the British to give us a readout of what was taking place in China. The French also had a presence in Beijing, but we have never had the degree of closeness with the French in terms of information sharing that we have with the British. There were times during the Cultural Revolution when even those countries' embassies in China were quite small and there were some weeks when they were advised by the Ministry of Foreign Affairs not to leave their premises. So, even they didn't always know and could not always follow the scene of what was taking place in China. Up until the point when we formally recognized China, we had a very close relationship with the British and I would say there was no conflict and no competition. What they could not supply, sometimes we could through signals intelligence and so forth. So, we had a really hand in glove relationship.

This did begin to change with normalization. The Chinese made a distinction that was very important. We could buy things from China and they would probably buy a few things from the United States, even before normalized relations. But the Chinese had made it very clear from the outset that a full trading relationship would not be possible until we had established a full diplomatic relationship. So, with the establishment of our embassy came an incredible outpouring of interest on the part of American companies in doing business of various types with China. It sort of coincided with the beginning of loosening up in terms of China's overall policy under Deng Xiaoping and a welcoming of foreign investment permission for foreigners to enter into contracts with Chinese enterprises and permission to establish joint venture industrial

operations. Of course, American companies were reading about this in the newspaper and they wanted to have part of the action. I think the British and other Europeans chafed at this. There was a feeling that they had been there longer, they had suffered in their relations with China during the period when it was very difficult to live and work in China, and their companies ought to be able to take advantage of these opportunities. They saw Americans as Johnny Come Latelies, wanting to take advantage of an opportunity, and crowding them out. So, there was a sense of competition that we had not had before in our relations with Britain. I saw this competitive sense not only in the period of 1978-1981, but also later when I served in Hong Kong, 1989-1992, in what was getting to be the waning years of British presence there. The British were trying to extract as much commercial benefit as possible from their relationship with China and they really saw U.S. business as wanting to take that away. This was unfortunate, and it did affect our ability to cooperate in some other areas.

Getting back to the French, I never personally found the French very useful or helpful. Perhaps some of the political officers did, but I don't think we had a high regard for French knowledge of China. We had a high regard for Australian knowledge. Australia was gaining a great deal of expertise. Australia and New Zealand had been quite shaken economically and politically when Britain joined the Common Market in the early 1960s because those countries had had a preferential trade relationship with Britain before that. One of the consequences of Britain's joining the Common Market was a trade shift favoring the continent over its former colonies. So, Australia and New Zealand at that point recognized that where they were located geographically had to dictate the countries which were going to be the most important to them politically and economically. Australia was the first Western country to develop agricultural trade with China, a grain deficit nation.

The Australians really made the most of the growing international diplomatic changes with China and they established relations between their academic institutions, their trading institutions, and so forth. There was a constant steam of Australian academics and politicians. On their way to Beijing, they would stop in Hong Kong. In fact, we had a very useful exchange with several of the academics over time, and some members of our staff had indeed studied under some of those academics at Australian National University before American universities could have similar exchanges. So, we got a lot from that relationship.

We also got some benefit from our diplomatic colleagues in the Japanese mission. Japan had also developed a trading and economic relationship with China, and was one of the first countries to provide foreign assistance to China. Since Japan had linguistic, cultural and historical associations with China, it was somewhat easier for them to understand what was going on there. Also, the Japanese are meticulous in recording details. The Japanese Economic Trade Organization [JETRO] provided many how-to manuals for Japanese business to know what to do in China. These were updated on a regular basis. They were able to do things that the U.S. government was never and probably will never be able to do. The Japanese government does both pre- and post-trip briefings of their businesspeople. So, when a business delegation was going to China, government officials would tell them what to look for. When they returned to Japan, the officials would debrief them and ask whom they saw and what they thought about them. Were the Chinese officials at an appropriate level? Were they decision makers? Questions like these. So, these how-to manuals (mind you, only in Japanese) gave a great deal of

information about which Chinese official in which ministry was actually the key decision maker. The manuals advised the best people to deal with at each stage of a business transaction. This is one reason why Japanese business became so successful. They knew how to do this. I was fortunate to obtain such a manual from a JETRO colleague. I do not know Japanese, but I was able to provide it to consulate colleagues who do. They were able to glean some very important political insights. We did not turn around and universally make this information available to our businesspeople, certainly not in the degree of detail that the Japanese did. But in our overall briefings to American business, we were able to say, "We understand that in this ministry, certain people are important and the degree of importance does not necessarily match their title or where they are on the official organization chart" and so forth.

Q: Was the Commerce Department picking up the ball? So often, Commerce has not had a high reputation within the FS.

DONAHUE: In the case of China, I think it was somewhat different. This is because the State Department relatively early on, together with a group of politically connected businesspeople, had fostered the formation of the National Council for U.S.-China Trade (subsequently, the U.S.-China Business Council). I could not emphasize too much the importance of that organization in the early days of our relations with China. At that time, the National Council employed a number of people with a serious academic background in China at their offices in Washington and Hong Kong, and subsequently following our establishment of relations, in Beijing. The people they employed were outstanding. One of them, the person who headed their office in Hong Kong, was John Kamm. Despite the fact he appears to have a southern Chinese name, he is a Caucasian American married to a Chinese woman. He became probably the most knowledgeable person anywhere in the U.S. on certain Chinese industries – textiles, chemicals, petrochemicals, and minerals, in particular. There was a lot of strategic interest in what the Chinese were doing in those minerals. So, we tapped into his information. John subsequently became very interested in human rights in China and runs a non-governmental organization on that issue from his base in San Francisco.

The State Department also employed China experts on a contract basis. I'm not sure how they were able to do this. But one of those people, who ended up being assigned for a short period to the U.S. Liaison Office in Beijing and then subsequently the embassy, was a man named David Denny. I believe that, after his contract expired, he went to work for the National Council for U.S.-China Trade. But at that time, David Denny did the commercial work for the State Department in Beijing. He was John Kamm's counterpart in Beijing, the person that U.S. business people would go to for advice. Up until then, very few American businesspeople were able to go officially to Beijing, but some who did developed acquaintances in Chinese ministries and became very knowledgeable. Denny was the one who dealt with them. He was the one who followed the Canton Trade Fair activities from the standpoint of being resident on the Mainland. I should talk a little bit about this.

During the period of the Cultural Revolution, China, like all communist countries, still had to maintain some foreign trade. It could not be economically self-sufficient. However, China wanted to rigidly control foreign trade and, indeed all contact with foreigners. China also wanted to maximize its income from exports and needed to be very judicious about imports. So, it would

very carefully predetermine the types of products that it would want to import and often would buy only one item, only one piece of machinery or product, with the idea that the government would turn that over to its engineers to try to reengineer it and be able to produce that kind of product in China. China's exports were mostly agricultural products and raw materials, mineral or other. China was not self-sufficient in raw materials production for its own industry. And, its production was not necessarily efficient on economic grounds. However, for national security needs, China would make available for export enough products to be able to pay for its imports.

That is how it maintained its economy during the Cultural Revolution. It conducted its foreign trade at two trade fairs held in the city of Guangzhou. They used the old name for Guangzhou, Canton. They were spring and fall affairs, one month long in each case. Sometimes they would be themed. One time, they were going to have a textile fair, but usually they would incorporate a number of items. Each four-week session was divided into two parts. Usually, the first two weeks were reserved for China's exports, and the latter two weeks were for China's imports. They would invite people from various foreign countries to attend. The invitee needed to have a personal invitation in hand to obtain a Chinese visa, and to make a reservation at the main hotel – the Dong Fang Hotel near the Trade Fair building. Prior to our establishing full diplomatic relations, very few Americans were invited to the trade fair. To the extent that American companies were able to sell anything to China, it was almost exclusively through a foreign intermediary, either British or Hong Kong Chinese, who would be invited to the fair. In addition to representing a, b, c company, the intermediary could also represent American x, y, z company on the side. Sometimes the intermediary would be chosen because China had a particular need for a given type of technology. For example, something in the computer area. Even so, this type of trade presented a lot of problems.

At that time, the British and American Governments maintained an export control regime for products that had some strategic value. So, when we knew the ultimate purchaser was China, the State Department exercised a degree of control, and we had to decide whether or not to permit that transaction to take place. Before normalization of relations, very few American businesspeople were able to attend the fair. One of the very few was John Kamm in Hong Kong, but even he was given restricted access, so a lot of the information he was able to glean at the Canton Trade Fair prior to recognition of China was from other traders. So, John would follow Japanese practice. He would debrief the traders after they had concluded their contracts and ask what quantity, what price, and so forth. A lot of times, they were willing to give him that information knowing they did not face American competition. John was able to aggregate a lot of that information and yield much data that was of value to the U.S. Government. So, we were able to make guesstimates of what China's total production of a particular product was, what proportion the country was making available for foreign trade, what it was probably selling it for, and what the total amount of foreign exchange was from that. This became very useful.

With recognition of China, for the first time, we were able to participate fully in the Canton Trade Fair of spring 1979. The timing of that trade fair coincided with the opportunity for my wife and me to make our first visit to China. We started our two-week trip in early April 1979. After the trip, I returned to Hong Kong to get a new visa and then traveled back to Guangzhou for the final two weeks of the fair. My main responsibility was to man the "American Embassy Office" at the Canton Trade Fair. I had to bring up with me from Hong Kong liquor setups and

so forth so that we could provide hospitality for the American businesspeople who for the first time would be at the trade fair. David Denny from Beijing joined me at that event. We worked together. When one of us was in the office, which was just a hotel suite, the other would be walking around the trade fair picking up things and we would trade off. So, it was a very exciting period. We saw a lot of evolution in how China was conducting business. During the course of my period in Hong Kong, I continued to visit the fall and spring trade fairs on a regular basis. During that period China also changed how it was conducting trade and invited more and more businesspeople to Beijing to conclude deals or to discuss other kinds of business relationships. So, the focus of trade moved to Beijing, and it took on a different characteristic as it was linked to foreign investment.

Q: Canton is where all trade with China had to go?

DONAHUE: That's right. The English word "canton" comes from a Cantonese pronunciation of that province. In Mandarin, the province is pronounced "Guangdong," which means "broad eastern plain."

Q: You left Hong Kong. Were the Chinese becoming more savvy on the economic side? There would be an awful lot of Americans and others who would come in to trade who really weren't able to deliver. This must have been quite a learning period on both sides.

DONAHUE: It was indeed. It was a big deal for a Chinese official to be tapped to have the opportunity indeed to go to Guangdong for a trade fair for a number of reasons. The northern part of China where Beijing is located is a very cold, inhospitable plain and has always been a food deficit area and rather poor region of China. The southern coast from just north of Shanghai all the way down to Guangdong has always been viewed by the Chinese as the land of milk and honey. Northern Chinese have always enjoyed southern food and look upon the region as a kind of lush paradise. So, for a typical Beijing bureaucrat to be tapped to go to Guangzhou for a whole month for the trade fair was nice duty. However, at that time, perhaps even to this day, the Chinese have always been suspicious about Chinese who maintained contacts with foreigners. I'm sure there was always a lot of tension. After they spent the day negotiating deals with the foreigner, they would probably have to spend half the night debriefing the security guy and satisfying him that they weren't giving away state secrets. In those days, even phone numbers in China were state secrets. So, it would have been interesting to be a fly on the wall at one of those business deals because there was so much involved with trade that after you had a meeting of the minds, "I want to buy or sell this for this price," and became satisfied with the quality and all of that, then you had to figure out shipment details. In which factory is it being produced? Which port will it be shipped out of? On what ship can this be done and which brokering company is going to be responsible for this? Do I need any phone number, any telex number, and all of this? All of that information the Chinese regarded as secret. So, there was a kind of risk involved in giving it to a foreigner in the first place even though it's a vital part of concluding the trade transaction.

The other thing is, the bureaucrat, the person conducting business at the Canton Trade Fair, was very much removed from anything to do with production, much less business. I'm sure they were given a brief. If you were selling a Chinese product, you must try to sell it for the highest price

possible. I have no doubt that one of the primary functions of a Chinese economic officer at a typical Chinese embassy outside China in those days was to gather information about prices for the kinds of products that China would sell. The official would have to examine the world market price and then the government would give a range to these bureaucrats who would try to sell it on the high side and buy on the low side. As you can probably appreciate, there are all kinds of reasons why prices might be different in different parts of the world. A price for a commodity in London may not be the same as the price for that same commodity in East Asia. If China were selling products, buyers had to be very much satisfied regarding the quality. The terms of the shipment themselves – timing, bulk versus container, even entry port – might also affect the price.

Part of the visual appeal of the Canton Trade Fair was the large exhibit halls of Chinese products and machinery. Many of the items that the Chinese were hoping to sell during the trade fair were on display and the Chinese sellers would often provide samples. This was a way to interest other people in their product, and to demonstrate the product's quality. The Chinese would display some antiquated looking capital equipment and other goods for which the only market would be within the communist world. They certainly would not have met world standards in terms of quality. But they probably would have been sought after in Poland or Albania. Then there were other products, raw materials, for which the Chinese went to great pains to ensure they could match world quality. Such products were feathers, denim, cotton and silk textiles, cashmere, chemicals and minerals. They would show the stages of production from the raw mineral to the first, second, and third stage of processing to the final product to ensure the individual buyer that the Chinese could produce at world standard. Industrial oils and other chemicals were similarly displayed. The same was true for some large equipment. I was told the Chinese produced extremely high quality large industrial valves at a very attractive price. The typical foreign buyer, especially if doing business for the first time, would often ask for and receive a sample that he could take back to his company and have tested. If the company was satisfied, it would then conclude the deal.

There were many interesting anomalies. For example, one of the products that China marketed was something called refractory grade bauxite, which is used to line steel furnaces. In much of the world, this is not produced at a particularly high level of quality. Its use is as a flux in steel making. It is not a commodity per se. No one cares what it looks like as long as it works. In China, it was refined to the nth degree, probably using a lot of hand labor. The bricks were as beautiful looking as gold bricks, except of a different color. The buyers thought it was aluminum rather than refractory grade bauxite. China for a while was able to get a very good world market for this product because it was both beautiful and cheap, but at what cost to China? China made its mistakes.

There are people with long memories and the country is still living with the consequences of some of these mistakes. In the early 1970s, before the normalization of relations with the United States, China had already become a major world supplier of feathers and down. There was a large and growing market for these materials. This was before some synthetic products had become widespread for use in coverlets, jackets, and other things. Because there are so many ducks and geese and fowl of various types that are commercially raised in China, the country was able to gather all of these feathers, wash them with the use of cheap hand labor and provide

high quality products. They marketed them successfully. Once they were known for their quality, they marketed them for a very good price. Chinese bureaucrats knew China had very few competitors in the world. Their production was so enormous and they were going to drive their competitors out of business. So, they kept dropping the price and increasing the quantity that they would market. They drove out of the international market some of the other competitors over a period of years. Then they had to deal with the worst period of the Cultural Revolution when all of their production dropped. Because fowl production declined so precipitously, the Chinese could not fill their international orders and they got a black eye on the world market. I would say that this feathers and down shortage was the impetus for chemical and other companies to develop the substitutes that subsequently changed the nature of that entire market. So, the bureaucrats were not a smart as they thought they were.

I cannot overemphasize the importance to the U.S. Government of Hong Kong as a listening post on China and other parts of the Asian mainland. Hong Kong was a safe, convenient location, with a solid and supportive government, all of which encouraged the activities of a strong resident China-watching group. This included some knowledgeable expatriate businesspeople, foreign and Hong Kong Chinese academics, non-governmental organizations, and journalists. Although Hong Kong is a big city (4.5 million population), the foreign community, and especially the China watchers, frequently saw each other. There were well-established lines of communication, and many venues for the sharing of knowledge and views. These encounters included meetings of the American Chamber of Commerce's China Commercial Relations Committee, the Foreign Correspondents Club, the Hong Kong General Chamber of Commerce, and various receptions and lunches around town, as well as university lectures.

Q: In 1986, you're off to China.

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During the time that we were assigned in Beijing, my wife got pregnant with our third child, which was totally unplanned. We had not expected it, had not planned for it, we were happy with two children, etc. During my wife's pregnancy, we had been injected with a vaccine for Japanese B encephalitis, which uses a live virus. We had to get that in China, not the U.S., because that kind of vaccine is not used in the West. Normally, a live virus vaccine is not given to a woman who is pregnant, but my wife didn't realize she was pregnant at the time. I think the vaccine was given in two or three courses. At least one of them must have been while she was pregnant. So, we had no reason to believe there was going to be any problem with the birth. We were expecting for her to go down to Hong Kong and give birth and then after a short time return to Beijing with the child. What happened was, the child was born in the hospital in Hong Kong. At birth, the doctor realized our child had a major problem, involving a deformed heart and the arterial plumbing that is needed to move the blood to the lungs for oxygenation.

Q: This is what we used to call a "blue baby," isn't it?

DONAHUE: Our baby's problems were more complicated than that. He had Tetralogy of Fallot, which involves four problems with the heart. Some of them are not terribly important, but others are critical. So, he needed to be operated on at birth. Fortunately, they could do a palliative

surgery in Hong Kong. But he needed to be medevaced to the U.S., and we knew there was no medical care for him in Beijing. So, I had been in Hong Kong for his birth and realized that he was not going to be able to live with us in Beijing. We considered a number of options. One of them was that I would continue in Beijing, my wife would return to Washington or go to California where her family was, and be on LWOP [leave without pay]. There were all kinds of considerations. So, we didn't really make up our mind what to do until my wife and the baby were medevaced to California when he was six weeks old. He actually turned blue on the plane on arrival in LA, so they whisked him to UCLA Hospital and did another one of these palliative surgeries. At that time we realized we needed to be together as a family. So, my wife and I ended up curtailing two assignments each in Beijing in order to go back to Washington. And that ended our assignment in China.

Q: How did things work with the child?

DONAHUE: I think we're fortunate that our son was born in Hong Kong and they could at least do the lifesaving surgery at birth. We were not certain whether it was in time to ensure enough oxygen in the brain. You always are concerned about the loss of oxygen in the brain affecting learning ability and so forth. Then the doctor that we were put in touch with at UCLA Hospital in California turned out to be a surgeon who had been able to do the more complete open heart type of operation on an infant. He was not yet able to do it on a child as young as six weeks. But he was able to do it when our child was 13 months old. So, during the period we were in the U.S., we had sufficient surgery for Ian to develop fairly normally and the Department was satisfied that we could have another overseas assignment.

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Today is June 26, 2000. You're going to Hong Kong in 1989. What were you doing?

DONAHUE: I was preparing to go to Hong Kong as the chief of the Substantive Reporting Section. Since I had been posted in Hong Kong previously, having left in 1981, there had been several organizational changes. When I had left in 1981, there were separate Economic and Political Sections. In the meantime, they had been combined. So, there was a single combined section. However, it was carried on the books as an economic section, and it was called the Economic/Political Section. It really had four functions. It was responsible for backstopping our embassy in Beijing and constituent posts on both political and economic reporting on China, taking into consideration the continued usefulness of the unique China watching community in Hong Kong and the perspective of Hong Kong-based business in particular. Embassy Beijing recognized the value of the views of Hong Kong's politically astute people on what was going on in China. In addition, the Section emphasized to a greater extent than we had before both political and economic issues in Hong Kong and Macau (we were jointly accredited to Macau). Macau was still administered by Portugal at the time.

Q: You were there from 1989 to when?

DONAHUE: Standard three year tour, 1989-1992.

Q: Who was the consul general?

DONAHUE: When we arrived, it was Don Anderson. After about a year, Richard Williams, who had been director of the Office of Chinese Affairs in the State Department, replaced him.

Q: What was the view of events in China in 1989?

DONAHUE: That was a particularly important year. When I had received the assignment in 1988, I had certain expectations. One of them was that the pretty good relationship that the U.S. had developed with China -- that had flowered and reached its full blossom in late 1988 and very early 1989 -- would hold and would be something that we could build on. We were also staring in the face a very important deadline for Hong Kong, which was June 1997, when it would revert to Chinese sovereignty. There was so much work that had to be done, primarily by the British, in their continued negotiations with the government of Beijing. There probably was some expectation that improvement of relations between the U.S. and China might allow the U.S. to play a facilitating role. Typically in preparing for a Chinese language assignment, we had to undergo some brush up. Chinese is a very difficult language to learn, but it's a very easy language to lose. So, I had already arranged to leave the Canada Desk early enough to get some oral practice with the teachers at FSI before going out to post. I was in language class in May 1989, watching with great interest the flowering of the so-called "Democracy Movement" with the students and other people in Beijing taking over Tiananmen Square and seeming to challenge the authority of the Chinese government. Then, I was still at FSI during the Chinese Army's June 4 decision to move on the demonstrators in Tiananmen Square, which has been labeled the "Tiananmen Massacre." Because I was a language student and I was freed from other responsibilities, I participated in the task force and then subsequently became part of the emergency crisis group in the Watch Center of the State Department because it was the height of tourist season. There were many American tourists in China and we were concerned whether they would be able to leave the country safely. We didn't know what was going to happen. We thought the whole place could fall apart. At the end of the day, the situation stabilized quite rapidly. Although our embassy in Beijing had been partially evacuated, that evacuation situation lasted only a couple of months. By the time I reached Hong Kong in August, things were sort of back to normal. American personnel had returned to China, and Hong Kong was operating as though nothing had happened. However, there was a great feeling of jitteriness in Hong Kong, certainly in the business community. The British relationship with China was on a very bad footing. It was almost to the point of having no speaking relationship with China for about a year. So, there was no further movement in the negotiations. There were very few opportunities for the British to negotiate with the Chinese on the necessary procedures to bring about a relatively easy, amicable handover in 1997. The U.S.-China relationship was also quite strained. The job, and what we were actually able to do and how we did it, turned out to be quite different than what I had anticipated when I was getting ready to go in spring 1989.

Q: While you were dealing with Tiananmen Square in the language class and the emergency center, you must have been talking to your colleagues who were dealing with Chinese affairs.

DONAHUE: Yes, with my colleagues in the Department and also by telephone with our posts in China.

Q: What was the reading of what this was all about? Why had it turned into such a mess?

DONAHUE: There were a number of theories at the time and I think that subsequently we perhaps obtained a little bit better information.

Q: How about at the time?

DONAHUE: To begin at the beginning, early in 1989, there was a movement on the part of students at universities in Beijing, perhaps in other cities as well, for improvements in how they were treated as students. Initially, it began with just demonstrations, and then maybe some agitation on campus, for essentials like hot water showers, better housing conditions, better quality of food. Then, it increased to something a little bit more substantive where the students were actually asking for the freedom to study what they wanted or to seek jobs that were more in keeping with their real ambitions or aspirations. Up until that time, and perhaps even continuing to the present day, many students in China are selected for university based in part on examination, but also in part for political reasons, perhaps their willingness to be activists for the Party or their family's Party position or connections. They are often chosen arbitrarily to study a particular field and then tracked into a job in a given field or government ministry. Even when I had been posted earlier in Beijing in 1986-1987, several of the students that we encountered said, "Here I am, a hairdresser, and what I really wanted to study was engineering," or "I am studying traditional Chinese medicine. I really wanted to study chemistry." So, there were many mismatches. I think that the generalized aggravation on the part of the students began this.

In many cases, the university authorities, who were caught unawares, had not realized early enough the seriousness of the complaints of the students and had not realized where the movement would go. The university authorities may have, on the one hand, given into some of the early demands rather easily, inviting the students to ask for more, or in other cases, some of the universities around the country recognized what was going on in Beijing because communications in China were improving and there was a more widespread uprising on the part of the students for better conditions. So, similar to what happened during the Cultural Revolution, classes were suspended and students from many universities around China took the train or whatever transportation they could find to Beijing. For several months, there was a continuous student gathering, a kind of sit-in, in Tiananmen Square. It had incredible ramifications for the country. The students took advantage of a state visit to China by then Soviet leader Gorbachev. That was a state visit that had been expected to represent a rapprochement between China and the Soviet Union. It had been eagerly anticipated for some months by the Chinese leaders. The visit ended up being hijacked by the students because the major international media were present. The students used their presence to get a soapbox for not only national but also international coverage of their own cause during Gorbachev's visit. Gorbachev spoke about the importance of perestroika and glasnost, which had been important elements of his new policy in the Soviet Union to let people comment publicly and criticize how the Soviet Union was organized. The students just grabbed onto that and called for the same and even more of the same, in China. Subsequent to that visit, the students got a piece of old marble and had a student sculpt the so-called "Statue of Democracy," a Chinese equivalent to the Statue of Liberty. The statue was displayed prominently in Tiananmen Square and the students gave every

evidence of occupying the Square indefinitely. What went wrong is not entirely clear, what happened in what sequence. But some of the student leaders, including Wuer Kaixi, as well as others, a group of five or six that seemed to be the main leaders of the movement at that time, arranged several meetings with Chinese leaders. The main leader with whom they met was Zhao Ziyang. He gave the impression of being rather sympathetic for the cause of the Chinese students. Perhaps as a result, he was labeled a liberal by the Chinese leadership, and the Communist Party got worried, fearful. So, he was ousted ultimately and put under house arrest. He was replaced by much more conservative people. His deputy, Li Peng, who was an adopted son and protégé of Zhou En-lai, immediately replaced him, and Deng Xiaoping brought a harder edged group into office in Beijing. However, the ramifications of the Tiananmen Square disaster continued to be felt.

What we subsequently learned, or at least think we learned, in the months following the Tiananmen Square business was, there were many students either killed or badly wounded. The numbers could be a range of 1,000-5,000. But most of the students who were directly injured in Tiananmen were not from Beijing. In the days and hours before the June 4, 1989 incident, the students who were from the immediate Beijing area, many of whom were children of high-level party cadres, got the word somehow. Their families had heard that there was going to be a move, a major effort, by the government to rearrange the situation in Tiananmen Square, and those students were called off the street, called to go home or go to relatives' houses. Probably many of them did indeed leave Beijing so that if the secret police came knocking at their parents' doors, they would not be there. They got off the square, they dispersed. Many of the students who remained on the square were from other cities and didn't have relatives looking out for them in Beijing who could tip them off. Also, many people – and this includes Chinese officials – felt that things went wrong because of the way the troops moved into Tiananmen Square. Some of them had been ordered to sweep the streets and move into the Square in an orderly fashion from the west with the idea that they would force the students to give up the Square gradually and move eastward towards another smaller square in front of the railway station. The expectation was the students would be bottled up there and could be convinced to leave the city by train. Unfortunately, one of the columns of troops came in from the south and entered the Square on the eastern side and the students got bottled up towards the middle of Tiananmen Square. There was no route by which they could leave the square. So, they got slaughtered. Perhaps as many as 1,000 of them got truly wiped out. The Chinese expression is *fen cui*, literally "smashed to dust."

Q: The real question is, why didn't the Chinese leadership put an end to this at an earlier state? This thing festered for a long time. Anyone who knows about the art of Mao's politics, what have you, knows you don't allow something to fester for a long time. You either do something rather drastic right away while it's still small or you say, "Okay, you've got real grievances." It seems like a lot of the grievances early on could have been solved. "We're going to work on it. We'll set up a working committee. You can sit on it. We'll try to get you hot water." Something of that nature. Why this paralysis? How did we feel at the time?

DONAHUE: I think it was a situation similar to some other grassroots-type revolutions, some of which have been successful, others of which have not been. A little bit of success feeds on itself and something quite significant can grow over very little. It has been said subsequently, and I think that there may be something to it, that one of the events that emboldened the students in

Tiananmen Square was the success of the so-called People's Revolution that took place in Manila in 1988. That was an effort by Corazon Aquino to overthrow the previous Philippine government. It was a grassroots effort and it was successful. It also involved people massing peacefully in the streets giving a show of solidarity and nonviolence. I don't believe there was any bloodshed. If there was, it was minor. So, it was seen as a kind of glorious revolution where the voice of the people was heard. I think that there was a great deal of naivete on the part of the students in Tiananmen Square, but probably also on the part of Zhao Ziyang and other like-minded people in the government. The years immediately prior to this had been a period of liberalizing in China. There was quite a bit of economic progress associated with the liberal trend. Some of this had been generated by Deng Xiaoping. When Deng Xiaoping was revived into the leadership following the Gang of Four period, he realized that a lot needed to be changed in order for China to get economic growth working again and free up means of production to allow China to realize its potential. There had been a great deal of progress in that area. He had brought into government people willing and able politically to criticize the hard-line positions previously taken. So, there was already a sense of acceptance of the criticism on policy.

People in Zhao Ziyang's immediate leadership circle, except for Li Peng and other hardliners like him, generally accepted the ability to criticize current policy. I think without a doubt the students went too far and pushed too hard. If they had accepted the honoring of the original requests that they made, which was an improvement of their living conditions within the context of the university, and if it had gone no further, they would have won a victory. I think the leadership would have felt that they had satisfied that immediate need. If the students and everybody had gone back to work, the Party and the Government could have declared victory. For whatever reason, that wasn't deemed enough.

Wuer Kaixi and others around him became increasingly radical in what they were seeking. There is no doubt that they also felt that they could develop common cause with the workers. During the two or so months that there was a kind of sit-in demonstration in Tiananmen Square, they were seeking to bring workers into this movement. I think that they were generally disappointed that they were not successful in doing that. The workers' world view was quite different from the students'. Many of the workers had faced incredible economic and personal dislocation during the Cultural Revolution period and they didn't want anything to do with a movement that would revive the kind of instability that they remembered during the 1960s. Also, under Deng Xiaoping – and they had already had five to seven years of experience of rule by him – they were much better off. Many workers in the Beijing area worked for companies that had joint ventures with foreign firms. They were getting advanced technology, better management, and had order books that were months or years long. The workers saw so much to be gained under the status quo, and they feared they would lose much if they openly backed the students. There was nothing for them in what the students were seeking. In other words, the workers were satisfied. They were not willing to make common cause with the students.

On the other hand, there were many bureaucrats in government and even Party members who were making common cause with the students. I think part of the reason the rest of the world was able to witness this occupation for the long period that it did, and with the degree of international press that it got, was largely because of the willingness of ministries and even Party members to support the cause. Many of them, too, had suffered a great deal during the Cultural Revolution.

This was a way perhaps for some of them to get back at the hardliners. It's quite possible that some of them had a kind of shared dream with the students that this was their way to bring about a liberal democracy and trounce for once and for all the hardliners of the Communist Party. I think that there probably was just before and just after the Gorbachev visit this high hope, but without a doubt the student leaders pressed too hard with Zhao Ziyang. Their inability to arrive at an acceptable compromise settlement must have forced the hand of the old guard and the hardliners, especially Communist Party members and military. The leaders had no recourse but to say, "We cannot allow this to continue any longer." It would be interesting to know what kind of discussions there might have been between China and Russia during and after the Gorbachev visit, where either the Russians might have expressed real concern about what was going on in China, or the Chinese might have asked the Russians, "What do you think about what's going on?" The flowering of the Chinese democracy movement and the hard-line squelching of it that resulted in bloodshed, and the intense foreign coverage that this received, had an immediate impact on the situation in the Soviet Union and Eastern Europe. Tiananmen helped bring about the collapse of those communist regimes. No one really expected this at the time.

Q: With this having happened, you arrived when in 1989?

DONAHUE: In early August 1989. I arrived about six weeks after what we referred to as the Tiananmen incident.

Q: When you came, was there the feeling that Hong Kong was going to for a while revert to its old ways and it might be handy to have a post like Hong Kong where it could look on what was happening without having to worry about official harassment and that sort of thing?

That was very much the case. The U.S. and Britain, and probably most other Western countries, had almost no access with Chinese officials for six months after the Tiananmen crisis and really not very easy relations for a full year. We all collectively held our breath at the one-year anniversary of Tiananmen because we didn't know exactly what to expect. So, it wasn't until the summer of 1990 that there was even a return of dialogue that was comfortable at all with the Chinese officials. That was true even in the U.S. Chinese embassy people who previously had had contacts with other governments just wouldn't leave their offices.

Q: Was this a mutual situation?

DONAHUE: The Western governments certainly did feel the need for stocktaking, and there was a sense that we could not go back to a status quo. So many of the bilateral assistance programs that had been anticipated had to be cut entirely off. For example, when I was on the task force in the State Department at the time that Tiananmen Square occurred, we had to draw up a list of initiatives, programs and proposals that had been scheduled for the rest of 1989. That included CODEL visits, high-level administration visits, initiatives that involved the private sector, and even bilateral negotiations. One after the other, we killed them all. In fact, USTR was ready to enter what I might call the final stage of negotiations to bring about Chinese participation in the GATT, the forerunner of the World Trade Organization [WTO]. The USTR officials felt that in their preliminary negotiations during the spring of 1989, they had just about tied up all of the loose ends and gotten satisfaction from the Chinese government on some of the areas that were

of interest to us or were requirements as far as we were concerned for Chinese entry. They were just ready to send a delegation in late June to wrap this up. I had to call USTR and say, "I'm sorry, but none of this can happen." It was a good three to six months before any high-level delegations visited China. We just were holding our breath, looking for evidence of any willingness by the Chinese government to return to contact. So, in Beijing and in the constituent posts, the only kind of contact was a very formal type. Even the visas, especially student visa applications, fell off greatly. Everyone was collectively looking for people to show up to request asylum in the U.S. Many asylum seekers came to Hong Kong. For six to eight months after the Tiananmen Square incident, we had three to five asylum seekers come to our consulate in Hong Kong every week. Perhaps there was a similar number going directly to the British or to the Canadians.

Q: These were student types.

DONAHUE: That's right. I would say that most of the successful asylum seekers were students who had been directly involved in the Tiananmen Square demonstrations in Beijing and were documented as such. Many of them were those who had given interviews to CNN or well-known foreign journalists and had been named in their articles or had had a lot of exposure and were quite recognizable. We were all astounded at not only how many came out and escaped apprehension by Chinese authorities, but also the long period in which they had been able to remain in China undetected. Obviously, they had been given shelter and assistance in making their way from Beijing all the way down to south China. This is a journey that would have involved more than 2,000 miles of travel over many different kinds of transportation. Their pictures were on wanted posters throughout China and yet they were able to escape detection. So, it was quite phenomenal. There was an impressive network in place to assist these people.

Q: Was your unit looking at the situation in Hong Kong?

DONAHUE: We were. From that period, and directly as a result of 1989, there was a great deal of nervousness on the part of Hong Kong people who were interested in politics or were politically active in some way. I would say in that respect that there was quite a difference in the attitude of Hong Kong people beginning in the summer of 1989 in comparison with my previous experience in Hong Kong. Previously, most Hong Kong people would not have thought of themselves as interested in politics. This was a studied avoidance on their part. Many older Hong Kong people or children of older Hong Kong people had been affected in some way by the Chinese civil war that had raged from the 1930s and through the period of Japanese occupation in WWII up until 1949. Many of those families had been on the Nationalist side.

Much of the Hong Kong population, probably 2/3 by the mid-1980s, either themselves or their parents, had been refugees from Mainland China to Hong Kong. Many of them chose to remain in Hong Kong rather than go on to Taiwan because they had been associated in some way or had obtained their personal fortunes during the period of Nationalist rule in China. However, they had also been burned in one way or another by the Chinese civil war. There were some stalwarts who continued to be staunch Nationalists. On October 10, which is the Nationalist national day, they would display the Nationalist flag. This was technically a no-no in Hong Kong, but nevertheless they would do it. Those people often played a role in trying to develop some kind of

relationship between Taiwan and Mainland China. But they were a distinct minority. Most Hong Kong Chinese didn't want to play any role in politics at all. On the other hand, in the political spectrum was a small group of left-leaning people. One such group at the grassroots level was communist-oriented. They tended to try to organize transport workers, industrial workers, with some degree of success, but in fact, they were never the majority. They didn't dwell on how wonderful communism would be. Their members were indeed benefitting from capitalism. But they did dwell on the importance of a kind of emotional solidarity with the Mainland. Another group that also emphasized this emotional element of solidarity with the communist government in China for cultural reasons was a group of Chinese intellectuals who were intellectually socialist or communist inclined. Their movement was nationalism more than communism *per se*. It was a desire to see China, which they felt had been trounced by the West and by Western imperialism, once again take its rightful place among countries of the world and be admired for its heritage and its position in the world of nations. So, this group would have included university professors, lawyers, some quite wealthy people who had connections with Chinese hierarchy in China based on experience on the Mainland, perhaps university education with some prominent Chinese leaders or something like that. Yet it was a small group. A third group that was beginning to grow, but was still quite small, was Hong Kong businesspeople, most of whom had been refugees from China and were either from Guangdong or Shanghai, the industrial heartlands of China. They saw an economic opportunity for themselves in doing business in China. So, they would pay lip service, would carry out protocolary activities with respect to China for their own business advantage. But they were not ideological believers in the sense of the intellectual group. These people even, at that extreme, were quite a small number in the early 1980s. By the late 1980s, there was a group of Hong Kong businessmen who ideologically supported democracy in China. Some of them were indeed financial backers of the democracy movement in Tiananmen Square. As a result of the very heavy-handed putdown of that movement by the hardliners in Beijing -- what seemed by many to be a rise to power of the Chinese military, the PLA [People's Liberation Army] -- many of these Hong Kong businessmen began to quake in their boots because it was quite well known that they had been supporters. In some cases, they had actually donated tents to the demonstrators in Beijing. Some of these people were the Hong Kong owners of the fast food chains in China that had provided free food to the demonstrators over the many months of demonstrations or had in other ways bankrolled their activities. So, they were definitely on Beijing's black list. They were very concerned not only for what might happen to their operations in Beijing following this putdown, but also business and personal repercussions in Hong Kong, too. The PRC apparatus in Hong Kong began to go after them in one way or another. So, grassroots people in Hong Kong were truly disgusted with the putdown of democracy in Beijing. There were bumper stickers everywhere that said in Chinese, "Chinese people do not fight Chinese people." Millions of people in a population of five million total turned out in candlelight vigils on the public streets and parks to protest the heavy-handed putdown of the demonstration in Beijing. The emotions were amazingly open and represented a vast majority of people in Hong Kong. So, you definitely felt a political fervor that just had not existed prior to that.

Q: During the years that you were observing Mainland China, what were you seeing?

DONAHUE: In the first six months after the Tiananmen Square incident, we were seeing an effort on the part of the Chinese hierarchy to root out liberals from the government. I think that

the military cooperated very closely with the hard line of the Party in trying to bring about a better balance between economic development -- the high level of economic growth that the government needed and the leadership wanted -- and to have it selectively exclude the improved communications and sharing of information that had made the democracy movement so effective. So, there was an effort to once again control all communications, especially the media. Many of the newspapers or magazines that had flourished in the relatively liberal period of 1986 to 1989 were banned or stopped. That included some media from Hong Kong that had been allowed to circulate on the Mainland. There was an effort in Hong Kong to carefully scrutinize reports and editorials about the Mainland. The Mainland government had a number of agencies operating in Hong Kong, many of them actively, sometimes openly, but more often not so openly. They tried to convince Hong Kong journalists to censor themselves in articles that they would write primarily in the Chinese press, but it also affected the English language press. There had up to that point been opportunities for the Hong Kong press to have their media circulate in China at least to some limited degree. So, there was an effort to marshal editorial views and bring about a single official line once again. I suppose that effort culminated on the anniversary of June 4 in 1990. The PRC released a videotaped version of their view of what happened in the democracy movement, why it had gone wrong, and why they had had no choice but to put it down for the benefit of China. It was a totally whitewashed view, although there were some who felt that the Chinese had put their finger on some accurate elements in their presentation. Nevertheless, the editorial nature of it was a Party line. After that one-year period, there was a kind of return to normalcy, but it was recognized by all concerned as not the normal situation that might have taken place if the Tiananmen incident had not occurred. So, we watched very closely, and other governments did as well, how Britain might be able to renegotiate or negotiate anew with China on all of the fine points that needed to be addressed for the return of Hong Kong to China in 1997. That was one of the issues.

Another set of issues, that fall of 1989, was the world witnessing the collapse of virtually all of the communist governments of Europe. As a result, the nature of those countries' relationship with China changed. The Eastern European countries had enjoyed a privileged relationship with China. It was a shock to everybody's system for what looked like democratic governments to be forming in Eastern Europe, even in the former Soviet Union, and for them to establish a different kind of relationship with what one might call a newly hardened communist regime in Beijing. We saw this happen as well in Hong Kong when, for example, the East German Consulate folded and just went out of business. All of the East German diplomats became unemployed. The West German Consulate took down the sign saying "West Germany," and put up another indicating they were representing all of Germany. There were questions about what would happen to citizens of the former communist countries who happened to be in Hong Kong. The Hong Kong Government up until then had not given easy access to such people. For the first time, people from the former communist countries really had the run of Hong Kong. They were discovering Hong Kong for the first time. It was quite interesting to see Polish television, Romanian television, and Moscow television coming to Hong Kong, where previously they would have pointed out the evils of capitalism in one of the most capitalist places on Earth, highlighting how wonderful capitalism was and how good a capitalist system was for the benefit of the workers and so forth. Then the journalists would talk about the evils of Communist China next door. It was a kind of "Alice in Wonderland" situation.

Another sea change involved the makeup of the PRC bureaucracy in Hong Kong. Many of the PRC organizations in Hong Kong had previously been headed by fairly liberal oriented people sent there to run businesses or carry on trade. Because of the demonstrations in Tiananmen Square and because it was widely known in China that the students had been supported by people in Hong Kong, almost all PRC representatives in Hong Kong were tarred by the same brush. So, there was a housecleaning at the top and they were replaced by real hardliners in many cases, or by people with no prior Hong Kong experience.

For many years, the leading PRC organization in Hong Kong was the New China News Agency (NCNA). Although it was there ostensibly as a media organization, it was known to be the shadow diplomatic representation of China in Hong Kong, and it was accorded a special status. It was really given the status of a consulate in many ways. During this period of the early 1990s, it changed into a government in waiting. It was recognized at that point that it would have a very important role to play in the negotiations with the British on the future Hong Kong Government. However, what had not been recognized up until then was, NCNA was also going to be the power in Hong Kong even after 1997. The British had actually believed what they had told the Hong Kong people about the deal they had worked out with China in the early 1980s on the retrocession of Hong Kong to China. The British had understood that Hong Kong was going to be called a "special administrative region," that Deng Xiaoping had guaranteed that there would be "one country and two systems," and that the Hong Kong system would be able to continue for a period of (at least, they hoped) 50 years following retrocession. Everybody was hoping that those 50 years would go on forever, that it would be something that would be extended indefinitely, and that they would really be able to have their own democratically organized government.

There are many ironies in this scenario. One of the ironies was that Britain, which had never fostered democracy in Hong Kong prior to that agreement, suddenly got religion and wanted to bring about democracy before 1997. So, the British government in Hong Kong, which was ruled by an appointed governor from Britain, and the higher level officials of which were all British, nevertheless went out of its way to explain to us and to anyone who would listen that indeed once those people left London and arrived in Hong Kong, they were really working for the Hong Kong people. They claimed that the Hong Kong government they ran had as many problems in its relationship with London as it did with Beijing. That was their line. They had really gotten religion and decided that they were going to stage a number of changes during 1984-1997 that would bring about a fair degree of democracy in the Hong Kong government and establish their own democratically organized government. Therefore, they would allow the Hong Kong people self-determination and the only difference would be that it would not be under the flag of Britain but under the flag of China.

Well, Deng Xiaoping, who knew exactly what he had believed in 1984 when the British went down this road, by 1989, was of a very different view. Every time the Hong Kong Government used the word "democracy," it must have caused incredible heartburn in Beijing. So, the Chinese leaders went out of their way to disassociate themselves with this line coming out of the Hong Kong government and they tried to block in every way any movement towards democracy, what they saw as democracy. They saw that term and the concept as threatening their position and their ultimate sovereignty over Hong Kong.

There had been an effort to formulate a kind of constitution for Hong Kong after '97 that would provide for supreme court judges who would be selected from within Hong Kong in a free process and they would have judicial independence from any other government. Only in the extreme case would a case go on to a higher court. Where prior to 1997 that higher court would have been the Privy Council in London, following 1997, it would be the National People's Congress in Beijing. Every two or three years in the election of the Hong Kong Legislative Council, a greater proportion of the seats would be open to general election, and some seats that had been appointed or had been elected by special interest constituencies would be diminished. By 1997, the majority of seats would be elected openly. There was also provision for the governor to be elected by all electorates.

As a result of June 4, 1989, every attempt the British government made to have some kind of negotiation with the Chinese government that would have brought about their acquiescence to this process was blocked. At first, the British could not even get an agreement to meet. Then when they finally got an agreement to meet, it had a very limited agenda. Finally when they were able to add onto the agenda some provision to permit free elections, it was blocked. So, the British failed to make any headway under Governor Wilson. Sir David Wilson was a retired British Foreign Service officer who had been British Ambassador to Beijing. He was a China specialist, and quite a scholar on China. He was not a British politician, however. At the time he had been selected to be governor of Hong Kong, if the Tiananmen incident had not taken place, he could have played a very interesting role in being a mediator between the interests of the Chinese people in Hong Kong and interests of the government in Beijing. Instead, circumstances forced him to play a different kind of role. He had neither the backing of the government in Britain nor access to the government in Beijing, although he should have. Because there was a different group in power in Beijing, the people that he would have related to were out. Unfortunately, his efforts were to no avail. As an individual, he really believed in democracy, although democracy from a colonialist point of view, not broad democracy, but a democracy that Beijing might have accepted in other times. However, his efforts to bring about anything were just totally blocked. Governor Wilson was Governor of Hong Kong for virtually all of the time that I was in Hong Kong.

But in the summer of 1992, as I was getting ready to leave to return to Washington, he was replaced by another governor, who was a British politician. His name was Chris Patton. He had been a Member of Parliament and had lost his seat so he wanted a position somewhere and was made the last British colonial governor to Hong Kong. His strength was that he was a politician and he had very close connections with the government in London. His weakness was that he really didn't know anything about China and had no access whatsoever to Chinese officials in Beijing. Ultimately, he became almost *persona non grata* with Chinese bureaucracy in Hong Kong. So, the situation was made even worse for him. What he wanted desperately to do was to give Hong Kong a completely democratic legislature before passing the reins on to China. He was totally blocked to the point that the Chinese government in Beijing made it very clear before 1997, and I think this was in a series of public statements in 1995 and 1996, so it was quite early, that they would not recognize the Legislative Council that was being majority elected by popular vote and they would be the ones to choose the next governor of Hong Kong. The Chinese made clear they would not recognize the newly democratized institutions of the Hong Kong

Government and after 1997, they would be calling the shots. So, Chris Patton became quite an ironic figure in his own right. In the end, he was nothing more than a caretaker governor, no more than a British figurehead. This was political process.

There was an economic process as well. There were a number of areas that concerned us as well as the Chinese. It was definitely not Britain's finest hour in any way. First of all, we felt with respect to democracy, if Britain had been serious about wanting Hong Kong to have democracy, in terms of the preparedness of the Hong Kong people for democracy, they were as prepared in 1980 as they were in 1990. If Britain had really wanted to give Hong Kong a directly elected government, they could have done so well in advance of any negotiation with the Chinese on retrocession. It's easy to say that in retrospect. In the early 1980s, everybody was walking on eggshells, not wanting to do something that would have been seen by the Chinese government as threatening them in any way. Democracy did threaten them. So, I'm not sure that would have been in the hearts of any of them. But people became quite cynical on this issue of democracy. What people really became cynical about and really caused some heartburn in our relations with Britain at this time, was what the Chinese have often argued, and this sentiment had been argued by many former British colonies, that Britain had sought to colonize China primarily for its own economic benefit. There were many in Britain who had made counter-arguments. Certainly this was a strong argument that had been made by the Indian government post-independence, and there was quite an effort on the part of the British government and the British academic institutions to argue otherwise. Nevertheless, we certainly saw that this was the case, at least in the 1990s.

It became widely known in the UK that Hong Kong would cease to be a British colony come 1997. So, this was the last time to make your fortune in the last British colony. Hong Kong essentially opened up its doors to Britons of whatever type, whatever stripe, whatever credibility, etc. Not only were what one might call British-owned Hong Kong commercial enterprises recruiting widely in the UK for managers and other people, but also independent entrepreneurs from Britain arrived in Hong Kong to make their fortune somehow, some way. There was a lot of activity that was seen by the resident foreign community, such as the U.S., but also by Hong Kong business, as rather unseemly. We called the Hong Kong Government on the carpet on several occasions when we called into question some of the practices they seemed to condone. Hong Kong was a member of the GATT in its own right. It got in on the coattails of Britain, which would have been a charter member. But actually Hong Kong for the most part had a freer trade regime than even Britain because it had almost no tariffs. It benefitted a great deal from the GATT. Under the GATT, there were certain elements that every member must abide by. One of those was the generalized tariff system. But then there were other side agreements that they could join or not. The Hong Kong Government, because generally speaking it was of very liberal ideology economically, had signed most of these agreements. One was an agreement on government purchases, which said that for any contract valued at more than $50 million, they would permit open bidding and there would be a very transparent bidding process. Companies from all GATT member countries would be invited to bid, etc. on government tender. In the late 1980s and early 1990s, the British Hong Kong Government unveiled a number of major construction projects that they saw as being their golden handshake to Hong Kong. There were things that they argued needed to be done, but there were also great opportunities for international business. One of these major projects was valued at half a billion dollars or some

incredible amount, the building of a brand new international airport on Lantau Island, which did not have any land connection with the rest of Hong Kong. It required incredible engineering: leveling part of a mountain, making a major landfill in the sea because Hong Kong has one of the deepest natural harbors in the world, building a typhoon-proof bridge over to the Mainland, constructing an elevated highway, extending the subway under solid rock, deepening the ship channel, and so forth. So, it involved a lot of work over a period of years to bring about this project.

We initially took the Hong Kong Government at its word that it would make an open bid tender and it would have a fair bidding process and do this in a transparent way. Then, in 1989 and 1990, large American companies made us aware that they didn't think the Hong Kong Government was managing this in quite the transparent way that it should. It turned out that the Hong Kong Government established a separate authority to oversee the contract letting for the airport. It was headed by a brit who was very pro-brit and very anti-American. In all of my life, I've hardly ever met another brit who was so openly and arrogantly anti-American. His desire was to freeze out any contenders that were not British, even if there was a question about the British firm's ability to actually do the necessary construction. We are talking about complicated construction for which perhaps only a few companies in the world have a positive track record. These are the very large engineering companies, some of which have former American cabinet members on their boards. There is a lot of high-level political interest. Because of the high level of interest that we could not avoid, our Consul General sought a meeting at the highest levels with this airport authority, where we were ushered into an absolutely stunning boardroom with all kinds of high tech features to be given a presentation of what was going to happen. We were given all kinds of information about the various parts of the contract that would be let, and we also were given a rationale as to why only British companies would be permitted to bid on certain parts of the project. Only consulate people attended the briefing. We did not have private sector people. Following this meeting, our Consul General had to report to the American Chamber of Commerce. We were looking over some of the architect's renderings that had been made, and the British head of the organization said to the Consul General, "Well, I don't know why you Americans are complaining so much about not being able to have a part in this project. After all, if you had wanted to have business on the coast of China, you should have had your own colony. Hong Kong has been a British colony for 150 years, not an American colony." Our Consul General was Dick Williams. He had the rank of ambassador because he had been the resident-in-Washington Ambassador to Mongolia, as well as Director of the Office of Canadian and Mongolian Affairs. I'm sure it was the first time he had ever been subjected to such an anti-American statement and also one that was patently false or given by someone who didn't understand the full import of the Anglo-American alliance, which had been particularly strong on the China coast. Ultimately, we were able to obtain contracts for some American companies, including several very important contracts because, as the British finally admitted, they didn't want to throw their money down a rat hole. There were only a few companies that could do some of this construction, and many of them were American. Nevertheless, we had to agree with the PRC that in fact Hong Kong's market was not a level playing field. American interests had not been served as well as they might have been in this final period of British rule.

Q: Were you seeing an exodus or flight of people, money and all, out of there?

DONAHUE: There definitely was this, beginning in the late 1980s. It was accelerated in the early 1990s. The Hong Kong people desired to go to other English-speaking countries for a number of reasons. Some of them had a strong preference to go to Commonwealth countries, in particular Australia or Canada. Australia, because if they wanted to continue to do business in China or elsewhere in Asia, it was quite close. I think that the flight from Hong Kong to some place like Sydney is only a few hours shorter than a flight from Hong Kong to San Francisco, but it is much closer in terms of time zones. So, if they were maintaining their business by telephone from Sydney, it would be far more convenient than from the U.S. Also, if they were professionals, professional certification from Hong Kong would transfer more readily to another Commonwealth country. Their credentials would work in Australia or Canada. So, doctors, dentists, and to some extent lawyers, accountants, and so forth, with UK-type credentials were very much attracted to Australia and Canada.

Canada, in particular, had for a long time a different kind of immigration policy than the U.S. We have tended to give preference to what we call "family reunification," that is, relatives of people who have already immigrated to the U.S. and become citizens. Canada gave a strong preference for people in certain labor categories that they wanted to encourage immigrating. That was in particular professional categories. So, it would be doctors, nurses, computer programmers, and so forth. Every year, they would come out with a list of occupations they were looking for. Of course, there were many highly educated people in Hong Kong who filled those needs. There was quite a move from Hong Kong to Canada in that period. There were a number of reasons for it. Some Hong Kong people were going with the idea they were leaving for good. They were just looking for a good opportunity for themselves and their children. Other Hong Kong people were looking more strategically. In their heart of hearts, they would prefer to stay in Hong Kong and enjoy the lifestyle and all things Chinese that they were used to. But they wanted the best of all opportunities for their children. They wanted to be in Canada or Australia long enough to obtain citizenship and foreign passports for themselves and their children, and then they felt they could go anywhere and do business anywhere. If the situation in Hong Kong stabilized, they would return to Hong Kong. If they could continue to do business in China and make a lot of money, they were quite well situated to do that.

The situation that affected the U.S. in particular was, many American companies, as well as the U.S. Government, found our Hong Kong employees very jittery about their situation come 1997. This was especially the case for FS nationals and employees of companies on the Chinese black list as having helped in some way with the democracy movement. That included franchises like McDonald's or Kentucky Fried Chicken, perhaps even some of the large foreign banks in Beijing that had been vehicles for transmitting funds to the democracy demonstrators. The Hong Kong employees felt they were going to be given the third degree by the PRC authorities come 1997. Our own FSNs knew they were going to be an anomaly and no one had an answer for their many questions. In China, and this may be unique in the entire world, we were not able to employ Foreign Service nationals as true employees of the U.S. government. The government of China required that all diplomatic establishments, and up until quite recently all corporations as well, could only employ workers provided from a particular corporation run by the Chinese government. In the case of the embassies, this was the Diplomatic Services Bureau, and the people that we were permitted to employ were usually Chinese Foreign Service or intelligence workers. So, we needed – anybody needs – chauffeurs, typists, and telephone operators,

multifarious people that maintain certain types of services in the embassy. We knew that those people that we were bringing under our roof were indeed spies for China. This was true. We had to go that route in our embassy in Beijing and in the four constituent posts that we had in Mainland China. In Hong Kong, we employed Foreign Service national employees and we did not know whether we would be able to continue to employ them after 1997 or not. Under previous law, the Consulate General had the ability to provide facilitated immigration for workers of long standing to the U.S. Government, but this had usually been accomplished in a particular way. A Foreign Service national who had given 30 years of outstanding service to the U.S. Government at the end of his or her career and getting ready to retire could petition the consulate to provide facilitated immigration to the U.S. under a special category of the law. Usually, that was granted. But it was at the end of a career.

There was no provision to provide facilitated immigration to someone who would be planning to remain on the rolls of the U.S. Government, and there was no provision under immigration law to provide a similar deal for an equivalent worker for an American corporation. In other words, someone who had worked for Citibank or another American corporation abroad perhaps could arrange to immigrate to the U.S., but that person would be handled under the normal provisions of the immigration law. There was no special deal for that person. We in the U.S. Government and the American Chamber of Commerce collectively realized in the wake of the Tiananmen Square incident that we had a problem. We also had a Congress that was sensitized or could be sensitized to this issue. So, we jointly petitioned for a change of law, that was brought about in the 1990-1991 period, for a special provision for Hong Kong. I don't think it was granted to any other place, although there may have been some other place that got in on its coattails. The new law allowed us to provide a facilitated visa for people who were already FSNs in our government and wanted to remain on the rolls working for us as long as they felt they could do that. It provided a similar provision for Hong Kong workers of American firms that would probably continue to work for those American firms but might have to do so in the U.S. for their own well being. There were some other provisions as well. Immigrant visas were made available for Hong Kong investors who agreed to invest something like $1 million and employ a certain number of people in the U.S., the U.S. created an escape valve for several categories of Hong Kong people. Obviously for a period of time, for a period of some years, the visa work line at the consulate shot up as a result of this visa program. We got a lot of positive publicity from this. The U.S., which had always been the immigration destination of choice, became even more so.

High regard for the U.S. already held by Hong Kong people went through the roof. This was partly because we were measured in the minds of Hong Kong people against Britain. Britain had been petitioned as well by the Hong Kong people to provide facilitated immigration. They came up with a plan that paled greatly in comparison with what we did. In actual numbers, perhaps there were more immigration slots available from Britain than from the U.S. But the way they described their program to the Hong Kong people made it quite obvious it was greatly restricted. There were a lot of people who should have been assisted by the British program who were not, at least not initially. What Britain said was, "We will give immigration slots to 50,000 people." That included individuals and their families so that it was 50,000 "packages." That included a total number of 250,000. But certain provisions had to be met. I believe the individual had to have been born in Hong Kong, and so could not have been from China and then naturalized as a Hong Kong resident. It usually had to be someone who was fluent in English, had a university

education. It was better if they were in the UK, had worked for the Hong Kong government at a high level or commanded a certain professional position or something like that. So, it was very obvious that Britain was going to skim off the cream from the top. There was nothing left for people lower down who also might find it inconvenient to remain in Hong Kong after 1997. Some of those groups were important. For example, Britain had a special branch of the police who were very important in Hong Kong, from the standpoint of fighting crime, especially international organized crime, also from the standpoint of gathering intelligence regarding China and whatever was going on across the border. There were parts of the border that were quite porous where all kinds of things could happen. There were both a sea and a land border where a lot of things went across on a continuous basis. The U.S. had a lot at stake in maintaining this flow of information. We relied as much as Britain on the work of the Special Branch. Many of the members of the Special Branch were Chinese and were not, on the face of it, part of this special immigration process that Britain had talked about. I think that subsequently after some of our discussions with Britain, a way was found for at least some of them to get out of Hong Kong. But it was a lacuna; it was a gap in Britain's initial policy.

There were several other groups that were not provided for at all by the British policy. One of them was the very unusual group of Indians living in Hong Kong. During the heyday of the British colony in the Victorian period, Britain had imported a number of laborers from India, mostly to build roads but for other purposes as well. There was actually a period when most of the police throughout the British Empire were from India. The Chinese didn't do that at the time. For road building in Hong Kong, it was necessary to bring laborers from somewhere else because the Chinese believed in the importance of "feng shui," literally "the wind and the water." What it means is the proper placement of things, mostly buildings, but other civil structures, as well. This is the belief in the proper placement of such structures for the well-being of the families that are going to live there or the people who are going to work there. On Hong Kong Island and in certain other parts of the colony, there are rather high mountains. The British wanted to cut roads through passes or make tunnels. That work was greatly resisted by the Chinese people living there, including the Chinese laborers the British might have intended for that purpose. The Chinese felt that they would be cutting the dragon's tail, or they would spill the dragon's blood under that land formation, and as a result that would diminish the prosperity of the place. So, Britain imported Indian laborers to build those roads and other constructions. What happened was, they remained in Hong Kong. They didn't go back to India. They took various menial positions. Generally speaking, they had poor education. After some generations, the only language they spoke was Cantonese. They didn't speak English or any Indian dialect. Because it was so many years after India's independence, India closed the door on these people. They said they could not return to India to live. Britain said, "You can't go to England to live." The PRC very unhelpfully said after 1997, "We do not want anyone in Hong Kong to be a resident unless they're Chinese." So, China also left these people out. They were not a large number, about 10,000. We thought that these people might become stateless and be put on a ship to nowhere. It was a problem and we felt it was a problem that Britain needed to address. I believe they did at least address it for the majority somehow, but I'm not entirely clear how they finally did. During the period that I was in Hong Kong, this continued to be a hot issue.

Another similar issue was what to do with the 200 or so Gurkha soldiers who had been recruited by Britain years ago in Nepal for the British army and served with distinction in many cases.

Many of them had remained in Hong Kong after they had been discharged from the British army. During the period I was in Hong Kong, the British were rapidly disbanding the various military units they had stationed there, and if they were British, they were returning to Britain. For the Gurkhas, it was a question of what could happen. If they were Nepalis and married to Nepalis, they could have returned to Nepal. But many of these Gurkha soldiers had married Chinese women from Hong Kong. Under the British Hong Kong government, they were permitted to remain there as Hong Kong residents, but they themselves were not able to become legal Hong Kong residents. As long as their wives were there, they were okay. But because they were not Chinese, the Chinese government had said they could not remain there after 1997. It was not entirely clear to me what would happen to them either. So, they were another possible group of stateless people.

Then the other final group that was a real heartburn for all of us was so-called "economic refugees" from Vietnam. During the mid-late 1980s, there were vast waves of migration of boat people from Vietnam northwards towards China. Many of them went on rafts of the type that sometimes people leave Caribbean islands on heading toward the United States. They were leaky vessels and when they arrived on Chinese shores, the Chinese, who didn't want refugees (certainly not from Vietnam -- there is no love lost between those people), would help them make their boat seaworthy and then wave them along to Hong Kong. They would have to pass by Macau before they got to Hong Kong. The Macau authorities did not want them remaining there, so they would also very unhelpfully wave them on to Hong Kong. There was no place beyond Hong Kong to go. So, a total of more than 50,000 of these people arrived in Hong Kong. There were no other possible destinations for them. The Hong Kong Government didn't want them mingling with Hong Kong society. So, they built what looked like concentration camps for these people and walled them off and tried to maintain some basic services for them but also keep them separate from the Hong Kong population. This became a political issue, both in Hong Kong and with respect to China. First of all, at that time, the Hong Kong economy was booming. I don't know exactly what the unemployment rate was, but there were a lot of employment opportunities available at the low level. So, on the one hand, the UN High Commission for Refugees and various NGOs working with them were trying to catalogue all of these people and determine whether among them were any political refugees. On the other hand, the Hong Kong Government was looking to provide them some opportunity to work if they were willing to do so for the period they would remain in Hong Kong. Several things became apparent. Most of these people were refugees from North Vietnam, not South Vietnam. So, very few of them had any connection with the Government of South Vietnam or had participated in any way with the effort of the U.S. Government that would have enabled us to provide a kind of fig leaf of political refugee status. Very, very few. Of 50,000, maybe 2,000 at the most were accorded political refugee status in the U.S. or elsewhere. Most of them were deemed "economic migrants." They came from impoverished villages in North Vietnam and really there was nothing to be done for them as refugees. So, those who were willing were essentially allowed to work in Hong Kong on a day labor basis if they would agree to return to the refugee camps at night. That gave them some economic wherewithal. The UN High Commissioner for Refugees and various other social organizations tried to provide medical care, education, etc. for the children and families in these camps. Of course, during that period, their numbers were burgeoning. Britain was beside itself because at the time, the U.S. was not really facilitating their return to Vietnam. On the one hand, we were saying, "We would like Britain to continue to house these people. We would like them

to return to Vietnam on a voluntary basis. We can't do more than that." China was telling the British government, "As of 1997, we will not allow any of these Vietnamese refugees to be in Hong Kong, so you've got to find some way to get them back to Vietnam." We were saying, "But they can only go back on a voluntary basis." Well, during the time I was there, Britain did force some of the refugees back on what were termed "non-voluntary resettlements." We got the UN High Commission for Refugees, and perhaps other UN agencies as well, to be on the receiving end in Vietnam when these people got off the plane to verify that they would not be penalized politically for having departed Vietnam. The people were also provided an economic development package to help them resettle in their village or elsewhere in Vietnam to assuage our own sense of humanity. But even so, it took from a high in 1990 of about 50,000 certainly all of the time until 1997 to whittle that down to a couple of thousand. I believe there are still some Vietnamese refugees in Hong Kong. By now, perhaps some of them have married Hong Kong women. That was already happening when I was there as one way that they were trying to remain in Hong Kong. In any event, that problem sort of whittled down, but it took a lot of effort to get there.

Q: We were very much involved in standing on the sidelines.

DONAHUE: That's right. We couldn't do more than that for domestic political reasons. This is an example of a problem that U.S. foreign policy helped bring about, but was not really able to resolve.

Q: This is a good place to stop. There is one other thing. I would like on this Hong Kong time, 1989-1992, to talk about the problem of corruption as seen from Hong Kong. There was quite a lot of corruption in the Mainland Chinese system, including connections with the Chinese military and all that. What were we seeing? Where did you go after that?

DONAHUE: I left Hong Kong to return to Washington for an assignment in the Office of the USTR.

Q: Today is July 3, 2000. Do you want to talk a bit about our take on corruption within government circles in the Mainland Chinese regime?

DONAHUE: Sure. In order to talk about corruption, I have to mention a group of organizations referred to as the "triad," which traditionally was something akin to a Chinese mafia.

Q: We used to call them "tongs."

DONAHUE: That's right. A tong would be an individual group like a gang. The triad is the organization as a whole. Traditionally, there were secret societies that were involved in some criminal activity in China. Sometimes the activity would be more political; other times, it would be primarily criminal. The triads were tolerated to some extent by most Chinese dynasties. There was a kind of pattern that as a dynasty was waning and losing its power, there was a resurgence of these groups, and many of the disaffected intellectuals moved to these groups for protection. What we saw in the early 1990s in Hong Kong was a rise of activity of the triads. There were several reasons for this. During the period 1950-1985 or so, both the British and the PRC

governments had vehemently opposed crime and had sought to at least pressure these groups. They weren't going to be able to put them out of business, but they were backed into a corner. So, in that part of China, one of these safe harbors for the Chinese underworld was Macau. The Portuguese Government didn't have the same power that the British government had to police their activities. What we saw happening in the late 1980s was, under the liberalization influence of Deng Xiaoping, these organizations felt more free to engage in criminal activity. Because trade in general had been liberalized, some of these organizations went into legitimate trade, usually as brokers rather than producers. Undoubtedly, some of their capital was also recycled in production because that was a way to launder money.

So, what we saw happen was, in the early 1980s, when China first began to decide that international trade was important, not only was the central government going after that trade, but it was also facing competition from provincial governments. There was a profusion of Mainland offices being set up in Hong Kong with names that we had never heard of before, and it was not always clear whether they were official or unofficial, or whether they really had the backing of the province that was claimed. I think that this was a period when a lot of these underworld organizations took advantage of a fluid situation to establish themselves in business or at least make themselves look legitimate. Also, in our previous experience in Hong Kong, there had been very low incidents of street crime, and certainly very little crime affecting foreigners. Places in Hong Kong where foreigners tended to predominate seemed to be off limits for even petty crime, like being held up for your wallet or something. During the 1989-1992 period, however, there was an obvious increase in crime and it was a kind of bold crime often under the nose of the police. A typical crime would take place in some of the tony shopping centers in Central District in Hong Kong where there would be two or three blocks filled with jewelry stores and gold stores. Some of them were broken into quite brazenly even during the day. Some of our friends had their pocketbooks taken even in very nice downtown shopping malls. Another problem that was probably worse was large-scale theft of automobiles from Hong Kong, all of which were taken into China. Some of the heists were so brazen that they were taking very high-priced Mercedes and placing them in a rubber bag, sealing it, and then towing it at the end of a high-speed boat to elude the police. During that period, the Hong Kong police bought high-speed airboats to apprehend the criminals on the water, but they were prohibited from going into Chinese territorial waters. The belief was that this activity could not take place without the connivance of authorities in China and the province closest to Hong Kong, Guangdong.

Q: I've heard stories where people have gone there and identified some of the cars and they're being driven around by ranking PLA Army officers.

DONAHUE: Yes, that's right. We know that happened and we know of Hong Kong people who had to pay to ride in their own vehicles while visiting China. Obviously, there were many opportunities for people in China, whether they were with the central government or the provincial government, and they took advantage of those opportunities.

During that time, there was also quite obviously a difference in point of view between the Chinese military in Guangdong and the central government. We were watching closely whether Mainland Chinese would try to sell any of their weapons or weapon products to other countries through Hong Kong. There were times that we got a whiff of questionable material flowing

through Hong Kong, probably as samples, but it's not clear exactly where it was going. Nevertheless, there were opportunities and there was probably even more of that type of activity taking place in Macau.

Q: Was there any talk at this time among you China hands in the early 1990s about the possibility of a rupture in China and a breakup of China? China is essentially an empire. It's the only empire left. Was this talked about?

DONAHUE: This question has been a matter of discussion and debate for most of the 20th century. When there was a very weak central government, it certainly looked as though a number of separate countries were going to form in China. That sense of fracture was ended by the strong central government that the communists put together. However, there have been times when that has been under assault, certainly during the Cultural Revolution. We did find that in the wake of the 1989 Tiananmen massacre, there was a great deal of dissension throughout China, and some provinces were seeking to move away from the line laid down by the central government. I am sure that it became more difficult and complicated for the central government to maintain adherence to its general policies in some of those provinces. The problem areas generally were southern China (Guangdong had often tried to demonstrate its independence from Beijing), and then west of Guangdong, the province of Yunnan, which borders on Burma and Thailand, and a lot of drug traffic goes across that border. I think that the existence of the drug traffic alone may be evidence that the central government in Beijing does not have as strong control there as it would like to have people believe. Other areas are Tibet and Xinjiang, the northwestern province of China near the new republics formed in former Soviet Central Asia with the collapse of the Soviet Union. Both of those provinces have a large proportion of so-called "minority people." That is, they are minority nationalities in terms of China. Both of those provinces have been the target of a great effort for maybe 20 years by China to resettle Han Chinese – that is, Chinese-speaking people – into those provinces for both economic and political reasons. Tibet, which I have never visited, now does have a majority Han Chinese population. Xinjiang province may also. At least, the Han Chinese may outnumber the other minorities, because Tibet had essentially one minority, which was Tibetan people. Northwest China had a number of minorities: Uighurs, Uzbeks, Kyrgyz, and many smaller groups. There were people in that province from all of the nationalities in the neighboring Central Asian republics, and probably some Mongolians as well. I think the most vocal politically are the Uighurs, but all of those groups are there and all of them collectively wanted to resist the increased Chinese presence. Because they did not represent a single large group like the Tibetans that could go head to head with the Chinese, they didn't have that political ability. I'm sure that the collapse of the Soviet Union and the establishment of the separate republics on the other side of the border intensified pressure on Beijing to make sure that that northwest province did not go the same way, that it remained within China. It's actually an economically important province, but it's difficult for China to take advantage of its potential because it's located so far inland that the cost of transport to the coast is prohibitive.

Q: One last question on China. I'm talking about how you all were looking at it at the time. I remember interviewing somebody who was in Poland in the late 1970s. He said there were probably three dedicated communists in Poland at the time. The rest were opportunists. What about in China? What was the feeling about this vast effort to indoctrinate the people running

around with the Little Red Book? How was it taking?

DONAHUE: That is also a complicated question. You can look at it a number of ways. One of the problems with Chinese communism is, it's not always easy to sort out the nationalism from the communism. I think that most Chinese intellectuals were staunch nationalists and to the extent that what the communists were espousing was what they felt China needed to do to be a strong country, they supported it. However, there were many aspects of communism that they did not support. It was very clear that after a major effort under Mao to establish communes and get rid of private property, that did not work. When Deng Xiaoping returned to power and allowed what he called "economic reform," which was the development of a market economy, there was a lot of interest in this. There was a groundswell of support. The inevitable result was, some people got quite rich and flaunted their wealth, which had been a taboo during the many years of Maoist communism, and that got some resistance. The intellectuals, that is, the people who would read the newspaper propaganda on a regular basis and would even be writing some of it, people participating in high-level government positions – they would support the Communist Party as long as it was clearly in their interest to do so. What they were finding, and it became apparent by the mid-1980s and was certainly apparent by 1992, was that people who took advantage of the market economic liberalizing trend under Deng Xiaoping and got into the private sector, those were the ones pulling ahead economically. So, the newspapers were filled with stories about Chinese who became millionaires, especially in southern and coastal China. Many of them enjoyed a far better quality of life than Communist Party cadres, who began to be resentful. So, no longer could they say that kind of lifestyle was limited to the capitalist countries under imperialist control like Hong Kong. It actually was part of China's current reality. It was harder for them to deny. Also, they could not deny – I think this was true of officials at the highest level – the benefit to the Chinese economy overall of all of this capitalist economic activity. The problem was how to allow that to happen and at the same time for them to maintain control. I think they still have not sorted it out.

In those years when Deng Xiaoping was still living, in the 1988-1992 period itself, at the level of popular culture, some of the communist heroes were being elevated to a kind of divinity status so that in parts of South China temples were being built to Chairman Mao and even to Zhou En-lai. For a while, the authorities in Beijing thought there might be an effort to steal the body of Mao from his mausoleum in Tiananmen Square, so they actually closed it to the public. During Mao's entire leadership period, the Communist Party had strongly discouraged this kind of popular religion, which they labeled superstition, as being injurious to society. They subscribed to the theory of atheistic communism and believed that all of a person's efforts should go into some kind of economic production or political activity rather than be wasted in religion. I think the people of Deng Xiaoping's type were greatly chagrined that there would be a desire on the part of the common people to deify Mao or at least give him a place of honor at the level of popular religion. I think it's to be expected. This is probably how Chinese religion developed over some thousands of years. The temples were built to him not because of his communist ideology, but because of his nationalism for China. So, the question of whether a person who is a Communist Party cardholder is truly a communist or not, I think that this belief in so-called "international communism" and the inevitability of communism representing the ultimate stage in historical development had been totally shattered. If it hadn't been before, it certainly was by the collapse of the Soviet Union. I think that all of the efforts of the Communist Party in China have been

given over to how they could allow capitalist economic activity to thrive and have themselves remain in power. I think it's going to be futile, but I think that probably there is still a majority of Party cadres and government officials who believe that without the Communist Party there would be chaos because they haven't done anything to foster any kind of democratic activity that could carry on after communism collapses.

Q: Were you seeing an attempt to rationalize production with the normal communist policies on communism, Marxism, etc. both in the schools and the workplace? These take away from education of other things. Communist indoctrination takes considerable time out of the school place and the workplace.

DONAHUE: During this period that we're talking about, 1989-1992, I do not recall having visited a school in China while the classes were in session. I think where this activity of communist indoctrination was strongest was probably in Beijing and other parts of northern China. The coastal area, and certainly southern China, would have been quick to pick up on the importance of teaching skills that were directly related to production and getting rich. I think that if they could have freedom in that regard, they would have tried to jettison or minimize the rote instruction of ideology except for what may be necessary to pass a test.

During this period, and I think it was in 1991, my family visited the village of my father-in-law, which was southwest of Hong Kong. My father-in-law was an immigrant from part of China known in Mandarin as Taishan. The local people pronounce it as "Toisan." Up until the 1960s or so, the majority of Chinese in the United States were from that part of China. Their dialect is a sub-dialect of Cantonese. Despite the fact that the region had always been an agriculturally wealthy part of China, it was also densely populated. So, there was population pressure for people to go abroad and seek their fortunes. This is what so many did, of course. When we went back with my father-in-law to see his family village, on the way to and from, we saw a lot of evidence of overseas Chinese families having constructed many things there. So, a lot of their money was going back to that part of China. The overseas Chinese families were building major vocational high schools to teach mechanics, low level engineering, and the skills needed for factories. Many of the schools operated in conjunction with a factory. Many of the overseas Chinese were businesspeople and they were taking their capital back to China. They were looking to make investments back in their home communities, but they also recognized the need to train skills. I was somewhat surprised because when I had lived in Beijing in the mid-1980s, we had tried to see whether we could enter into some kind of cooperative arrangement between the Beijing International School, of which I was the chairman of the board of directors, and some Chinese schools. We hoped there could be some kind of interchange, even a sports competition that would allow the students to know or learn something about each other. That effort was strongly resisted at the time and we were certainly given the impression by the Ministry of Foreign Affairs that no involvement by foreigners at all in the Chinese educational system would be tolerated. So, when I visited these areas in southern China and saw whole schools being built and textbooks being provided by "foreigners," the difference was, they were overseas Chinese and probably their investment in the school was scrutinized to make sure that it conveyed foreign technology, but not ideology.

Q: Also, what you're saying is that the split between north and south is becoming more and more

profound.

DONAHUE: I think that is true. The southern and coastal part of China has always been economically stronger. A big difference is that there are cultural changes that come with this economic development now. They will profoundly affect the willingness of the people to continue to even pay lip service to some elements of communism that just don't pass muster in the modern world.

Q: One last question on this. Were you seeing any change in the spread of Mandarin and Cantonese?

DONAHUE: Without a doubt, the communist government has been quite successful in fostering the spread of Mandarin as the national language. It has been very important politically and culturally for educated people from the entire country to have a common spoken language. From the standpoint of nationalism, encouraging the spread of Mandarin was a common goal of all Chinese governments during the 20th century.

Mandarin is somewhat lower in quality in areas of China where it has a heavy local dialect or patois, or even different tones. Those areas are Shandong province and Sichuan province, especially. They are within the Mandarin speaking area, but it's a heavily accented Mandarin. In coastal China, Shanghai, Fujian, and Guangdong provinces, the quality of Mandarin is good among Mandarin speakers. Almost anyone under age 40 with a high school education or above would be conversant in Mandarin. It has played a very important role in national unification.

What we saw happen in Hong Kong during this period, 1989-1992, was an intense debate by Hong Kong people over what language they should stress. It was an important debate. Many Hong Kong school educators felt that all Hong Kong public schools at the high school level should teach in English. English is the international language for business and Hong Kong's present and future depended so heavily on international business. They felt that there certainly would not be opportunities for people who were not conversant in English. There is a historical problem, an intrinsic problem, in teaching modern technology in Chinese because Chinese lacks much of the vocabulary. So, at the university level, it is recognized that the teaching of technology has to be in English. Therefore, if Hong Kong is going to move not only into business but also into technology, the city's high school students must be prepared to take that information on board.

At the same time, the University of Hong Kong, which was the premier university, noted that the quality of English for its entering students was declining. Many of us living in Hong Kong also remarked that the English of the average shopkeeper was not quite as good as it had been. There were several reasons for this. One of the principal ones was the great amount of immigration out of Hong Kong by talented people who could immigrate to Australia and Canada and were taking their assets to prepare for their family before Hong Kong would be turned over to China. That exodus provided opportunities in Hong Kong for people who perhaps did not have as much preparation, but it also meant that quality of services was not quite as good as it had been previously. Part of the debate about language recognized the need to maintain good English in schools. Another group felt intensely that 1997 was an opportunity for Hong Kong and

Guangdong nationalism. They thought that Hong Kong ought to be fostering education through the high school level in Cantonese, thereby reviving the ancient Cantonese culture. At one time, the area of Guangdong had been a separate kingdom with its own rituals and culture and history, and even its own version of Chinese opera and classical music. Mandarin speakers in the north had quashed those forms of cultural expression. The Cantonese nationalists felt that with their increased economic power, this was an opportunity for an expansion of their cultural presence.

However, many people pointed out that that if they went down that road, they were going to face an historical dead end. They were going to run into political problems with Beijing because they expected that come 1997, there would be strong pressure to have Mandarin taught in the schools, at least as a second language. Some Hong Kong business people thought students should become trilingual in Cantonese, Mandarin and English. So, this debate raged. I believe it still has not been entirely resolved, except that there is much more Mandarin spoken in Hong Kong now even in the government, where previously all Chinese employees were speaking Cantonese with each other in meetings, unless there was an expatriate or unless it was a high-level meeting conducted in English. Now, they would also be speaking a lot of Mandarin because the PRC administration was paying close attention to what they were doing. It's interesting that the rise in affluence in southern China and the easing of communication across the border with neighboring Guangdong gave more prominence in China to Cantonese-speaking cultural idols in Hong Kong. So, Jackie Chan and other actors prominent in movies, and pop stars from Hong Kong had quite a following on the other side of the border. Conversely, some singers and other cultural figures from Guangdong also began to have some following in Hong Kong. There was a rise at the popular level of "Hong Kong speak" in Guangdong province's capital city, Guangzhou. People from a fairly wide area of Guangdong province could pick up Hong Kong TV. So, their speech patterns were also going to be affected. There has been an increase in the importance of Cantonese, at least at the local level. However, to do business with the rest of China or with Taiwan, Mandarin is essential.

JOAN M. PLAISTED
Economic Officer
Hong Kong (1980-1983)

Ambassador Joan M. Plaisted was born in 1958 in Minnesota. She attended America University and received both her Bachelor's and Master's Degree. Her postings abroad include Paris, Hong Kong, Geneva, Rabat and Marshall Island as Ambassador. Ambassador Plaisted was interviewed by Charles Stuart Kennedy on July 30, 2001.

Q: Then you left for Hong Kong in 1980.

PLAISTED: 1980.

Q: And your job in Hong Kong...

PLAISTED: I was in Hong Kong from '80 to '83. I had the job that was described as the best FSO-2 job for an econ officer in the Foreign Service because it had so much policy content. I was the Hong Kong watcher in the economic section - a 14 person econ section. I was the only Hong Kong watcher among all the China watchers. In those days we did a lot of China watching from Hong Kong. This eventually gave me some credentials in the China group. It was also considered such a good job because it was the only non Mandarin language designated job in the economic section. I was the Hong Kong watcher. I had a very interesting time in Hong Kong. This was when the crisis in confidence in Hong Kong's future first came up. What was going to happen in 1997 when the lease on the new territories in Hong Kong ran out? It became an issue that early because many of the land leases in Hong Kong were for 25 years, it was a question how are you going to renew these land leases. I was there at the time of the Hong Kong crisis in confidence which happened in '82-'83. Also I was in charge of all of the economic policy issues with Hong Kong. The main one, of course, was textiles. I helped to renegotiate the bilateral textile agreement with Hong Kong in 1981.

Q: Let's talk about the crisis in confidence. I mean it had been agreed that Hong Kong would be turned back to China. The lease was up; the British had accepted the fact that it would go back.

PLAISTED: Well, it wasn't that simple. There was a 99 year lease on the new territories, but Hong Kong island itself was leased in perpetuity. But you can't really separate one from the other. What do you do? Do you recognize Chinese sovereignty over the whole area and turn the whole area back to China? Most people agreed that you couldn't keep Hong Kong as an island by itself, as Hong Kong island, and not have it adjoined to the new territories which is where all the food came in from and where some food was grown. In '82-'83, there was a world recession, economic problems made it more difficult for the Hong Kong businessmen. I remember writing a cable on Hong Kong's future, how actions speak louder than words, because what we were seeing were government officials, and particularly the top businessmen, making very optimistic speeches about the future of Hong Kong - how everything was going to be fine; there was no need to worry. Then if you looked at what they were doing themselves, with their own private investments, they were diversifying overseas as fast as they possibly could, investing more, many of them, in the United States. It was a bit of a mini boom for Hong Kong investment in the U.S. Later a number of the middle class in Hong Kong started resettling in Canada.

Q: Vancouver.

PLAISTED: In Vancouver, yes. My former secretary to this day lives in Vancouver. It was the middle level in Hong Kong who decided to get out. Your top businessmen, many of them had green cards or had other options, so they could remain in Hong Kong. If worst came to worst, they would leave. But they were very busy pulling money out of Hong Kong while making these optimistic speeches. The property prices, which have always been something of a yo-yo in Hong Kong, they go up, they go down, the property prices were falling precipitously at that time. There was real uncertainty about the future. It did take several years before it was finally resolved with Maggie Thatcher and the negotiations over Hong Kong's future which occurred after I had departed Hong Kong.

Q: How did you get information? I mean information is fairly easy to get wasn't it in Hong

Kong?

PLAISTED: People were usually fairly willing to talk to you, but they were also terribly busy. You couldn't call on these top businessmen in their offices for any length of time. I got most of my information over the dinner table. I was quite popular on the social circuit. The good news, being a woman, you can always sit next to the principals who were the men. I could sit next to the men whereas my boss, the Consul General, couldn't. He would be sitting next to their jewel-laden wives. So I really was collecting most of my information on the dinner circuit, or socially when you could get involved in more relaxed conversations. I did have close relations with the political advisors and the assistant political advisors in the Governor's office. On trade issues, I had very close contacts with my Hong Kong counterparts. In fact, it wasn't a situation that pleased me very much, but they would hear what Washington was doing on trade issues long before I would. The Brit who was my counterpart, who was in charge of the U.S. office the way I was in charge of the Hong Kong office for the consulate, would take great glee in calling me up and saying "Joan, did you know..." And of course I didn't. When I later became the economic director on the China desk in Washington, one of the first things I did was to make certain we kept our embassies in China and in Hong Kong informed to the extent we possibly could on what was happening in Washington on the issues.

Q: I have heard the Brits have been faulted for getting religion quite late as far as really turning over power to the Chinese residents of Hong Kong. It was British run until very late in the '80s. I am talking about real democracy. What was your impression at that time?

PLAISTED: Some were saying that they acted too precipitously in calling attention to 1997 and agreeing to sit down and negotiate with the Chinese. But on the issue of democracy, in those days Hong Kong really wasn't that actively prepared to run its own affairs, no one was calling for democratic elections. The common wisdom in Hong Kong was as long as everyone is making money, everything is fine. Democracy isn't really an issue. No one was really demonstrating for democracy in those days and the British certainly were not preparing the people of Hong Kong to rule themselves. Most of the business people were really more concerned about the world recession. What did it mean for their exports to Europe, to the U.S. So there wasn't any great progress in those days toward democratization. That all came later, and then in a rushed atmosphere. I would give the British very high marks for establishing the rule of law in Hong Kong. That was something that was always very much respected. It was from my observations a very just legal system, and that is a terribly valuable legacy to leave for Hong Kong, something that Hong Kong is trying to guard today, and one can only wish them well.

Q: I would imagine many of your Chinese contacts there would be continually looking over their shoulder, saying what do you think I should do and all this, preparing a way to get out. Was this something that people were trying to engage you on?

PLAISTED: The mass exodus came a little later after I had departed in '83, but people were starting to look at their options at this time. Hong Kong in the early '80s was largely a Cantonese speaking area, I was studying Cantonese. Well, suddenly a few years later, you could see the signs on the wall, everyone was studying Mandarin to prepare for the future. Now if I were there today, I would be studying Mandarin.

Q: Did the mainland Chinese play a role in Hong Kong at that time, having offices and all that sort of thing?

PLAISTED: There was a Mainland Chinese office in Hong Kong called CITIC, but it was a much smaller office at that point. The Bank of China, which in later years built the tallest skyscraper with bad feng shui, supposedly because of the spiked towers at the top, that all came later when mainland Chinese businesses began moving into Hong Kong. The most visible links with China in those days were economic. Hong Kong was the principal port and still is to some extent for the whole southern China area. My theory was we were looking at the wrong issue, the mainlanders taking over Hong Kong. What was actually happening economically was Hong Kong was taking over China. Hong Kong businessmen were moving their higher priced textile, footwear, and toy factories, things that had become too expensive to produce in Hong Kong, to China. There was a shortage of labor in Hong Kong, so businesses started moving into the area in Guangdong Province right across the border from Hong Kong. I have seen this development from my early days of traveling to the special economic zone of Shenzhen. When I first went over there, Shenzhen was just brown barren land with a few bulldozers. Today it looks like Hong Kong. You see all these Hong Kong investors slowly taking over the southern part of China. Then I watched them over the years move up the river, getting closer and closer to Guangdong and Canton itself. That whole Pearl River delta area developed with Hong Kong money. Now it continues developing up towards Shanghai. Economically you could argue that these overseas Chinese businessmen in both Hong Kong and Taiwan were actually taking over the mainland of China economically, particularly in the area closest to Hong Kong and in Fujian province right across from Taiwan.

Q: From your contacts, what were you hearing from people running textile factories and the like in mainland China? How did they find communist Chinese rule? I mean regulations, getting along, did they find it relatively easy?

PLAISTED: We might get into that more when I am on the China desk and really helped the American business community with all their problems of investing in China. You may want to go into textiles or...

Q: I mean textiles, this gets to be very political in the United States. Well, I guess everywhere, particularly the United States. What was the status of our textile negotiations?

PLAISTED: Our bilateral textile agreement was expiring and we needed to renegotiate it in 1981. Both sides had extremely strong interests. In the U.S., in particular, I think at that time our strongest lobbies were textiles and agriculture. Textiles were exceedingly sensitive politically and economically.

Q: Mainly southern.

PLAISTED: Quite southern. Our major textile manufacturers and some of the southern congressmen came through Hong Kong and really pushed their way through and pushed their way around, and were frankly quite threatening to the Hong Kong side. The U.S. textile trade

associations would always be represented and would serve as advisors to the U.S. government negotiators. Mike Smith from USTR was our chief negotiator, and I was on the negotiating team. Our textile industry, we used to call them somewhat affectionately, but not completely, "the sharks." And they were sharks. The Hong Kong government negotiators were subjected to the same pressures from their textile industry, because it was their livelihood that was at stake. What I always wanted to do was put all their industry advisors in a room with all of our industry advisors and compare the agreement they would come up with, with the agreement that the government negotiators eventually came up with. I wanted to see if they could come up with anything that would better serve the interests of the two sides. There was a lot of pressure coming from the U.S. textile industry in those days, making it a very heated and high stake negotiation.

Q: I guess you American negotiators were always being accused of selling out our side. I mean there is nothing easier than being like a Monday morning quarterback.

PLAISTED: I would send in an analysis to Washington before the negotiations began, and we had limits on each category of textiles. We used to get these long discussions on what the limits are going to be on each specific category. In general what the U.S. wanted was further limitations on Hong Kong's exports to the U.S. What Hong Kong really wanted in those days was flexibility to shift between categories, to shift from one category to another, say from men's shirts to cotton pants. You had an idea of what the bottom line was, and we weren't all that far apart. You could serve the interests of both the U.S. and Hong Kong. What I found particularly interesting is we would get in these meetings as negotiators and the talks would just become terribly heated as we were going category by category fighting for each square yard. Then we would break, and all go out to dinner together. We would have a fabulous dinner and talk about everything but textiles, our lives, the quality of the food, and enjoy a delightful time together. Then we would go back into the negotiating room and start banging our fists at each other again. I learned very quickly how to separate the personal relationship from the professional relationship in these negotiations.

Q: How do you characterize the Hong Kong Chinese, were they British we were talking to mainly or Chinese?

PLAISTED: It was always something of a mixed delegation. The top negotiator for the Hong Kong delegation in those days was Chinese, Peter Chou. My counterpart at my level was a Brit, Mike Cartland, someone I stayed in contact with over the years. I always had the highest respect for the Hong Kong negotiators. The Hong Kong administrators would always look for the best person for the job. I think there was a conscious effort later to see that more local Hong Kong Chinese were in these positions in the trade ministry.

Q: Could you characterize the negotiating techniques of the Hong Kong side?

PLAISTED: Hong Kong was always exceedingly well prepared. In almost all the negotiations I have ever been in with dozens of countries, Hong Kong negotiators were among the best. They knew their dossiers very well, had all the facts, had all the figures. I think they were sort of arguing from a perspective of righteousness: We are a poor developing country. This is our

lifeblood, which it was certainly to some extent. We are a righteous little free market economy here. Please help us. You don't want to see us all go broke do you big bad west. You in the U.S. have a dying industry. Market forces would declare that you should move into something else, and let our workers work. You don't want to be responsible for the economic downfall of Hong Kong. They had their facts and figures to make this argument. On our side with Mike Smith, I would always try to start catching up on my sleep days before the negotiations began. There were times when we would negotiate for 48 hours straight. I always thought Mike's tactic because he had so much stamina was simply to wear down the other side. When they weren't looking he would slip in a good argument. We would just wear down the other side by being very persuasive and very persistent in the arguments on our U.S. side. This is what the U.S. needs. Our big, bad U.S. textile industry won't settle for anything less.

Q: In all of these negotiations you must have been repeating yourself, and they must have been repeating themselves again and again and again because there were only so many positions to take. I mean what you stated you always have to keep saying.

PLAISTED: There were a lot of industry categories to go through. We actually set what the limitations were going to be in each one of these categories, so there was a lot of detailed work involved in the textile negotiations. One conclusion I reached is that he who has the most stamina is the one who will win in these negotiations.

Q: Well much has been made recently in the training of foreign service officers to bring them up to professional standards to train them in negotiations. Where did you get your negotiating training?

PLAISTED: The same way I got most of my other training in the Foreign Service. I think it is rather hard to train negotiators, but we should certainly try. I got it by doing it for better or for worse. Over the years I got more negotiating experience than almost any other foreign service officer. I just learned it from sitting behind the microphone and from watching. At the OECD I used to watch the people I thought were the really good negotiators. I had a lot of respect for Chuck Meissner. He would lead our delegations on the financial side. I thought he was one of the finer U.S. negotiators I ever saw, so I would observe him and learn and ask him, how do you do it. He would go and take cat naps sometimes in the corner of the negotiating room. If it was 10:00 PM he would go and take a little nap for ten minutes and get his stamina back to keep on negotiating for the U.S. So watching others was key.

Also, I always had a lot of problems with public speaking. When I was first in the Foreign Service I remember making a speech on computer equipment at a Paris Trade Center show. Not only would my voice shake, but my whole body was shaking. I was wearing a little mini skirt, and my colleagues sitting behind me were just laughing, laughing. I was scared to death. So I knew I had to do something about my speaking skills and took the Dale Carnegie course on public speaking in French in Paris. I still had problems with my public speaking skills. I still was afraid to speak in public when I arrived in Hong Kong. What I did to help my speaking and negotiating skills was I went back and retook the Dale Carnegie course in Hong Kong. Thank goodness the course wasn't in Chinese. I was one of two westerners in the class. It was great. I took the entire course again and ended up helping to teach it for awhile, so I could really get over

my fear of public speaking to be able to be behind the microphone to represent the U.S. It took a real conscientious effort.

Q: Well now with textiles, all these things eventually keep moving and textiles have moved certainly out there. Were you sensing the beginning of the electronics movement coming into Hong Kong?

PLAISTED: Yes, this was all happening because the labor costs were going up in Hong Kong. So many of the textile plants, the lower end of textile manufacturing, were moving offshore, mainly to China or other developing countries. Footwear was also moving out of Hong Kong. They had to get into the marketing niche where they were competitive and moved up market into electronics, the higher end of the market. At the same time, one of Hong Kong's major themes in our negotiations was Hong Kong is a poor developing country, you should treat us as a developing area. This was particularly important to Hong Kong because the U.S. was cutting trade preferences for the generalized scheme of preferences in those days. When Hong Kong got to be too successful in exporting a certain product to the U.S. like rattan, we would cut it from our GSP list. Of course it was in Hong Kong's interest to argue that they were a developing country. We had one of the top officials from USTR, an assistant USTR by the name of Doral Cooper, come out to take an overview of the trade issues between the U.S. and Hong Kong. My counterpart in the Hong Kong government, Mike Cartland, took great pride in lining up this tour for us. He lined up what I called the less developed country, the LDC tour, of Hong Kong. He found, and I gave him full credit, he found the only unairconditioned car in the entire Hong Kong government fleet. I didn't even know they had them. He had the driver take us out to some of the worst public housing projects. I had toured many Hong Kong public housing projects. I have never seen public housing so bad. The bathrooms shared by many families were as stinky as can be. He found unpaved roads, which is hard to do in Hong Kong. Most of Hong Kong is paved three times over, a highway on top of a highway on top of a highway. We were driving around out in the new territories on the back roads, unpaved roads, where the driver takes us to a rattan factory. Mike had arranged for the owner of this small shop to tell us of his trials and tribulations because the U.S. had just pulled the GSP, his preferences, for his rattan exports which he was no longer able to export to the U.S., and he and his family were going to starve. So it was an absolutely brilliant tour. This was on Saturday. Monday morning Mike Cartland calls me up at the office and says with a bit of a smirk, "Did you enjoy your tour on Saturday?" I said, "It was quite informative, and certainly Doral Cooper was quite impressed." He said, "Well what did you do with her on Sunday?" I said, "I was invited out on the yacht of Fung King Hey," a hundred some foot yacht. Fung King Hey was one of the richest men in Hong Kong. There were headlines in the Wall Street Journal at one point when he was going to buy 10% of Merrill Lynch that read, "Merrill Lynch, Pierce, Fenner and Fung?" He had sizable wealth. I said, "I took her out on Fung King Hey's yacht, he served us caviar, lobsters, and champagne as we sailed around Hong Kong's skyscraper lined harbor, we had this fabulous time so that she could see the other side to your less developed country - to see how the very top lives." Mike was just furious that I had undercut his arguments for Hong Kong as a less developed country. I think this points up what a very complex place Hong Kong really is even to this day. When I first arrived one of the top businessmen that I was seated beside at dinner said to me, "Joan, throw out your economic textbooks. You just have to look at Hong Kong as it is." He was right. Hong Kong is not a free market economy at all. It is very complex. You have a large percentage of the people living in

public housing in what was supposed to be the freest of the Milton Friedman free market economies. So it was unique. You have to just look at Hong Kong on its own.

Q: What about relations with our embassy in Beijing? This is always a tricky thing. At one time Hong Kong was the hub of our China watching expertise and everything else. You know time had gone on, at least eight or nine years by the time you got out there. What was your experience with what you were getting out of Beijing?

PLAISTED: I was the sole Hong Kong watcher. Everyone else in the section, all my colleagues, were all China watchers. In those days, there was a very complementary relationship between what we were doing out of Hong Kong, and what reporting was being done out of Beijing. Of course, over the years, more reporting was moving to Beijing. What we had in Hong Kong, the real strength of China reporting, and the reason we had so many China watchers in Hong Kong in the early ‘80s, was the mainland Chinese would talk to us when they were in Hong Kong. You just couldn't get that access in China. Nobody would talk to you in those days in Beijing. They were afraid to, so it was very hard to do your duty as a reporting officer if you didn't have anyone you could engage with in Beijing. The reporting targets all seemed to be in Hong Kong. The Hong Kong Chinese of course would talk to you. They were going over to the mainland to set up businesses and to visit their relatives, and they were very perceptive in terms of what was happening. They were always willing to talk with the embassy reporting officers. It was a lot easier to get news of what was happening on the mainland in press reports in Hong Kong. There was a real argument that here is where you get access to information. By ‘85, when I was working on the China desk, the consulate in Guangdong really wasn't doing much reporting. It was either coming out of Beijing or coming out of Hong Kong.

Q: Did you get any feel about the, I don't know what you call it, but the military complex and party complex owning factories and being very much engaged in the commercial world in mainland China? I have heard reports the red army - the People's Liberation Army - owned a lot of factories. Was that a factor in those days?

PLAISTED: No, it wasn't something I was hearing about in '80-'83.

Q: Who was our consul general?

PLAISTED: Tom Shoesmith was our consul general when I first arrived. Then later it was Burt Levin who is very dynamic and had a very informal approach. Shoesmith I always addressed as Mr. Consul General or Mr. Shoesmith. Of course he was the first consul general I had every dealt with. Someone asked Burt Levin at a reception, “What do you call a consul general?” He said, "Burt!" That was his approach. He was very lively, very sociable. What I really appreciated was how very supportive he was of me and my work. He put me in for the Herb Salzman economic reporting award out of Hong Kong. Burt Levin and I were among the few people in the consulate in Hong Kong who were also accredited to Macao, which I visited with him when he first arrived. Burt was going to make his initial introductory call on the governor in Macao. In those days Macao was a really sleepy, sort of seedy, backwater. I thought it was delightful. Burt and I went in and I introduced him to the governor, whom I had met earlier. The lights went out in the governor's office. This is in the middle of the afternoon. The air conditioning went off, and the

governor just kept on talking as if this happens every day, which of course it did. We were sort of looking around wondering if we were going to sweat to death. Then about 20 minutes later on come the lights and the air conditioning again. This is Macau - or once was.

Q: Did you find, you wanted to be an Asian hand, did you find that you were up against in foreign service terms the Chinese Mafia, people who learned the language and all and that you were an outsider or was it more welcoming?

PLAISTED: Something of a combination of the two. Here's how I always saw my role, and they always joked about it. My role was to keep the China hands honest, because I was the one non Mandarin speaker, not having devoted my entire career to China. There were times when I thought my colleagues were getting a little too close to the subject or were getting too down in the weeds about who is going to get this or that low position at the next party congress. I was always asking what does it mean for U.S. interests? That is what I wanted to know. That is what the Washington policy makers needed to know. Most didn't really care who got the 20th position in the ranking politburo picture, which is what China watchers get hung up on. The number two position in the economic section came open during my time. The argument came up in the office, who should be the deputy. Should it be Joan? She is only slightly more senior, but she is not a full fledged China watcher. We are all China watchers, shouldn't it be a China watcher? The decision had to go up the ladder to the Consul General. I became deputy of the econ section. So that was something of an issue for awhile.

Q: While you were there, was Taiwan a factor in things you were thinking about, working on?

PLAISTED: No, not really. I think the feeling was everyone was focusing on Hong Kong, on Hong Kong's future. What is going to happen in Hong Kong. There were times I thought we were too narrowly focused. I did a lot of traveling on my own around Asia because I just love Asia. I would go to all these other countries and explore what was happening in Japan, Thailand, the Philippines, Taiwan, Indonesia, Singapore, and Burma. The first thing I noticed when I would get off the plane is hey they are not all totally obsessed by what is going to happen to Hong Kong in 1997. I don't think most people outside Hong Kong were even very aware of this issue when it was so all encompassing for those of us in Hong Kong. It was good to get off island every once in awhile just to realize there were other issues out there in the world. The rest of the world was not worrying about this and had its own concerns.

Q: Kicking that island complex is always a problem. From the economic side, were you all looking at the growth of these little tigers, or was that even an expression at the time? I am thinking of particularly Korea, Singapore, Malaysia to a certain extent, Thailand, which now could turn into real economic powers.

PLAISTED: We were looking at them more from the perspective of Hong Kong. How much competition would say Singapore be to Hong Kong - the world's third largest financial center. I remember doing reports comparing the competitive positions of Hong Kong and Singapore. Your U.S. businessman is able to invest anyplace in the area. Does Singapore have more to offer than Hong Kong from a competitive position?

Q: Did you find yourself caught up in promoting Hong Kong as a place to invest vis-a-vis say South Korea or Singapore or something like that?

PLAISTED: It wasn't really my job to say this is better than that. I wasn't really promoting Hong Kong by saying come here and invest. In Hong Kong it was pretty easy to explain the regulations for U.S. businesses interested in coming to Hong Kong. It was very easy to brief Americans to tell them here is what you are going to face. Hong Kong certainly wasn't that bureaucratic. The tax regulations were very clear. Corruption wasn't as much of an issue as it was in other Asian countries. It was very clear cut. You want to set up here, well your property prices are going to be very high, but your work force is going to be very well educated. You are probably going to pay relatively high labor costs. So it was easy for U.S. business to get a sense of potential costs.

Q: You are not going to have hidden payments.

PLAISTED: You are not going to experience to the extent you are in other countries these hidden costs. You didn't need 20 chops from 20 different bureaucracies.

Q: A chop being equivalent to a seal for approval.

PLAISTED: A seal. No, I wasn't trying to get the government to set up one-stop investment shops as I did in other places. It wasn't an issue in Hong Kong. It was so straightforward. It was an easy place to know the regulations and to grasp the cost figures to set up an office. Of course, many companies in those days were setting up in Hong Kong to serve the China region because it was so much easier to do so out of Hong Kong.

Q: Was it the Hong Kong Financial Times or what was the major economic paper that was published in Hong Kong, or was it Singapore? I can't remember.

PLAISTED: The South China Morning Post was the major newspaper. The major economic paper out of Hong Kong was The Asian Wall Street Journal. The editorial staff of the journal was based in Hong Kong. This was another reason for doing so much reporting on China in those days out of Hong Kong. We could talk to all the journalists who were covering China. They were all based in Hong Kong in those days. Of course they aren't today, but they were then. You could share ideas with journalists running around the mainland.

Q: Well, in '83, you were ripped untimely from this delightful place. Were you ready to go?

PLAISTED: I was never ready to leave any of my posts. I always liked them so much, but professionally it was certainly time to move on. It was getting a little frustrating in the economic section. I always felt I was doing half the reporting and then I would go off on leave with one small report to be edited. My boss would jump all over me. I said, "There are 14 officers in this section. I am doing half of the reporting. Keep the report until I get back. But yes, I have a few reports here that are almost done." So it was time to move on professionally.

Q: Did you take Chinese cooking and all that while you were there?

PLAISTED: Goodness, no. I am never going to make it as a chef in life. I did enjoy some of the finest restaurants in the world in Paris and in Hong Kong. Your finest Chinese cuisine is in Hong Kong and Taipei. At least it was in those days. I would go out and sample all these little restaurants. With a good friend of mine, we would take turns each Tuesday night selecting a restaurant. We would go and try some little unknown restaurant. The other person didn't know where we were taking them. It would have to be one that neither one of us had been to before, so we were always looking for new little restaurants. They were all holes in the wall, quite inexpensive, and absolutely delicious. So that was a great way to explore the culinary life in Hong Kong. To give you a little bit of the atmospherics: when I lived in Paris for Christmas eve, I managed to get tickets for midnight mass at Notre Dame. Normally only the ambassador and his wife get tickets. I managed to negotiate 10 tickets as a junior diplomat. Well, I did that for six Christmases with my friends in Paris. So when I got to Hong Kong, the big question was, what am I going to do for a Christmas tradition here? What we did, we had access to a junk - an old Chinese wooden boat - through a friend of mine who worked for one of the major banks. We would sail out to a little restaurant area in an older, more traditional part of Hong Kong where they had live fish swimming around in fish tanks. We would pick out our live fish for dinner, and, with the fish flopping in its plastic bag, walk down a narrow path to pick out a restaurant to cook our fish on Christmas Eve. This became something of a Christmas tradition for me in Hong Kong.

Q: Well then in '83 you finally had to move on. Whither?

MARIE THERESE HUHTALA
Political Officer
Hong Kong (1985-1987)

Ambassador Huhtala was born and raised in California and Graduated from Santa Clara University. Joining the Foreign Service in 1972, she studied Thai and Chinese languages and became a specialist in East Asian and Pacific Affairs. Her overseas postings include Paris, Quebec, Hong Kong and Chiang Mai (Thailand). In Washington, she dealt primarily with East Asia and Pacific Affairs. From 2001 to 2004 she served as US ambassador to Malaysia and, from 2004 to 2005, as Deputy Assistant Secretary of State for East Asian and pacific Affairs. Ambassador Huhtala is a graduate of the National War College and the State Department's Senior Seminar. Ambassador Huhtala was interviewed by Charles Stuart Kennedy in 2005.

Q: How did you find Chinese?

HUHTALA: In some respects it's very similar to Thai. It's got the same kind of tones and a monosyllabic word structure, and word order rules rather than declinations and conjugations as far as grammar goes. Yet I found it a lot harder than Thai. For one thing the characters just killed me. Thai has an alphabet. It has 42 consonants but you can learn 42 consonants. And if you can learn those, you can read Thai. To get your 3-3 in Chinese, on the other hand, you have to

memorize 3,000 characters. That's hard. And a truly educated Chinese speaker knows 10,000 characters. When you got through the FSI program, you have to learn both the traditional characters and the simplified ones that are used on the mainland. And, whereas conversational Thai will get you through almost anywhere, for Chinese we had to learn several levels of the language, including very elevated Chinese, with quotes from old proverbs going back to Confucius' time. Learning Chinese represented two solid years of serious application.

Q: How did you find Taiwan?

HUHTALA: Interesting and a little strange. Taiwan had a parliament that was made up of people who were representing various constituencies in old China, places like Shanghai and Hunan and Fujian. They retained this fiction of representing all of China even though a lot of the seats were empty because the last time they had an election was in 1949 and the legislators were dropping one by one. There we learned an awful lot about Chinese culture, about the mainland as our teachers understood it. There hadn't been a lot of contact between the two up to that time so their understanding of it was a little bit outdated. They did have a lot of written material to teach from that had been sent in by our Embassy in Beijing. This material was written in the simplified characters and it used all of the communist formulations for political discussions. It was very interesting.

Q: Where you able to get a hold of mainland newspapers and things like that?

HUHTALA: Yes, we did, as we had them in Hong Kong when I got there. We read articles from Peoples Daily, both at FSI in Washington and in Taiwan. They were brought in to us by diplomatic pouch and they were carefully controlled. For example, we were warned not to leave them in our cars, visible through the windows, as that might get us in trouble.

Q: How did you come out of that course?

HUHTALA: I got a 3/3+ in Mandarin Chinese, and I also took a couple months of Cantonese because I was going to Hong Kong. This was an interesting experiment because Cantonese is about as different from Mandarin as French is from Spanish. They clearly have the same origin but they're different languages. So I did all right on the language study. We also had some interesting experiences traveling around the island.

Q: Who else was in the class with you?

HUHTALA: Joe Donovan was in my class. He is now our DCM in Tokyo. Keith Powell, a consular officer, and his wife Janet; plus a lot of people who were not from State and who are no longer around.

Q: You went to Hong Kong, how long were you in Hong Kong?

HUHTALA: Only two years, unfortunately.

Q: This is from when to when?

HUHTALA: From 1985 to 1987.

Q: What were you doing?

HUHTALA: I was in the political section, doing China mainland reporting. At that time we still had a very active China reporting unit in Hong Kong to supplement the work of the Embassy in Beijing and the Consulates in other parts of China.

Q: In many ways you could get around more?

HUHTALA: We had access to different contacts. There was a large refugee class because everybody in Hong Kong seemed to have fled the mainland at some point or other. They had a real refugee mentality too -- very insecure, very much trying to enrich themselves and make the most of the time they had. There were also political dissidents there. We met with professional China watchers, including some of the academics in the universities. There were members of the clergy who were in touch with the underground church in China. And there were China-inspired newspapers that got all of their direction from Beijing but published in Chinese for the Hong Kong population. There was often a lot of really interesting information leaked in those papers and in some of the political magazines that were being published in Hong Kong; things that one wouldn't dare publish in China but could in Hong Kong, with the full understanding that people in China would eventually get to see them.

Q: Who was the Consul General at that time?

HUHTALA: First it was Bert Levin and then it was Don Anderson.

Q: By that time we had full diplomatic relations.

HUHTALA: Oh we had had for a while, since the late 70s.

Q: Under Carter we opened up.

HUHTALA: In fact, when I went to Taiwan we did not have diplomatic relations there. We operated through the American Institute in Taiwan.

Q: Did you have much contact; was there much contact between Beijing and Hong Kong?

HUHTALA: Yes, there was. We visited back and forth. Sometimes we'd coordinate a reporting project. In the past there had been some tension between the two because Hong Kong was or was seen as a rival source of information for Beijing. The ambassador there rightly objected to that, I mean who wouldn't? By the time I got there it was a more collegial kind of relationship. We were coordinating and helping each other out. Particularly we were collaborating with the Consulate in Guangzhou because at that time the whole Pearl River delta was beginning to emerge as a powerhouse of its own. So there was a lot of really interesting economic reporting that we could do.

Q: Did you end up looking at any particular aspect of China?

HUHTALA: Yes, I was pretty much slated to look at social aspects, like religion and youth. It was a very sort of vague portfolio, I'm afraid. I did do some work on the leadership dynamics. In fact, I was very proud of the fact that I wrote a cable predicting that Li Peng, one of five or six vice premiers, would make it to the top. When I came back on consultations to Washington the folks in INR were quite intrigued, asking how did I know that, why did I say that? I kind of took them through my reasoning, which was based on some of the Chinese political journals that were circulating in Hong Kong (I think I was the only person in the Consulate who was reading them), and also my discussions with contacts. I was right, by the way; Li did become prime minister eventually. I got to travel around the mainland a lot, sometimes on my own, other times with people from the China posts. Once there was an interesting diplomatic tour arranged by the China news agency in Hong Kong which at that time was China's de-facto diplomatic representation there. They arranged an interesting 10-day tour of Fujian province for Hong Kong-based diplomats. That was really interesting.

Q: What were you seeing?

HUHTALA: Well we saw the things they wanted us to see, of course, like factories and tea plantations, but they didn't keep an iron hand on us. An awful lot of migrants to Southeast Asia and to the United States have come from Fujian, so the local culture there fascinated me.

Q: That's a major, a couple of villages practically, populated California.

HUHTALA: Oh yes. They had this special economic zone on the coast called Xiamen, right near a place that use to be called Amoy in the imperial era. From the coast there you can see the islands of Quemoy and Matsu that were an important political issue in the 1950's. So we saw this sparkling economic zone with all its new factories, and then we toured the beautiful old brick town behind it. In the middle of that town was an old former U.S. consulate. Before 1949 the U.S. must have had 15 consulates in China. I was told that the caretaker there had stayed on after '49 because the last consular officer told him, "Here's the keys, you watch this place." He did, he watched it for 30 years. After our diplomats returned to China in the 1970s we finally discovered him and gave him some back pay.

Q: Were you seeing, if you're looking at the social things, the division between, was it becoming apparent between sort of the back country and the coast?

HUHTALA: Yeah, this was starting to emerge. This was during the first decade of Deng Xiaoping's rule, when he was saying to get rich is glorious; it was okay again to make money. It was the beginning of the proto-capitalism we see in China today. On my trips to the interior, for instance, I saw an awful lot of collectives and farm areas banding together to make factories to produce orange soda or something like that and start getting cash for it. They proudly showed me the refrigerators in their homes that they were able to buy now, and the TV set in the village that everybody would watch. It was really the beginning of China's startling economic boom which we now have to deal with. Twenty years ago it started at that very local level.

Q: Were you looking at the old women in China? How was this going at that time?

HUHTALA: Well, you know officially women in China have always been equal. "Women hold up half the sky," said Mao. What I saw was that there were a lot more women doctors than in the West, and more women professionals, though they still had child care responsibilities just like they do everywhere else. In some ways their lot was significantly better than in the past, but a lot of this was rhetoric, not action.

Q: Were you seeing any results of the one child policy?

HUHTALA: Yes, we were beginning to see that, in the presence of a lot of little boys. We were worried at the time that the numbers were not looking so good for the little girls.

Q: They were still able at this point, were they using the ultra sound to determine if it was a boy or a girl or were they just getting rid of the girls?

HUHTALA: No, they were killing the girl babies. A lot of times that was what was happening. People were having clandestine babies. There was forced sterilization going on. At that time, I believe, they were a little bit more lenient on rural dwellers than they were on city folks. City folks were absolutely held to the One Child policy. In the countryside if your first child was a girl you could try for a boy. You could have one more but then that was it. Of course the tradition in China was to have as many kids as you could possibly squeeze out, so this was causing a lot of bitterness, a lot of unhappiness.

Q: I was talking to a friend of mine who served in China, he was saying China was producing any awful lot of spoiled kids. In a way I suppose they are well in their teens and twenties even early thirties now.

HUHTALA: Even then you saw a lot of chubby kids. They were being given as many sweets as they wanted. They were just totally spoiled. We visited kindergartens and they would be just gorgeously decked out; obviously very doted upon, these single kids.

Q: How were we feeling about China at this point? Was this a future giant and a menace or was this moving in the right direction?

HUHTALA: Remember this was before Tiananmen.

Q: Tiananmen was in '89.

HUHTALA: Yes, and this was a few years before that. This was when Hu Yaobang was in power. We were seeing a big upswing in student visa applications to the United States and we were taking them happily but we were also hoping that they were going to go back. We figured this would be a liberalizing influence on China. We thought that the trend towards capitalism was a good thing and something to be encouraged. Our companies were beginning to invest, though still not too many. I remember General Motors was in Shanghai. A few far-sighted

companies were looking long term and seeing great opportunities. It was made very clear, you had to be an "old friend" – a company had to be established as a friend of China to get anywhere. One can't come in today and expect to have a big concession tomorrow; maybe 10 years from now if you've been a good corporate citizen then you'll get that chance. The smart companies were investing for the long term.

There was a phenomenon that we noted in Hong Kong and we called it the cadre kids; a lot of the twenty-something children of the leadership, like children of Politburo members or military leaders were emerging with special privileges and lots of money to invest. The parents were called cadres, so we called these young entrepreneurs cadre kids. This was a generation removed from the old communist leadership, many of whom were on the Long March still and were supposedly ideological purists. Their kids, on the other hand, were heavily into business. They had huge company's flashy cars and all the accouterments, and were involved in a lot of corruption as well. This phenomenon, we thought, I believe accurately, was presaging a significant change in direction for the whole country.

Q: Corruption is endemic there.

HUHTALA: Especially a country like China that had endured so many tragedies, like the Great Leap Forward which just impoverished the whole country, leading to terrible famine in the late '50s. Then of course the Cultural Revolution of the 1960s, which was an absolute disaster. All that was in living memory. I remember once I was riding on an overnight train in the middle of China, from Jiangsu to Guangzhou, or something like that. I struck up a conversation with a woman conductor who was really surprised that I could speak Chinese. (She gestured to everybody around and said, "Look at that, she talks." I felt like I was a talking dog or something.) But we did speak for awhile. I was in my 30s then and I thought she was probably in her 50s, from the look of her face, all the lines and everything. She was telling me about the Cultural Revolution and what had happened to her. Then I found out that her age: she was 38. It was just so sad, the things those people had to endure. So naturally when economic prosperity begins to occur in the '80s they went for it with gusto. It's understandable that there would be huge imbalances, that there would be corruption, that there would be people streaming in from the countryside, and indeed all of this has been the story for the last 20 years.

Q: Were we seeing a change in people who were coming out of China and Hong Kong at this point, were there fewer economic refugees, were they political refugees?

HUHTALA: There was still a fair amount of repression. We still had political refugees coming out. And there were very tight controls on migration. Hong Kong had very tight controls, and wouldn't let mainlanders just come in at will. What was more interesting to me, I think, was what was going on with the people who were in China. Especially Guangzhou (Canton), it's so close, just 50 miles or so from Hong Kong and they're the same people ethnically, all speaking Cantonese. Throughout that region there was a real stirring, a real dynamism and a real interest in making money. There was the new town of Shenzhen, which was built right on the border of the New Territories of Hong Kong and set up as a special economic zone. I visited it in 1985. It was just a skeleton then, just a few building going up. Now it's a major metropolis and they're minting money -- big hotels, big businesses.

Q: One of your portfolios was religion. What was happening religion wise in China?

HUHTALA: I was interested in both Protestant Christians and Catholics.

Q: How about, what's this other so called cult or something?

HUHTALA: Falun Gong. That did not exist yet. This was before Falun Gong arose and came to be viewed as such a threat by Beijing. Just parenthetically, I've seen this in other parts of the world too. If you try and have a society based on a total absence of religion it doesn't work. People need something. People will make it up if you don't give them something. You have to have something to organize your life around, at least most people do. In Hong Kong, we were very interested in the Catholic Church and the Protestants inside China. There was an official Catholic Church and an official Protestant Church run by the state. In the case of the Catholic Church it was divorced from Rome. They were not in communion with Rome; they weren't taking any advice on appointing bishops or anything else. But there was also a thriving culture of underground churches meeting in people's homes and trying to carry on their true religion as they saw it. There were some very senior priests and bishops who had been in prison for 20, 30 years. I was very interested in that and did some work through the church in Hong Kong. I got to talk to some of the people there and got in communication with Bishop Aloysius Jin of Shanghai who had just been released from prison after 25 years of hard labor on condition that he would not speak out against the Chinese authorities. Like several of them, he would eventually speak out and then get put back in prison, let out again and all of that. A very brave man, and a very holy man, probably.

Q: Is there anything else we should probably talk about your Hong Kong experience?

HUHTALA: You know I came away from that with a very strong conviction that China is going to be the big story for the next 50 years. At that time Deng Xiaoping was promising to quadruple the economy by the year 2000. In fact he did it by 1992. He just set off this chain of events that is just increasing geometrically. I still think what has been happening in China is the story of our lifetime, fascinating and very, very important. It is having profound effects on all the rest of Asia, which I dealt with in my last couple of years in the Service, and towards the United States as well. Even then there was a tendency in the United States to view China as an emerging opponent. That worried me then and it worries me even now.

JOHN H. ADAMS
Chief of the Consular Section
Hong Kong (1987-1990)

John H. Adams was born in 1939 and entered the Foreign Service in 1966. His assignments included initial positions in France, Israel, Trinidad, and China (Hong Kong). Mr. Adams was interviewed by William D. Morgan in 1992.

Q: *You have given us a superb example of the need to be flexible, as a consular officer, to move from one thing to another, but also what keeps you motivated is the sense of challenge. Now you've got the supreme challenge, one of the most fabulous and loveliest posts in the world, Hong Kong.*

ADAMS: Well, yes, after the two years in the Emergency Center job I was given my choice of what was available, and Hong Kong certainly seemed very appealing. To this day I consider it probably the most pleasant assignment I've had in my years in the Foreign Service. It's a delightful place to live.

Q: *You were chief of the Consular Section. Now the Consul General, that's someone special...*

ADAMS: Tantamount to the ambassador. Since Hong Kong is still a colony, we don't have an ambassador there. But the first day that I arrived in Hong Kong the Consul General--de facto ambassador--welcomed me in his office and he said, "There's one person in this building that the people in this city want to know, and it's not me, it's you. These Chinese are very pragmatic. They know you control the visa operation here, and it's really all they want out of this building."

Q: *All they want out of the colony, perhaps.*

ADAMS: They generally don't want help with trade opportunities or invitations to the USIS [United States Information Service] film showings, etc...

Q: *What was the population then?*

ADAMS: About 5.6 million.

Q: *And you're dealing with millions.*

ADAMS: While fraud heretofore had been a serious problem among Hong Kong Chinese, it was relatively insignificant during my time because Hong Kong is an extremely prosperous place nowadays. It's considered one of the four "Little Dragons," along with Taiwan, Singapore, and Korea. The economy is booming. People are generally very happy with their life style, and they're often making a lot of money.

Q: *Was this before Mrs. Thatcher agreed to 1997 and....*

ADAMS: No, this was after, but the economy was still going extremely well, and Hong Kong residents, by and large, have a good track record, as far as visas go, so our turndown rate was only on the order of 10-12%.

Q: *Legal immigration, in the sense of those that really fessed up to the fact of their desires, could be satisfied, or was there a tremendous waiting list?*

ADAMS: Well, there was a waiting list that has now been ameliorated through the Immigration Act of 1990, which increased the ceiling for Hong Kong legal immigration considerably. The

situation is no different from elsewhere in the world. If you have a kinship relation with someone in the United States, you qualify under a certain category, and you have to wait until your date comes in turn.

Q: *But the Chinese in Hong Kong traditionally, to my knowledge, have had five to 10 years, whatever, waiting for many of the different categories.*

ADAMS: Yes, but that has changed now, dramatically, because of the increased numbers available due to the new legislation. The potential to immigrate puts them on almost the same footing as the rest of the world. You're quite right--a few years back the number was limited to hundreds, not thousands, hundreds. Now, as we speak, up to 10,000 are available annually and that will increase to over 25,000, just like any independent country in 1994. So it will be significantly better--from 600 to 10,000 to over 25,000. This is a big change.

Q: *Which, in turn, significantly reduces the pressures...*

ADAMS: The fraud now in that part of the world is coming mainly from mainland China. These are people who get bogus documents and try to get into the United States through circuitous routes.

Q: *Out of China or not from China?*

ADAMS: They're from China but they're smuggled out and then they come up through the subcontinent, through Eastern Europe, or...

Q: *By boat?*

ADAMS: Often by ship. They generally never go near a visa officer. They're smuggled in in large numbers, particularly with the price on each head being something, we are told, close to $30,000. That's a lot of money, particularly for people from a communist country where annual per capita income is measured in hundreds of dollars.

Q: *Now it sounds to me as if, as boss of the Consular Section, your management demands of the pressured visa officer weren't as extreme as at some other large posts.*

ADAMS: The pressures were not as great as they would be if you were in Manila or Santo Domingo, or even in Warsaw, where the refusal rate is something in the order of 35, 45, 65 percent.

Q: *Those were the refusal rate in Hong Kong when I inspected there.*

ADAMS: Now it's way down, as it is in the other Asian countries where heretofore it was up. Korea is another example, Taiwan is another, and Hong Kong fits into the same pattern. The refusal rate is relatively modest. It's only around 10 percent. So consuls, in most cases, are saying, "Yes," and issuing the visas, and that takes a lot of the heat off them. They're under pressure to issue and they issue visas to *bona fide* travelers and businessmen and students and the

visas are usually not abused. You're not seeing much fraud. If the visas are readily available, people don't have to resort to sophisticated fraud. It's not such a big problem. But the volume is there. People like to travel to the U.S. for tourism, business, and study.

Q: Yes. Could you do it by mail? Could you accept...

ADAMS: Some. But there was always a large and daunting line of visa applicants outside the consulate. So that pressure is there--just the volume of work. But at least it's satisfying because in most cases we're issuing the visas and both officers and applicants prefer it that way.

Q: *And in quite a pleasant setting.*

ADAMS: In an extremely pleasant setting. A wonderful place to live. The quality of life is very good.

DAVID G. BROWN
Deputy Consul General
Hong Kong (1989-1992)

David G. Brown was born in Boston, Massachusetts in 1940. He graduated from Princeton University in 1964 entered the Foreign Service. His assignments include Taipei, Saigon, Yokohama, Tokyo, Vienna, Beijing, Oslo, and Hong Kong. Before retirement in 1996, he served as Director of the Office of Korean Affairs. Mr. Brown was interviewed by Charles Stuart Kennedy on January 28, 2003.

Q: I got you. Well, then '89, whither?

BROWN: To Hong Kong.

Q: You certainly were on an East Asian circuit weren't you?

BROWN: It’s a wonderful part of the world.

Q: We used to have trouble. I know when I was in Saigon it was something known as China coasters. These were sailors who spent all their time; they wouldn't leave ships anywhere. I mean they just kept going up and down the China coast with literally a wife in every port. You were almost a China coaster then?

BROWN: Well that's an interesting way to put it. I wonder what my wife would say about that?

Q: You were in Hong Kong from when to when?

BROWN: '89 to '92.

Q: Interesting time.

BROWN: Very.

Q: What were you doing?

BROWN: I was the Deputy Consul General.

Q: Who was consul general then?

BROWN: At the beginning, it was Don Anderson and in the second two years it was Richard Williams.

Q: Richard?

BROWN: Williams. Dick Williams. You really ought to interview him.

Q: Well, Hong Kong '89. You know Tiananmen had happened. The takeover was not that far away. What was the operative date?

BROWN: 1997.

Q: But it was a date that was well, everybody had it on their mind.

BROWN: Right. There were a lot of important negotiations going on between the British and the Chinese during this period. The most important being drafting what is called the Basic Law, which was the mini constitution that set the framework of how Hong Kong would run after its reversion to China.

Q: When you arrived there the aftermath of Tiananmen must have been... Things had been almost euphoric before. You weren't in Hong Kong, but coming there, this was a dose of communist reality, wasn't it?

BROWN: Right and the city was very nervous. You saw this in a variety of ways. You saw it in the growth of the Democratic Party in Hong Kong, which was just getting started. It was very much motivated by people who were determined to do as much as they could to protect Western values, civic society and promote democracy in Hong Kong, move it along as far as you can get it before the turnover, to provide some kind of a base of democratic politics in Hong Kong before the handover took place. You saw it in our own staff at the consulate, which was very nervous.

Q: You're talking about the Chinese staff.

BROWN: Yes, Chinese at the consulate. After reversion in 1997, if they were still working for the consulate, would they be considered as spies because of what they had done at the consulate? How were they going to be protected? You saw it in many different manifestations.

Q: Well, in a way well, I don't want to put words in your mouth. I mean what were we, the Hong Kong and the premiere observing spot of China, but now we have an embassy, we have the consulate generals. What was Hong Kong doing at this time?

BROWN: Well, we still had a mainland reporting unit as part of a combined political economic section. There were four people from the State Department component reporting on China. We had a large defense attaché office, though it didn't have that title. Their focus was on the PLA in China and what could be learned about it both from sources in Hong Kong and by traveling around China in the guise of being tourists. Once in a while they got in a bit of trouble from what they were doing, but nothing egregious. Then there was a CIA station there, which was very heavily focused on what could be learned from Hong Kong about the mainland.

Q: Obviously were we at the time when we were looking at what the British were up to and you know, and also we're beginning to lay plans for what are we doing about Hong Kong? We might not be a player, but had our staff and everything else. What were we thinking about?

BROWN: In early '92, which was five years before the transition was to take place, at Washington's request, Beijing and Hong Kong did a joint study of what should the U.S. presence in Hong Kong be after reversion.

Q: This is our post in Beijing?

BROWN: Yes, our post, Embassy Beijing. Stape Roy, the ambassador at the time and Dick Williams, the CG, were the ones who oversaw the collective inputs as to what the nature of the relationship should be. Our recommendations were then sent to Washington. No decisions were made at that time, our recommendations were later largely followed when reversion occurred. Interestingly enough, there was no big difference of opinion between the Embassy and Consulate. It was agreed that the United States would have an interest in supporting the "high degree of autonomy" that Hong Kong was supposed to get and that therefore, the type of organization the U.S. should have in Hong Kong should be consistent with the concept of Hong Kong having a high degree of autonomy, i.e., it shouldn't be just another consulate in China. But a Consulate with more autonomy from the Embassy than is usual. Embassy Beijing agreed even then that the person who was in Hong Kong should be seen within the State Department as a chief of missions.

Q: In other words certainly we report directly to Washington.

BROWN: Yes, On all things that had to do with Hong Kong's autonomy, and simultaneously have a close liaison relationship with Beijing, but not be treated by Beijing in the same way that Shanghai, Guangzhou and the other consulates were treated.

Q: Well, this of course to somebody who isn't familiar with this extremely important because you could have a chief of mission in Beijing who would want to.

BROWN: Exert control.

Q: Exert control and all of a sudden a lot of disquieting reports came out of Hong Kong it would be tempting to sit on those or to do this. This way by just this reporting channel meant that you would be getting a certain analysis that did not have to go through the venting of the embassy. I mean this happens. We always have this problem if you have supervision. I mean that close supervision. So, it was really a very important decision.

BROWN: Yes. Right. When they made the decision at the time of reversion, that's the way it came out.

Q: Well, now, what were the things you were particularly concerned with?

BROWN: Well, one was to do everything we could to try and make sure that when the transition took place there was a basis for continuing to treat Hong Kong as an autonomous unit in terms of U.S. policy. There we had the cooperation of the Congress and particularly Congressman Porter who was on the House Human Rights Caucus and Senator McConnell.

McConnell and Porter took the lead in passing the Hong Kong Policy Act which essentially said the United States has a strong interest in Hong Kong's continuing autonomy under the Basic Law arrangements worked out with China. It will be U.S. policy to support that high degree of autonomy at the time. We will continue to deal with Hong Kong separately on things like immigration and customs and IPR.

Q: IPR?

BROWN: Intellectual property rights and export controls, textile agreements, all of these kinds of things would remain in place. Rather than reaching a pessimistic assumption about what would happen after reversion, this legislation said the opposite. We're going to treat Hong Kong separately so long as its has real autonomy. That was very important. In the process of doing that we also dealt with our employees' concerns in the sense of getting special provisions put into legislation. If at the time of transition any employees in the consulate wanted to, we would work out expeditious naturalization for them to get a visa on the basis of their employment at the consulate without waiting for the normal 30 years. It was a special set of provisions so that any member of the consulate who felt threatened could get a visa and go to the United States as an immigrant. In the end, very few people in the end took advantage of that provision, but the option was very import to our employees.

Q: What about were we getting good information from the British on how things were going?

BROWN: The British were pretty good. There was a debate in Hong Kong at that time as to whether the British were really looking after the interests of Hong Kong or whether they were simply being narrow mindedly British and only caring about British commercial interests. I happened to be one of the people who thought the British were doing a reasonably good job of looking after Hong Kong’s interests. Of course, that gets you into the whole question about how you view of Chris Patten, the final British Governor.

Q: He wasn't there at your time?

BROWN: He came just as I was leaving. David Wilson, a career British Foreign Service officer as the governor when I was there, but just as I was leaving Patten replaced him. He had a very different approach. Anyway, we in the Consulate thought that the British were doing a pretty good job of ensuring that the provisions of the Joint British- Chinese Declaration were accurately translated into the new domestic Chinese legislation, the so-called Basic Law for the Hong Kong Special Administrative Region. The British were pushing the Chinese to consult to a degree with the people of Hong Kong about what the content of what that law should be. The Chinese organized a basic law drafting committee, which had mainly mainland Chinese on it, but included a number of people from Hong Kong. These Hong Kong representatives were chosen by the Chinese, not by the Hong Kong people or by the British. There was an effort to pressure those Hong Kong representatives to stand up for Hong Kong and to have an open process where the texts of draft law were known not just to the British but also to the Hong Kong people and were debated in public. The British played a role in setting up that process. Some people it as only a sham consultation process because the Chinese appointed the members and others thought that this limited process was better than not having any role at all for Hong Kong. I was in that latter camp.

Q: Were we looking at that time did we want was Hong Kong as sort of an economic dynamo important to us? In other words, were we interested say beyond the fate of the people in Hong Kong, but just to have that, was that a good thing for us to have that there?

BROWN: Oh, definitely. It was not a perfect free market economy by any stretch of the imagination

Q: Under the British?

BROWN: Yes, under the British. Hong Kong gets a lot better marks for being a free market economy than it deserves. It gets those marks because in terms of the trade in goods it's a very open economy. In the services area, however, it was very carefully controlled by the British. Our problems in the trade sector with Hong Kong were largely in the services area. What could lawyers do? Doctors, people who were involved in various parts of the financial sector, what could they do and what couldn't they do? How do you regulate telephone services? How do you open up the port operations to other country's firms? Who would get the services contracts at the new airport that they're building? The Hong Kong economy was very important to the United States because there was s a lot of American investment there, a lot of American companies there, but more importantly it was because of the impact that that economy was having on South China. There was a very symbiotic relationship between Hong Kong and the parts of China that were reforming economically the fastest and so the ability of Hong Kong to promote economic reform in China was seen as a big plus. It was something that you would want to keep going. Reform has gone so far in the 21st Century that Hong Kong's impact on China is less than it was at that time, but roughly 70% of all foreign direct investments into China in the years that I was in Hong Kong came in through Hong Kong. That meant technology, the foreign know-how, the ideas were coming in through Hong Kong, and keeping that going was important. For me seeing democracy develop in Hong Kong as far as it could possibly go was an important thing as well, not just for the sake of the people in Hong Kong, but because of the demonstration effect on the

rest of China. Democracy hadn't gone nearly as far as one would like it to have gone. So it's not having as much of a demonstration effect as one would hope, but Hong Kong is still the only city in China where there are any members of a municipal council who are directly elected by the citizens. The democratic process there is flawed in many ways, but it's way ahead of the democratic process for the people of Beijing or Guangzhou or Shenyang.

Q: Were you aware or anybody else aware of mainland Chinese officials coming in and looking over the property, slamming the car doors, kicking the tires?

BROWN: Well, China was becoming a bigger part of the Hong Kong economy while we were there. There was a process of adjustment by the old British firms in which they realized that they didn't have to keep their relations with London and the governor greased as much as they had to keep their relations with Beijing and the incoming Chinese economic entities greased. You saw companies bringing in Chinese investors. You saw Cathay Pacific, the British invested airline in Hong Kong, spinning off a joint venture airline with some Chinese counterparts called DragonAir that would handle a large amount of the flights between, not all of them, but a large percentage of the flights between Hong Kong and the mainland. Cathay Pacific was an investor in DragonAir along with the Chinese. So, you saw this kind of positioning going on. Not by American companies because the American companies didn't have the inside track with the British. It was mainly the old-line British firms trying to adjust to the new masters. Some British firms tried to avoid this. Jardines, one of the oldest firms, moved their headquarters offshore so that it wouldn't be subject to control in Hong Kong. Its total business was in Hong Kong, but the headquarters would be in the Cayman Islands, I recall. However, most of the British firms m went the other way finding ways to get along with your new masters.

Q: Were American firms still coming into Hong Kong?

BROWN: Oh, yes, very much so. The American chamber there was one of the biggest in the world and it was growing in those years despite Tiananmen.

Q: Was this a matter that it was a comfortable place in a way for a corporation to work into China? I mean English speaking.

BROWN: Yes and lots of local Hong Kong businessmen were doing the same thing. So American firms could operate on their own or cooperate with local partners.

Q: How did we relate to our consulate general in Guangzhou?

BROWN: They were two separate organizations with distinct purposes, but overlapping interests because of Hong Kong's intense economic ties with south China.

Q: I would think that you would sort of bump into each other?

BROWN: There was some bumping in not just with Guangzhou, but also with all the China post because of Hong Kong's reporting responsibilities on China. Hong Kong provided unique perspectives on China that didn't always jibe with views from within China. And our defense

attaches ere given responsibilities to travel throughout China. I remember a good friend who was the naval attaché took a trip to Tibet and then out from Tibet to Nepal and down to India.

Q: You have to for fleet connections there. You'd been in and out of there before of course, but was there a beginning of reluctance to talk to Americans within Hong Kong by the Chinese and all?

BROWN: No, not at all. We had I would say quite a bit of contact both with the representatives of China in Hong Kong and with the Chinese business there. It wasn't intimate, but a fair amount of contact.

Q: Were you getting any reflections there from Vietnam?

BROWN: We had a big problem with Vietnamese refugees in Hong Kong. We were caught between Washington then under the first Bush administration, which did not want to force any Vietnamese back to Vietnam and the UNHCR and the Hong Kong government that wanted to carefully distinguish between economic migrants and political refugees and send back to Vietnam those who were economic migrants. For Hong Kong, returning migrants was to be a deterrent against a continuing flood of people into Hong Kong. The numbers were quite large. It was a huge political issue within Hong Kong. All the money that had to go into building camps and providing police and health services and education in the camps and all this cost the Hong Kong taxpayer a lot. So there was pressure on the government to get the Vietnamese out. The Chinese Government frequently reminded Hong Kong that this problem should not exist in 1997. Clean it up; get rid of these people. was Beijing's message. And Washington was saying in effect don't send anyone back to Vietnam. Washington wanted liberal criteria for determining political refugee status. Anybody with the slightest reason for political refugee status should be given every opportunity to prove his or her case in Hong Kong.

Q: Were we putting our money where our mouth was as far as taking the refugees?

BROWN: Yes, quite a few people were coming to the States. By the end of the time I was there, we'd interviewed extensively and taken everybody that we wanted to take. There were criminal elements among the remaining Vietnamese. People who either had a criminal record that you could identify back in Vietnam or who had committed crimes in the camps. So how to evaluate the remaining Vietnamese was a very controversial issue.

Q: Were there any other issues there, a lot of fleet visits and things like that?

BROWN: Yes. And the fleet visits were one aspect of our efforts to build a foundation for post-reversion relationships. We wanted to make sure that we had all of this working smoothly and in a way which had a chance of surviving because the use of Hong Kong as an R&R destination was very convenient for the navy. We didn't want to do anything that would jeopardize that. The basic law was very specific that defense matters were a central government responsibility. Ship visits by naval vessels were an issue to be decided in Beijing and not in Hong Kong. Most of the period since the handover we've been able to have our ships visit Hong Kong as we did before, but there have been a couple of times for instance after the Belgrade bombing and after the EP3

incident when the Chinese temporarily stopped giving approval. It's worked reasonably well. What we were trying to do was position ourselves. We had an office within the consulate that provided support for ship visits. They had some facilities around town and we were trying to get these relocated in commercial locations so that we could have a very small number of people in Hong Kong handling visits, but the support structure would be there.

We did some other things. We reorganized the USIS library operation that conceivably could be seen as propaganda by a communist China. Partly for those reasons and partly for budgetary reasons we relocated the USIS library to Chinese University and made it a cooperative undertaking between Chinese University and the consulate so it could be embedded in Hong Kong. We renegotiated our air agreement with Hong Kong so it would be an agreement not between Britain and the United States, but between Hong Kong and the United States. The same thing was done in the area of law enforcement. We were negotiating agreements with Hong Kong on legal assistance and extradition. We got it negotiated but didn't actually get approval by the Senate until much later. Our objective was to have a basis for continuing law enforcement cooperation.

Q: How about congress? Did people, a lot of congress people coming by and all?

BROWN: We had a lot of them; some seriously interested in Hong Kong and some came just to shop.

Q: I was going to say, I was wondering whether Mr. Lee was still turning out his suits. When I went to Vietnam you know, we all stopped and got your _____, but there was one major tailor. You walked in and you walked out two minutes with your measurements.

BROWN: Many from Congress came because of the Vietnam refugee issue. There were some like Senator McConnell and Representative Porter who came because they were really concerned about Hong Kong and what's going to happen to the six million people there.

Q: When you left there, you left there in '92.

BROWN: Yes.

Q: How did you feel about the situation? I mean did you think it was going to come out moderately well or not?

BROWN: I was quite optimistic. Optimistic because we saw a lot of resilience in the Hong Kong community. The British were beginning to allow Hong Kong Chinese to have significant positions in the administration, five or six years in advance so that they would be positioned there to keep the civil administration going. We didn't know how the political arrangements were going to work out, but the arrangements were very explicit on one thing and that was that there weren't going to be people from Beijing running things. It was going to be people in Hong Kong, ultimately chosen by Beijing, but people in Hong Kong. And I thought they would stand up or be pushed by the Hong Kong people to stand up for Hong Kong.

Why would one be optimistic? One reason was the resilience of the Hong Kong community. The second was that the international community would be watching. The international community has I think a number of guises, but one of the most important is what you would call international markets. Hong Kong was important to the Chinese economy because of the investment flow, and the Chinese would have its self interest in making sure that Hong Kong remained a vibrant economy and an entry way for the benefits of international trade which were still heavily coming through there. The third reason that gave one some confidence was the Taiwan factor. Everyone knew that the mainland wanted to move on from dealing with Hong Kong to dealing ultimately with Taiwan and talking it back into the fold. If Taiwan concluded that Beijing had not implemented its deal with Hong Kong, then no one in Taiwan would risk making a deal with Beijing. Therefore, the PRC had an interest from that angle as well of living up to the terms worked out with the British in order to have credibility in trying to deal with Taiwan. So, there were reasons for Beijing to adhere to its agreement to give Hong Kong a high degree of autonomy. It wasn't a lost cause, and the U.S. should do its part in encouraging the deal to work.

Q: What was the feeling? I must say I was sort of surprised, because I had never followed Hong Kong at all, to see that the British were opening Hong Kong up to more Hong Kongese into the government and all that. I would have thought that that would have been done a long time ago. Was there a feeling that the Brits really should have done this a long time ago?

BROWN: Definitely. They should have done it years earlier. They should have had a political process going on in Hong Kong in the '70s and '80s, but they made some decisions early after the Second World War and repeated them I think in the '60s at the time of the cultural revolution of China, that by gosh Britain was going to keep control of things. Yes, there was a legislative council for the city as a whole, but until 1984, the year of the Sino-British joint Declaration, every single member of the legislative council was appointed by the governor. It was a selection process, not an election process. The British began rapidly after ‘84 moving to put in place representative institutions. What was the Chinese view of this? The Chinese view was that Hong Kong was to be turned over the way I had been in 1984. So introducing representative government after 1984 wasn’t something Beijing had agreed to.

Q: They had a point.

BROWN: They had a point. Beyond the Legislative Council, there were a large number of Hong Kong people working in the administration, but very few of them made it up to the senior levels. There were large numbers of Brits not just as the head of departments, but as the head of sections of departments and deputy section heads who were still British civil servants running Hong Kong up until the late '80s.

Q: It seems so almost atypical of what was happening everywhere else, I mean you know, one always hears about the Belgian Congo was the great thing. They had about three educated people and here you're talking about a highly sophisticated city. I mean were you talking to the, was there sort of a colonial attitude among the British?

BROWN: Yes. There was an end the empire mentality among some of them. The official

government view, the British government view was that we've got a pretty good deal and its' going to work and we're gong to be proud of what we're doing, we're not ratting out and abandoning these people. But there were a lot of civil servants who sort of said, oh, you guys will never be able to run it. Moral will collapse and corruption will return. That was the end of empire mentality among some of the British civil servants. They were the Brits who left at reversion. Yet today, there are still many Brits working in second rung positions in Hong Kong government, even now six or seven years after Hong Kong's return.

Q: Well, what did this mean for us? How did you see this? What did this mean we were doing now?

BROWN: First, we weren't undoing anything that the U.S. had in place. We were preserving our alliance relationships. We were cooperating as I said with other allied governments in the region who thought this was the right thing to do. So, we saw this as adding something else on top of what we already had, our alliances, adding something that was compatible with those alliance relationships. We thought over time dialogue might help reshape the way countries in Asia had dealt with each other. We were conscious that there were long term historical animosities at work, the Chinese and Vietnamese, the Chinese and Japanese, and that there were short-term issues that divided countries. The Vietnamese had at that point in time just gotten out of Cambodia. While this issue was being debated, the North Korean nuclear issue was blowing up in the northern part of Asia. So, there were lots of contemporary issues. We believed that the U.S. had nothing to lose and potentially something to gain over the long term by getting people together and seeing if they couldn't build "habits of cooperation" as we put it then. To talk about security issues, to understand each other's concerns and fears and build habits of cooperation where they had not existed before.

When you had looked at the military organizations of most of the countries in Asia, you saw they were very closed inward looking organizations. Part of what we were aiming for was to find ways of breaking those barriers down and building linkages and establishing relationships. This was a bit of a trick because, even though the U.S. brought along DOD colleagues, almost no other country that showed up at the initial planning meeting brought anyone from their militaries along. Once the thing had been established, one of the early U.S. goals was to get the military officers, particularly younger military officers, engaged in the work of this organization, working on things that were common problems, that were not controversial, but would begin to establish some personal relationships. Believe it or not even within ASEAN, which had created a huge pattern of cooperation amongst almost every part of their governments, there was little direct contact between military officials.

Q: I would think one of the things that you'd think up there would be to work on piracy, the naval.

BROWN: Yes, that was in fact an area that everyone was talking about as something that the ARF might get involved in once it got started. It's gone about it in a very delicate way because the question of piracy is very politically sensitive.

Q: Why is that?

BROWN: It is politically sensitive along the China coast because it implies that China is not able to control its own maritime borders and politically sensitive in Southeast Asia particularly in Indonesia for the same reason. So in the Malacca Straits, are you going to allow well-organized Singaporean police to chase pirates into Indonesian and Malaysian waters? So, piracy was too sensitive an issue for a fledgling organization to deal with at the start. In fact, arrangements were worked out on a trilateral basis between the Indonesia, Malaysia and Singapore on how to improve policing in the Malacca Straits.

Q: I think all of these countries though of us as the camel that was sticking its head under the tent, into the tent or something. I mean we travel with our military. I mean they're part of our calculation and have them say let's all get together and they'll take one look at the seventh fleet or something like this, you can see an awful lot. I would think it would be very reluctant.

BROWN: Well, it took a while. Let's put it that way. It took six or seven years before the pattern of everybody bringing defense officials, whether they were civilians or in uniform, along got established. But here I'm looking into the future and not talking about '93.

Q: Well, at this time in '92 ASEAN was a pretty good regional economic entity was it?

BROWN: Yes, it was six countries and they were all doing extremely well economically. They had in this same period '91, '92, '93, been working very successfully on the Cambodian peace agreement. The peace agreement wasn't something that ASEAN did on its own. It was a combination of ASEAN and the members of the P5 at the UN, the U.S., France, China, Russia, all playing important roles. They put this altogether and got the UN to come in on a major new peace keeping operation in Cambodia. So, because of its economic success and its diplomatic contribution, ASEAN was quite highly regarded in that period.

Q: How did you find, I mean, you came in between, you came in under the Bush administration? How did you find the transition from your optic went from your responsibility?

BROWN: I think it went quite well. Again I'm just speaking of the East Asian Bureau. Bill Clark a real professional passed things over to Winston Lord who had worked in government for democrats and republicans at different times. I think Lord had endeared himself to Clinton because he had taken a hard line on China's human rights policy, advocating the linkage of trade and the human rights. But he had worked in a republican administration before. And so, it was one professional turning things over to another professional. It was a sharp contrast with Dick Holbrook's arrival in the Carter years. Dick didn't want to listen to a single thing, his predecessor Amb. Hummel had to say. Winston was the exact opposite. He was willing to talk to everybody. He consulted endlessly with people. So, there was a much easier transition. There wasn't a wholesale scrapping of people. There were some changes. Winston brought in Peter Thompson who had been his DCM in Beijing to be the principal DAS and made him responsible for China. Peter was not a particular popular choice amongst his professional colleagues, but he was a professional.

Q: Did in _____ and all, how about the China card, how were things changing there or did you

see that?

BROWN: The new administration, including Lord, came into office with the Clinton campaign rhetoric criticizing the Chinese leaders as "the butchers of Beijing."

Q: We're talking about the aftermath of Tiananmen Square?

BROWN: That's right. Clinton had criticized the Bush administration for working so hard to keep the U.S. China relationship going after Tiananmen. Because of that, Clinton had advocated, partly I think at Winston Lord's urging, a linkage of trade access to the U.S. markets on favorable terms to progress on human rights. That became the administration policy. Winston was at one time administering the trade-human rights linkage in bilateral relations with China and at the same time, on the multilateral level, he was working to include the Chinese in the ARF.

Q: Was it a matter of Warren Christopher saying you get East Asia, take it or was the hand of Christopher?

BROWN: His hand was light, but there were certain issues that the Secretary had to be involved in. Winston's work with him on China was probably the best example of that. The Secretary also had to be involved in endorsing what we were doing with the ARF. Christopher went to the Foreign Ministers meeting in Singapore in 1993. This was a meeting of the foreign ministers of ASEAN and their so-called dialogue partners, the U.S., Japan, Canada, Korea, Australia, New Zealand. It was that group that decided to set up the ARF and to announce that the next meeting in '94 would include the foreign ministers of the other countries as well, Russia, China, Vietnam and so forth.

Christopher was also scheduled to attend the actual first meting of the ARF that took place in Bangkok the following summer. However, at the very last minute Christopher decided not to go because of a hastily arranged meeting at the White House between Arafat and Rabin. Christopher decided that it was more important to be at this Middle East peace summit than to go to Bangkok's inaugural meeting of the ARF. To put it in a less attractive light, Christopher's public image wasn't particularly good. He had the image of a cold fish. It didn't appear that he was terribly centrally involved in important issues, and his public affairs handlers said, he's got to be seen as involved in something that's important and that's the Middle East peace process. Even if the president was doing all the real work, he's got to be there in the photographs. So he's not going to Bangkok.

Then there was the issue of who would take Christopher's place in Bangkok. The Secretary's initial inclination was to send Peter Tarnoff who was the Under Secretary for Political Affairs in theory the third ranking person in the State Department. But Tarnoff had not been involved with Asia policy and was not seen as a politically important figure by Asians. Winston had to race around and get the Secretary to change his mind and send Strobe Talbot, the Deputy Secretary. Strobe went. He had more rank and was just the right kind of person for the job, an intellectual who thought strategically and understood the importance of the event. He accepted the job with a certain amount of relish.

Q: In looking at this during your '93 to '95 period and even earlier when you had been in your other job, how would you, I won't say rank the countries, but were there countries within this that were pains in the asses and other ones that were from our perspective sort of on the right road or prima donnas or anything?

BROWN: Well, I would say that the basic dynamic of this group was between countries that wanted to see the organization develop and become meaningful and others which were very concerned that the organization not do anything whatsoever that infringed on their national sovereignty. Foremost among the defenders of sovereignty were Indonesia and Malaysia. The Chinese were the other ones acting as a break. The ARF operated by consensus, which pretty much meant that even one county could block agreement. That was the main question. The other subtext was between the ASEAN countries and the non-ASEAM members. The ARF was the ASEAN not Asian regional forum. The ASEAN countries were absolutely determined that they were going to remain the "driving force" behind this organization. They were not going to let the big boys, the Chinese, the Japanese and the Americans, dictate to them what this organization should do. So this was the other underlying dynamic. Our approach was to seek working arrangements which allowed both the ASEAN and non-ASEAN members would have an equal ability to contribute to the work of this organization.

Q: Speaking of the military, a power that was not mentioned was becoming stronger particularly the Indian navy, but India.

BROWN: India was not considered in the beginning. However, after I left and I can't remember if this was '96 or '97, the issue of India joining was addressed. While I wasn't directly involved then, basically the U.S. was reluctant to see this happen because we were afraid that if you brought India in you would have to bring Pakistan. If you brought Pakistan and India in, that would mean importing the Indo-Pak controversy into the organization, which already had too many internal problems to deal with. So, the U.S. resisted that, but once again it was the Singaporeans who were pushing this and in the end the overall consensus in the group was to one invite the Indians in and to reach an internal consensus that there would never be an invitation to Pakistan. The reason many countries wanted India in was to act as another counter weight to rising China. One of the things on which there was a general consensus in the region was to try and constrain China by embedding it in regional organizations. This was never said but it was a subtext in all of this. Southeast Asians saw India as a player in a larger game of trying to build a network that would constrain China.

Q: Well, India makes a great deal of sense because of their military power in the Indian Ocean and sort of like Japan on the other side, that whole crescent there.

BROWN: One other thing before we move on that was interesting was the Mischief Reef incident.

Q: The what?

BROWN: Mischief Reef is the English name for a reef in the South China Sea, which is within the 200-mile economic zone of the Philippines. It was an uninhabited reef, claimed by the

Philippines, by China and I think by Vietnam.

Q: This wasn't the Spratlys was it?

BROWN: Yes.

Q: I mean, yes I can remember.

BROWN: In the spring of 1995, without any advance notice, the Chinese built what they called a fishermen's assistance facility on Mischief Reef. From pictures, it was a cement buildings built on pilings. The construction was done by the Chinese military as part of China's effort to assert its rights in the South China Sea. This really concerned the Philippines and provoked a general reaction in Southeast Asia. This action led the U.S. Government to develop a new statement of its policy on the South China Sea.

It also became a major issue in the summer of 1995 in the preparations for the ARF ministerial meeting in Brunei, a country with 250,000 people that was in the chair of ASEAN. China with 1.2 billion people had just occupied a reef, maybe 400 miles from Brunei. It was Brunei's responsibility to coordinate the ARF's response to the Chinese action. On one side of the issue you had countries that were concerned saying we've got to put some pressure on the Chinese. On the other side, China was opposed to putting the issue on the ARF agenda and at one point threatened not to attend the meeting if Mischief Reef would be an issue for discussion. The U.S. and Australia took the position that for the ARF to have credibility as a security forum it would have to address the issue. This was a very tricky issue and Brunei eventually having consulted widely went to the Chinese and said, ministers are going to talk about this whether we put it on the agenda or not. As the chairman, Brunei's foreign minister will have to summarize the discussion that actually takes place in the written statement issued at the end of the meeting. We want you to understand this. In the end, the Chinese came the meeting. There was a discussion, and the Chinese presented a new statement of their policy on the South China Sea in which for the first time Beijing committed to resolving issues in accordance with the Law of the Sea Treaty. Our interpretation was that the Chinese decided they couldn't afford not to be at the ARF and that, if they were going to come to this meeting, it would be advantageous to issue a conciliatory statement. I think this was one of the things that convinced people that having the ASEAN Regional Forum was a useful forum. The ARF couldn't challenge the Chinese, but it could put a certain amount of pressure on the Chinese and force the Chinese to take opinions in the region into account in ways that the Chinese wouldn't have had to do if the organization didn't exist. Winston and Christopher were all really very pleased with the way this worked out. One year after its creation, the ARF was serving as a significant forum for discussion.

Q: Because that area, I remember it was an area of contention back when I was in South Vietnam in the '70s. But Vietnam and the sort of peace in China always claimed to, the thought being that there might be oil around there.

BROWN: Yes, that's correct. On the Vietnamese side of the South China Sea there are some exploration blocks in the Vietnamese exclusive economic zone where oil has been found and it's being produced.

Q: On this issue, the reef issue, were we being very careful to take a back seat or were we?

BROWN: To my disappointment, the answer to that is yes. That spring I took the lead in drafting a new statement of U.S. policy on the South China Sea. I hoped it would include a clear statement of U.S. opposition to military moves that would threaten peace in the region. Winston Lord's view was that the Chinese would see this as a challenge and that the U.S. already had enough problems in our bilateral relations with China. The U.S. should not be out in front on the Mischief Reef question. Yes, we have interests, but we shouldn't be out there leading the charge to challenge the Chinese in this area. We should leave that to the claimants. So, when we worked out this new statement of U.S. policy, it represented some advance from earlier very general statements, but it did not assert in any way that the U.S. was going to play a role of trying to diffuse tensions.

Q: You said you were disappointed. Did you feel that we should have played a more aggressive role?

BROWN: Yes, I thought that we were dealing with a dynamic in the South China Sea in which all of the claimants, the Vietnamese, the Filipinos, the Chinese, the Malaysians were taking actions that provoked the others to respond. The situation could easily get out of hand and require some response by the U.S. This had happened in the Paracels in the 1970, when the Chinese attacked and drove the Vietnamese out of the islands, with considerable casualties. Rather than waiting, it would be better to encourage the claimants to work our some rules of the game. The actual idea our office was advocating was that there ought to be an agreement by all of the parties not to occupy any new territory nor substantially reinforce existing positions. We thought that the U.S. ought to be much more active particularly working with the Indonesians which as the biggest country in Southeast Asia had been active on these issues. Winston said, no. This would essentially mean organizing people to resist the Chinese and we don't need to do that. Let them do it on their own.

Q: Of course, out of this whole issue raises the question that has been around for a hell of a long time and that is the expansion of China. I mean everybody has been watching China. Are they really planning to exert their influence? I mean it's an empire that's sort of grown and contracted and grown and contracted. This was one place that, it may be a small reef, but it still was representative of aggression.

BROWN: If you look around the periphery of China, there are a couple of places where there are minor territorial disputes. However, there is no evidence that the Chinese are seeking territorial aggrandizement. The South China Sea is a sensitive area because there are unresolved competing claims to essentially uninhabitable areas unless one builds artificial structures. This is a very unique area and one shouldn't draw conclusions about general Chinese behavior from what they will do in the South China Sea. After Mischief Reef, the Chinese didn’t expand their footprint in the area.

Q: Which results in having a group of people, a group of nations getting together and looking at this in the cold light of day and making certain actions sort of unacceptable. Which if it was just

between one country and another, particularly if one country is China, it's a little harder to face it down.

BROWN: It didn't happen on my watch, but subsequently the idea of no new outposts has in fact been worked into the code of conduct in the South China Sea, which was adopted in 2002, I think.

Q: I've had two contacts one with Korea, one was an airman second class in sitting off Chodo Island, sitting on Chodo Island up in North Yellow Sea and then later as consul general in Seoul in '76 to '79, but was there the perception that an attack could come anytime? I mean, you know, we've had, it's been 50 years now of tension on the border, but except for forays from time to time, the blue house raid and a few other things, its nothing major has happened. What was the feeling?

BROWN: If you went for a briefing at U.S. Forces Korea, they would emphasize the threat posed by the North. They would be able to talk to you about the kind of training the North had been doing and show you the number of new artillery pieces that they believe had been placed in caves along just north of the DMZ. They would talk about our intelligence on chemical weapons and so forth. So, USFK portrayed a picture of the North, which was still consistent with the idea that at some point they might attack the South and try to unify the country in keeping with their propaganda.

At the same time if you looked at the balance between the North and the South, you would recognize that the North's economy had been in decline and for at least five years, that their sources of support in the Soviet Union and China had dried up, that the military looked like a decrepit organization. The North was balanced against South Korea, which was the 11th largest economy in the world. It had just been admitted to the OECD as a member developed world and had an army of 650,000 people equipped with some of the best equipment that the U.S. could provide them, well-trained on their own and with the American armed forces. My judgment and the judgment of others who weren't directly involved in the U.S. forces Korea was that the South Koreans could probably handle the North Koreans pretty much on their own. If we weren't in a confrontation with the North over the nuclear issue, I believed the U.S. really should be involved in withdrawing a substantial portion of the American military from Korea because it wasn't needed anymore.

Q: Did you get any feeling at that time for something which seems to be a considerable concern on the part of China and that is anything happening in North Korea would mean an exodus of umpteen million poor, starving Koreans into China and this means that the Chinese don't want any change.

BROWN: Yes, you saw that. The Chinese didn't talk much about their bilateral ties with North Korea, but it was pretty clear to us through various intelligence channels that in the early '90s the Chinese had substantially scaled back their aid to the North and done away with friendship pricing on goods sold to the north. Then when the famine occurred in North Korea, the Chinese were clearly beginning to reassess what they were doing vis-à-vis the North. Even though they never gave any aid to the world food program, we were convinced that they became the largest

donor to the North of food assistance. They are the principal supplier of petroleum, i.e., energy supplies through Northeast China. The Chinese reversed their policy in '95 and '96 and decided that this famine was undermining stability in the North and that they would have to provide substantial aid to avoid instability.

Q: Well, you talk about it, an awful lot of countries that really despise this regime are doing everything they can to keep it going. The Japanese, the United States, the South Koreans, the Chinese. How about the Russians?

BROWN: They don't have much capability in terms of resources to make a meaningful contribution, but you're right. In some ways, providing aid is repugnant because this regime is as brutal and as inhumane towards its own people as you can imagine. It was and is a government that is prepared to see its own people starve while putting substantial resources into its own military establishment and threatening the rest of the world with weapons of mass destruction. It is repugnant. My view as the director of Korean Affairs was our policy was not to overthrow the regime but to encourage change. I saw the Agreed Framework as a vehicle for encouraging change because, as I said, if the North Koreans were going to implement it through to the end they were going to have to open up their society.

One key issue was how to tie the new reactors into the power grid. The power grid in North Korea was dilapidated. It couldn't possibly handle the power that would be produced by two nuclear reactors. The North Koreans tried to pressure KEDO into agreeing to build a new electrical grid for them as part of the reactor project. KEDO said, no. The way to get the grid is to go to the World Bank. The north didn't like that answer because they knew that would mean they would have to open up their whole economy to the scrutiny of the World Bank. They still haven't agreed to do that, but what we were trying to do was not just deal with an immediate non-proliferation problem, but to bring about fundamental change in North Korean society through the vehicle of the agreed framework. We saw the humanitarian food aid as another way for doing this. We were prepared to invite the North Koreans into the ASEAN Regional Forum. It didn't happen on my watch. It happened later. There were other things we were prepared to do, but the North hasn't followed through on many of them.

Q: National Security Advisor.

BROWN: National Security Advisor. Lake went to Seoul with a message, which said, if you would agree to an initiative to get North South dialogue started, the president will come and visit South Korea. This initiative put our office in a tricky position. For reasons that never explained explicitly, the president wanted Lake to handle this relationship through his contacts with Kim's national security advisor rather than having my boss, Warren Christopher, be the point man on this issue. Perhaps Lake wanted some credit for an initiative. Anyways, Lake and his deputy asked our office for some help in drafting their telegrams to Seoul but insisted that we not inform Christopher. Nevertheless, I discreetly informed Winston Lord what we were doing, and got his agreement. My deputy Dick Christiansen, who knew a lot more about Korea than I did, was involved in this process, too. We were writing the telegrams for Lake to send to Seoul to work out the presidential visit.

The focus of the presidential visit was going to be the announcement of what we called the four party peace talks proposal. The Americans and the South Koreans on one side, the North Koreans and the Chinese on the other side. We would start a process of dialogue about peace on the peninsula. This was a cover essentially for finding a way to get the North and the South to talk to each other. All this was worked out without in the end any bad blood that I could detect between Christopher and Lake.

Q: What about the Japanese?

BROWN: They were not happy with this because they weren't one of the four. They were U.S. allies, which China was not, and they were paying a billion dollars for the KEDO. They were not happy, but they were told about it in advance and chose not to object publicly.

WAYNE LEININGER
Chief Consular Officer
Hong Kong (1993-1996)

Born in New York State, Mr. Leiniger was raised in New York and Florida. After graduating from Florida State University he joined the Foreign Service. His foreign assignments, primarily in the Consular field, include Moscow, Tel Aviv, Hong Kong and New Delhi, where he was Regional Supervisory Consul General. After attending the State Department's Senior Seminar, Mr. Leiniger had several assignments in Washington concerning Personnel Management.

Q: We are back with Wayne Leininger here. He is just getting ready to go to Hong Kong in the summer of 1993. So tell me a little bit about that.

LEININGER: The overriding factor was that Hong Kong that was facing reversion to PRC sovereignty on July 1, 1997. My tour of duty would go through the summer of 1996, and in my consultations in the Department before I left it was clear that our goal would be to resolve the many outstanding questions affecting Americans, especially dual-national Americans, before I left; nobody wanted to be scuttling around as the days counted down trying to put out fires. So it was clear that Hong Kong wasn't just going to be a run-of-the-mill consular factory, though it was in fact very busy. At the time I arrived it was the only post in the world in the top ten in both nonimmigrant visa and immigrant visa processing. We had 12 consular officers in the section, and one consular associate, a cleared American employee with a wide range of functions. More so then than is allowed now. And, oh, goodness. We were probably doing 120,000 to 130,000 nonimmigrants and about 14,000 immigrant visas a year, along those lines.

Q: Is this because you were processing for Taiwan to there?

LEININGER: We didn't count any of those figures in our workload statistics. For years the consular jurisdiction of Hong Kong was nominally extended to Taiwan. In fact, the Hong Kong consular section chiefs' signature sliders, back in the old days of the Burroughs impression visas,

were used to "sign" the visas that were adjudicated and issued in Taipei.

Q: But when those visas were issued, did they say Taipei on the visa?

LEININGER: Yes.

Q: Oh they did, but they were signed by a name in Hong Kong.

LEININGER: Yes. It was kind of bizarre. That is because of all the business of not recognizing Taiwan as a state, which we don't. It is part of China. We had a one-China policy and Taipei, Taiwan is part of China. Hong Kong is now part of China, too, although it is a special administrative region. In any event, was okay for a consular officer accredited to Hong Kong to "sign' visas for those people who resided in Taiwan.

Q: Interesting. So you had a big section.

LEININGER: A big section but again it wasn't simply cranking out the visas and passports. We had 37,000 resident Americans in Hong Kong; about a third of them were dual nationals. Most were simply ex-pat Americans living abroad, representing corporate interests, and academics, and missionaries and who knows what. Hong Kong being a major international metropolitan city, it attracted all kinds of quite reputable types of folks by the time I got there. When you and I got into the Foreign Service in the early '70s, Hong Kong was still sort of thought as third world, seedy, corrupt, and a purveyor of third rate handicrafts and stuff like that. Well 25 years after you and I got into the Service. Hong Kong was definitely a first-class first world city, an international center of banking, commerce, finance, and insurance. The local business climate had been enhanced by the passage of some very strict accountability and anti-corruption laws.

These were enforced by the ICC, the Independent Commission against Corruption. I guess that would have swung into play sometime in the mid-to-late '70s. So it had had about 15 years of operation by the time I got to Hong Kong. It really did serve to clean up the place. It allowed the boom times to happen, because it established the rule of law. One of the problems India continued to face when I was there later in the decade was that American corporations, any major multinational corporation, found it very difficult to enforce contracts, for instance, because people would pay off judges or otherwise fix the system so the case never came to court. Lawsuits never got heard. Terms of trade and contracts could not be enforced. Well Hong Kong, to its credit, realized that in order to really occupy a prominent place in international trade, they had to clean up the legal system and the corruption. This enhanced credibility if you will, of the society and the legal system, was of more than academic interest to us doing consular work, because it meant when you got a letter from a bank saying somebody had a bank balance of XYZ dollars, deposited over a period of ABC months and years, you knew that was a good letter. We never in my three years there ever came across an instance in which we got a letter on official letterhead from an official major company or banking institution in Hong Kong that proved to be a forgery. It was certainly amazing. So it made rooting out fraud pretty easy.

Our major problematic visa cases in Hong Kong were almost entirely derived out of the PRC front companies that have been established in Hong Kong to do business there. Any

documentation we got from them about their employees, about the size of the enterprise, or the volume of trade, was all suspect. They were starting at that point to gin up the use of the L-1A, inter-company transfer visa as a major means of alien smuggling. Establishing a one- or two-person shop in Hong Kong as the branch office, and using it simply to serve as a funnel for people to come from the mainland and onward to the United States to go who knows where to do who knows what, was the only reason they existed. But apart from that, bad cases were very identifiable, which was a good thing. You knew who your bad cases were likely to be. In our walk up visa population, we had three kinds of passport holders. Some had a real UK passport, which identified them as full citizens of the United Kingdom. Some had a British National Overseas (BNO) passport, which did not entitle the bearer to the right of abode in the UK, but nevertheless identified them as a long-term resident of a British dependency, and that is what most Hong Kong people had. Then there was the final variety, which was a Hong Kong Certificate of Identity. That was issued to newly-arrived immigrants from the mainland. People who had been in Hong Kong for seven years or less got the certificate of identity. Our refusal rate among people in that category was over 50%. Our refusal rate among people who carried real British or British national overseas passports was only about 3-5%. At one point, we were implementing worldwide screening criteria to decide who could benefit by the then-new visa waiver program, you recall. One of the benchmarks that had to be passed was a low rate of visa refusal in the home country, as well as a low-rate of denial of entry and overstays in the U.S. We went back and forth in dialogue with EAP, CA, and especially, the lawyers, to determine whether or not we could, for the purposes of visa waiver, segregate out holders of Hong Kong certificates of identity from holders of British national overseas passports and actual UK passports. Ultimately the Department said, "No you can't. It is still an aggregate population of this entity known as Hong Kong, regardless of the kind of travel documents they hold." But if we had applied that kind of standard, it was pretty clear at that point that real "Hong Kong people" – that is a term of art by the way – would have qualified for the visa waiver program. If you hear on the news that people are demonstrating in the downtown area for more democratic freedoms, and you have some politician get up and say "Hong Kong people want…" "HongKongpeople." It is one word. "HongKongpeople" probably could have qualified for a visa waiver. The unemployment rate among "HongKongpeople" at that point was something on the order of 1.8%.

Q: But wasn't there a sense of certainly a lot of wealthy Hong Kong Chinese wanted to get some kind of lawful presence established overseas, because they really couldn't guarantee what would happen when the PRC took over?

LEININGER: This was one of the major preoccupations of the moneyed class, to find some place to parachute to. We have had, in our immigrant visa law, ever since I have been in the business some kind of provision for extending an immigrant visa to investors in the United States' economy. The Congress overhauled that program again in the Immigration Act of 1990. They set various standards of investment. A million dollar investment in any area of the United States, or $500,000 in an area in which the unemployment rate was 150% of the national rate, was enough to qualify an applicant for an immigrant visa. That was a "targeted investment," they called it, to attempt to relieve stressed economic areas. So we were hopeful, when I was preparing to go out in '93, that we would be able to scoop up our fair share of these fat cat Hong Kongers, and get them to invest heavily in Seattle or San Francisco or whatever. It didn't happen, and it didn't happen for one very straightforward and simple reason. That is because our

IRS, in its wisdom, takes the position that a green-card holder's entire worldwide income is taxable, not just that portion of his income earned off holdings in the United States. So for the fat cat Hong Konger, who had steel mills on the mainland and a local, regional shipping line, which he used to move goods around the entire Far East, who had just bought a motel outside of Spokane or something, the IRS would want to tax his entire worldwide holdings. Hong Kongers are not stupid. They didn't do it.

Q: Did the Canadians treat that differently?

LEININGER: The Canadians did indeed treat that differently, and so did the Australians. They would tax people only on that income derived from their holdings in those respective countries. So we lost out on the really big spenders. There were some people who did, indeed, completely retire, retire to the United States. But they just sold everything they had and packed up and moved. That is fine, but it is not the really elite people we hoped for..

Now this whole investor visa program was so relatively new, and in terms of investments so complex in so many ways, that the adjudicators of the applications in the INS – it was the INS at that time – had difficulty in parsing out what was an actual investment that met the terms of the law, and which ones didn't. By sheer happenstance, we had an officer on staff named Paul Stephenson, filling an FS-4 immigrant visa interviewing slot. He had been scheduled to go to the mainland, I think to Shanghai, as the chief of the econ section. But his wife was Chinese, and shortly after they had started to make arrangements to go, her family started getting threatening phone calls made by the Chinese security officials. So our people, a little belatedly, broke his assignment to the mainland and said, "Gee we trained this guy in Mandarin, and now where can we put him where we can make some use of it so we haven't wasted his training?" There just happened to be a hole in our staffing pattern in Hong Kong. Here was an FS-2 econ officer, now, filling an 04 immigrant visa interviewing slot, one of the most routine jobs in the Foreign Service. Yet by sheer happenstance, his expertise in economics allowed him to take a look at these deals coming forward, such few of them as we had, and he found all kinds of holes in the documentation. Most of them were some form of a ponzi scheme, where investors put in a little money in the beginning, and signed a bunch of promissory notes, and then the whole aggregate investment was somehow credited by INS toward their qualifying for the visa, when in fact they only actually put down $50,000 out of the $500,000, and never did have to pony up the rest of it. He busted this scheme, and we must have sent 40 cases back to the INS. Eventually – it was only two years ago – the attorneys in Arlington who put these things together finally were getting sentenced to jail. As a sidelight, this FS-2 econ officer, filling an -04 immigrant visa interviewing slot, got promoted as an econ officer to FS-1, because we wrote him up on the way he used his economic expertise. Sheer serendipity, and it worked out for everybody concerned.

Now apart from that, our major concerns had to do with what was going to happen when the PRC took over. As a worst-case scenario, we had to ask ourselves, "Well, what happens if the tanks actually start to roll through the streets, or if they start knocking on the doors of people known to associate with westerners, or, worse, having worked for Americans? On that account, in the 1990 immigration act revisions, the Congress had put a special law into the books benefiting the FSN employees of the Consulate General in Hong Kong. The standard provisions for an FSN anywhere in the world to qualify for a special immigrant visa to the United States

required someone to have worked for us for a minimum of 15 years under "exceptional circumstances." The law for Honk Kong employees said, "seven," and by *definition* it was regarded as "exceptional circumstances," because no one really knew what might happen. In order to avoid a mass exodus of our local staff from the Consulate General in Hong Kong as 1997 approached, the Congress said, "We are going to give special consideration to anybody who sticks with us during this time." So everybody who was working for us, almost everybody, for just this modest period of time, seven years, could count on a parachute to safety, if in fact things went lousy in Hong Kong. So our own employees were pretty well taken care of.

But what had to be decided was, how would the PRC allow the local government of the Hong Kong Special Administrative Region to manage the things like entry and exit rules. Would Americans, who had always been able to visit Hong Kong temporarily visa free, be allowed to continue to visit visa free? Or would the mainland system of visas be imposed? Would people who had the right to work in Hong Kong continue to have that right, or would they again have to qualify under the mainland's rules? Would dual nationals, Hong Kong-American dual nationals – as I said we probably had ten or eleven thousand of them – would they be allowed to move in and out of the region using American passports, or would they be forced to use Hong Kong documents? All of these things nobody knew the answers to. We had to hammer them out as we went along. And we wanted definitely to get it all done by the time I would be leaving, which was the summer of 1996. We didn't want to leave any issues hanging in the air during that last year in the transition. We wanted a crystal clear understanding of what the regime would be like for Americans, American business people, American travelers, tourists, and especially the dual nationals, who were sort of in limbo land.

A sort of special subcategory of dual nationals were those Hong Kong dual nationals who were serving as sitting members in the Hong Kong legislative council, the LegCo, which is the governing body, a mini parliament. There is a governor and a LegCo. I think the overall membership in LegCo is something like 120 people. At that time, they were all direct-elected. After transition most of them would not be direct-elected. Most of them were going to be appointed by a special PRC-constituted commission that was formed in the run-up to the transition, and a large subset of the remainder would be elected by designated constituencies, professionals, bankers, lawyers, business people, all of whom oddly enough, were aligned with the mainland authorities. You would think, "Whoa, these are the capitalists. These are the moneyed interests. They would be pro-democracy, right?" No. These were very conservative people. These are the people who wanted to strike deals with the communists, nominal communists, the overseers, so at least some element of predictability was maintained. These were the guys who had been doing business on the mainland for decades already. They figured they could flourish within any system as long as they knew the rules and had a good understanding of them. So they tended to choose, and elect under their designated constituencies, candidates who were pro-Beijing. A handful of freely elected democrats, Martin Lee and Christine Loh among them, were what you and I would actually call free-thinking liberal democrats, one-man one-vote types of people. They are the people who are still pushing for change and an accelerating timetable now for Hong Kong's choosing its own government, and governor, with a free election slate being put forward. They are still there. They haven't been jailed. They haven't been making a lot of progress, but they are still in a position of standing up for the average people in the street.

In any event, in the run up to transition the PRC authorities made it clear that they knew that a proportion of sitting members of LegCo were dual national. As I recall, they actually prevailed upon the Hong Kong Government to identify all those who were known to possess the nationality of other countries – Hong Kong/U.S. Hong Kong/Canadian, Hong Kong/ Australian, Hong Kong/Brit, Hong Kong/whatever. They said, well in the future, after we take over, only 20% of LegCo members will be allowed to be dual nationals. At the time something like 50%, had acquired other nationalities as a means to protecting themselves. They felt they had to. Well, this pronouncement put a number of people in difficult positions. They really wanted to stay on in Hong Kong. The majority of their families lived there. The majority of their financial holdings were there. And they were sitting in the LegCo, arguably in a position to try and ensure that this transition went as smoothly as possible and as peaceably as possible, in a way to ensure there would be harmony and prosperity for the region. They felt they couldn't just get up and walk away from it. So they were forced, they believed, to renounce American citizenship. We had almost a half a dozen come in voluntarily, and take the statement of understanding, and think on it, and come back the next day. I remember one sitting in my office, tears running down his face, as he took the oath of renunciation. He really hated to do it, but he felt no choice, to ensure the best interests of himself and of the people nearest and dearest to him in the long term, but to renounce his American citizenship. Now, remember what happened with the Black Hebrews in Israel. I am waiting for these Hongkongpeople, about ten years from now, to retire. They'll be getting out of government. They are going to come back in to the Consulate General and make impassioned arguments that in fact they were under duress, a larger threat of coercion, to renounce. And that this choice, supposedly freely made at that time, was not in fact their true heart-of-hearts free choice. I am just waiting for someone to make that argument. I am just really interested to see how they deal with it in CA/OCS/PRI, where the lawyers live.

Q: Now did you negotiate or discuss any of these issues with PRC officials yourself? How were these things put forward; you said you had a lot of questions on how it was going to work.

LEININGER: Right. We had to deal at one remove, in the main, on these questions. We would discuss them with the Hong Kong government authorities. The Hong Kong government authorities would go to Beijing. And it wasn't just us of course. The Canadians had the same concerns, as did the Australians. We had a consular working group that would get together and decide if we had to have this, or that, or the other rule clarified for the future.

Q: Was Hong Kong really that self governing despite the official status as a Crown Colony?

LEININGER: Yes. There were a lot of British civil servants interwoven in the hierarchy of the bureaucracy, but only the governor, Chris Patten, was appointed by the Queen. But apart from that, the LegCo was 99% HongKongpeople. There were dual nationals, as I mentioned, but as far as I recall, no pure ex-pats were members of LegCo. Ex-pats, meaning anybody not of Hong Kong citizenship. All the local power positions in the infrastructure had long since gone over to HongKongpeople, the newspapers, the Chamber of Commerce, even the jockey club – all were HongKongpeople. The banking institutions, all the major corporations, the steel companies, the shipping companies. You know a couple of the richest people in the world, Richard Li, Li Ka-Shing, the Kwok brothers – billions and billions and billions of dollars people, all Hong Kongers.

So, yes, it was self-governing, and its intention in forming this principle of "one country, two systems, "was to retain a "high degree of autonomy." After the transition, Hong Kong would be in charge of its own civil law and criminal law. It would be in charge of its own immigration system. It would not maintain a foreign policy. Obviously, Beijing, as the sovereign, was to be responsible for foreign policy. But in terms of internal self-governance, it was to have remained, and you can argue to what extent it has or has not so remained, self-governing.

Q: So were you able to get answers back from…

LEININGER: Yep. We got answers back on almost all of these things, and in almost all cases they turned out to be favorable to our interests. Americans still do not need visas to go to Hong Kong, although they need visas to go to the mainland. We had all kinds of protections understood, in some cases actually written out, with respect to visa-free entry, and the ability to stay and work with certain types of professions. And we established an understanding that dual nationals will not be singled out for any negative Chinese attention, as long as they used U.S. documents to establish themselves in the Region.

Q: So China seemed to be quite forthcoming on these matters.

LEININGER: Yes. They wanted – and this gets back to the whole Taiwan question – they wanted things to go smoothly with Hong Kong so as not to send a negative signal to the Taiwanese about how operating under a "one country, two systems" scheme might actually play out. So they seemed to find it in their interests to be restrained, and, arguably even today to be rather forebearant, if that is a word, with respect to how rigorously they would act in treating Hong Kong, for fear of how Taiwan would react.

Q: Do you think that is the reason why, since the fact of the matter is they could have taken the place over at any time in about six hours. The British certainly couldn't have put up much of a fight about it. No, and yet they were willing to go through from 1949 to 1997 on the terms of the old lease, which was almost 50 years. Do you think the major reason for that is they had the Taiwan example in mind or they just got varied benefits from Hong Kong or satisfaction?

LEININGER: I think more the latter. I mean they were having trouble with Taiwan all through the '50s. The Quemoy, Matsu and all the shelling incidents, and all that sort of stuff. But their treatment of Hong Kong sort of evolved, as Hong Kong became the entrepôt to the mainland. We used to say at the Consulate General, "Hong Kong is the entrepôt of the mainland." It served as a funnel for Western investment. Something like 60% of all foreign monies that were invested on the mainland came through Hong Kong banking institutions. Sixty percent, incredible. Then there is the actual physical movement of goods also. Hong Kong is the world's largest port. The greatest volume of stuff in, and stuff out, anywhere. Most of it was not staying in Hong Kong. It was moving right on through right across the border. The major truck entry and exit points in the New Territories – the mainland-bordering area of Hong Kong – were operating 24/7, with huge vans lift vans of stuff, overtime. So Hong Kong grew to be the jewel of the Far East, and the PRC didn't want to do anything to dull its glimmer during the time of the transition. They wanted to be, or to show the world, and I think they still do, that Hong Kong could flourish as much if not more under Chinese administration than it did under the British. I mean the mainland

Chinese really have it in for the British going back a long time, to the Opium Wars and the way that Hong Kong got into the hands of the British. But they saw what happened under British administration, and they are practical. For all the spouting ideologies and stuff over the years, the Chinese people at heart are among the most practical people I have come across. What works? For goodness sake, the Peoples Liberation Army has the greatest capitalist enterprise than the mainland. They own a lot of production facilities. They invest in washing machine production, stuff that has no military application whatsoever. The PLA is largely self-supporting on the basis of its capitalist investments. It is amazing.

Q: So besides these issues that you have targeted, what else?

LEININGER: The major investment of my time, I still think about it to this day, was the problem of what to do with the remaining population of Vietnamese boat people who were in refugee camps in Hong Kong. This was actually a special problem related to the transition, because the PRC had made it clear that it did not want any residual refugee population left in Hong Kong on July 1, 1997.

Q: How many were there when you got there?

LEININGER: There were still, altogether, something on the order of 7500, as I recall, when I first arrived. Of those, there was a hard core of five or six hundred who had been screened-out for resettlement, not because they were not held to be refugees according to the international definition of a refugee, but because they were crooks. They were murderers, thieves, prostitutes, drug dealers. I mean hard-core felons, whom no country would take.

Q: They couldn't be shipped back to Vietnam.

LEININGER: They couldn't be shipped back anywhere. And they were in their own private penal colony, barbed wire. They lived there all by themselves on a remote island. That was it. But beyond and above that, there were several thousands of people whose cases had been reviewed by the United Nations High Commissioner for Refugees (UNHCR) twice, three times, and by the voluntary agencies, and by the Hong Kong Government's refugee coordinator's office, and these cases just simply did not meet the minimum standard of a well -founded fear of persecution based on race, religion, political affiliation, or membership in a social group and so on. Our position, and the position of the international organizations, including the UNHCR, was that these people should just go home. The position of many human rights activists in the U.S., religious activists in the United States, and anti-communists at large in the United States, was that nobody should ever be forced to go back to a communist dominated country, regardless of whether he or she individually, personally, had a well-founded fear of persecution. But that, of course, was what the law said. So what else was there to say? The Vietnamese were not Cubans, and therein lies some of the hypocrisy of the whole refugee issue, when you do treat people differently depending on where they come from.

In any event, as a means of addressing this issue regionally, all the participating countries who had received Vietnamese refugees (knows as countries of first asylum), all the countries who were serving as countries of final settlement, and the various agencies, including the UNHCR,

came together and formed something called the Comprehensive Plan of Action, the CPA. The CPA was a scheme whereby the countries of first asylum, those places in which the boats would wash up ashore, would be assured that the countries of final resettlement would do everything possible to resettle those who were resettelable, and that we jointly would do things to help discourage an unwanted additional influx of boat people, who were putting themselves at risk out there in the high seas, which is partly what prompted the CPA, the convening of the session. Large numbers of people who were setting out on such a course; not only were people dying, being preyed upon by pirates, but they were also getting to be burdens on the host countries, the countries of first asylum, to the point where they were engaging in what was called "refoulement" – pushing the boats back off out to sea, and letting people just fend for themselves. Well, under the CPA the countries of final settlement agreed, "We will work through the population. We will do what we can to resettle those who can be resettled, and we will discourage other future influxes. Just don't push anybody else out to sea." Well, one of the things that was seemingly encouraging additional immigration was that if those people got to Hong Kong, and they didn't qualify for refugee status, but had a basis to apply for an immigrant visa, we would process their immigrant visa application in Hong Kong. Our sister posts in Singapore, or Kuala Lumpur, did likewise. Now, we didn't have a presence at that point in Vietnam, hadn't set up Ho Chi Minh City as a consular operation. We were, however, doing the Orderly Departure Program, operating it out of Bangkok, but for some reason people in Vietnam didn't want to go through that. They were perfectly willing to take a chance and get on a boat and sail to nearby countries so they could have an immigrant visa application processed there. This didn't set well with the countries of first asylum, on the one hand, and it continued to expose these folks to danger as they traveled. So as part of the CPA, we and the other countries of final settlement said, "Well, we won't do those kinds of routine services any longer for people who have fled Vietnam. They should go back home and work through the ODP." That policy, it was thought, would discourage future dangerous exoduses, and still allow the applications for immigration to be processed.

That decision promptly got us sued by various groups in the United States, who came together saying, "Those people are there in Hong Kong. They have the right to apply for their immigrant visas. You should go ahead and process their application." Now, quite frankly, what I learned from the Women's Class Action Suit, was that you have got to get in early with the policy makers on a decision, otherwise they tend to lose focus on the long-term consequences of giving away the store, and the lawyers tend to just want to make the thing go away. In this case, it was the Bureau of Refugee Programs, and to some extent EAP, that had a policy interest in preserving the CPA. The Bureau of Consular Affairs, on the other hand, originally took the position, "We don't have a dog in this fight. We'd just as soon go ahead and work these cases off; after all, there are only a few hundred of them." What CA didn't appreciate was that "few hundred" was only the tip of the iceberg, and that more would be forthcoming were we to continue to do this processing. CA didn't much care that violating our commitment under the CPA would affect our working relationships with the governments in the region, most especially with the Hong Kong Government – with whom we were still working closely on other transition matters – and with the UNHCR. We were all party to that multi-lateral agreement, and the U.S. would be walking away from it.

What I had to do was point out to CA that in fact it *did* have a stake in preserving the

Department's right to tell people where and under what circumstances they could submit their immigrant visa applications. We had for the previous decade been phasing out immigrant visa processing at most constituent posts all around the world, centralizing it in one post per country, for reasons of efficiency. After the fall of the old Soviet Union, we took that principle a step farther, and made people from Byelorussia and Ukraine, for instance, apply in Warsaw, Poland – another country altogether! If CA wanted to maintain its principled right to tell people where they could apply for visas, and when, and under what circumstances, it had to stand up for that principle here, as well. If it became the right of the individual to decide where and when they could apply for an immigrant visa, then CA's right to make a determination for efficiency's sake, or for future foreign policy reasons, would go away.

That argument finally got people's attention. We first had to rewrite and strengthen that section of Volume 9 of the FAM that dealt with place of application, because there had been no regulatory basis for CA's deciding to go ahead and consolidate these immigrant visa processing operations elsewhere in the world. So they quickly swallowed hard and said, "Oh, yes, we have got to beef that up." So they rewrote the regulation. The case went to Federal District Court. The District Court didn't quite get it. It went to Supreme Court, and Supreme Court first put a stay on the original adverse ruling and, eventually, found for the Government. I mean this took three years of filing, and counter-filing, and of depositions, and claims of who did what, and who didn't do what, within the Consulate General and within the Hong Kong Government, and within the UNHCR. I have to give the Hong Kong government and UNHCR people some major credit, because in these cases they were being attacked for the way they had conducted refugee screening. I had to take depositions and get voluntary statements from counterparts in those agencies. I must have executed a half-dozen affidavits myself with regard to what do we did in the Consular Section in Hong Kong, processing the applications of the boat people. Three years worth of this stuff. It didn't end until after I left Hong Kong. The Supreme Court eventually directed the District Court and the Court of Appeals to find for the State Department, upholding its visa processing prerogatives. And so that is where the issue stands now.

Q: So were you able to get some of these people in Hong Kong cleared out?

LEININGER: Yes. Some additional folks were resettled, some went back to Vietnam voluntarily, and some were deported by the HKG. By the time I left there were only about 11 or 12 hundred unplaced people left in the camps. Just before the July 1, 1997 deadline, the HKG granted all the residual boat people residence rights – though some were still serving jail sentences for their criminal activities – so there were no "refugees" left when the PRC took over.

Q: And the others had stopped trying to get out of Vietnam because basically the Vietnamese themselves had agreed to allow an orderly program. And that was actually working?

LEININGER: It was up and working. That was another aspects of the lawsuit. Our colleagues in the Orderly Departure Program were furnishing affidavits to the court, and writing letters to people like Representative Chris Smith, who was a very strong advocate for the boat people, saying, "Look people can come back and apply. If they do come back, they are not being persecuted here during the several months it might take before they leave." There were all kinds of horror stories floated out in advance of this whole thing, about the feared persecution that

people would be subject to, but it didn't happen,

Q: So it was not like the stuff in the old Soviet Union when you helped them get out. The Vietnamese Government didn't obstruct their departure…

LEININGER: I think by this time the Vietnamese were quite happy to get this "contaminated" population on its way. Don't let them hang around and start talking to people about the way it is out there in the big wide world, for goodness sake!

Q: Also they could get remittances from abroad from the people who had gone abroad and succeeded, which I suspect would be a sizable piece of change to add to their economy.

LEININGER: Absolutely. To the extent now that you read stories about how people who have "made it" here have gone back to Vietnam. Did you see the thing in the Post just two or three weeks ago? A U.S. citizen went back to open up a shrimp farm.

Q: Exactly. So you got a significant number of them out of Hong Kong and were able in effect by insisting on this, to stop the flow of boat people. You don't seem to read much about that anymore; it just stopped.

LEININGER: But the Vietnamese eventually allowed us to do this processing in situ, in Vietnam, processing people for departure in Ho Chi Minh City.

Q: So that was the other major thing.

LEININGER: The other major thing, yes. First, the U.S. citizen issues relating to transition, and then there were the Vietnamese boat people, and place-of-processing and the visa lawsuit. Oh, the other major worldwide trauma that beset consular sections during this period of time was the imposition of the machine readable visa application fee. Were you in the field at the time?

Q: Yes, as I recall, I was in Italy until about 1995. I think people had to get visas, Italians didn't, but I think people came through that did or we had student visas. It was a heavy a $50 fee.

LEININGER: It started as just $20, and then went quickly to $45. What was new was, it was an application fee. It was not refundable. You paid it up front. You paid it whether you got your visa or whether you didn't, and the really hard and horrid part, I will use both of those words, from the standpoint of the field, was this thing was simply announced, and we were told we would begin to collect it with about two weeks notice. You think, my God, all that cash. Where are we going to put all that cash? Twenty bucks a person and we have 200 people a day come in… My God. we are going to need an armored car every other day! Literally, the money built up so fast there was no room in the safes for it. We had to devise new means of receipting, new lines. Another window had to be opened up. Everybody paid. Previously we had no reciprocity fees for Hong Kong. People there didn't have to pay anything for visas at all, so we had no cashier near the NIV unit. There were certain categories of applicants for MRVs who didn't have to pay, but basically all non-official applicants did. All of these things had to be worked out on the fly in the space of about two weeks. A lot of folks in overseas consular sections just rebelled.

They said, “No, we can’t do it. NO. Full stop. Give us another month and we will get back to you.” And the orders from CA said, “No, you *will* begin collecting the fee.” Now there was one post I know of in southeast Asia that did not begin collecting the fee on time, and as far as I recollect that chief of consular section never got another consular job in his career.

Q: Yes, because they didn’t want to hear about his problems.

LEININGER: He became an ambassador anyway, but he never got another consular job. In any event we were hard pressed to come up with the physical means to collect that much money, but we were sitting the banking capital of the world. Electronic fund transfers were already the wave of the future. In Hong Kong everybody had a little debit card they carried. They swiped them everywhere to pay for almost everything. So we hit upon that solution, and got it cleared in principle through CA in about 48 hours, and got little points of payment terminals wired into a little antechamber we had built into a porch out in the front, the waiting area. People would swipe their cards through these things. We would end up having no cash, so it was wonderful from the standpoint of malfeasance, automatic receiving done by machines, automatic accountability at the end of the day. The machines would tell us how much they recorded, and they would have copies of all the receipts that people would present. It was beautiful. Moreover, it cost us virtually nothing. It cost us a telephone line. It cost us like 1.5 cents to collect $20, when in many instances CA was wiling to pay up to 15% of the collection cost for overhead, hiring additional cashiers if necessary, printing out receipts, all this sort of stuff. It cost us virtually nothing. Now, we ran into trouble I guess about a year and a half down the road after that, when it became clear that every time the user swiped his card, as just now when you go to an ATM, they got charged a service fee. They got charged 50 cents or something. Now by law the charge for the machine readable visa application was supposed to be $20. $20.50, the lawyers eventually concluded, was a violation of the law. We weren’t charging that; the bank was charging that. But the Department eventually said, “You can’t do it that way, “so that went out the window. But since then all kinds of innovations were made; in a lot of places they collect fees in all kinds of innovative ways that have been since made legal. It has been made a lot more efficient than simply carrying around bundles of cash in a wheelbarrow. We pioneered that.

We had one political flap over a visa refusal. First, for background, you need to understand that we in Hong Kong worked with the Department on a new way to apply the provisions of IMMACT 90 [Immigration Act of 1990], that allowed you for the first time to get people excluded from the United States, or refused a visa, because of *reason to believe* they were going to be agents of criminal activity. For the first time, you didn’t have to have a record of a criminal conviction, or a sworn admission of having committed a crime in the past. We pioneered, using the Chinese Triads as our targets, the use of profiles, a signature crimes, and behaviors even as a juvenile, that could give a consular officer that “reason to believe.” Now the guy is 25 years old, and has naked ladies and dragons tattooed up and down his arms, and was convicted of breaking and entering and assault in his minor years, and has no visible means of support today. Bingo, he isn’t just a 214-B – an intending immigrant – he instead becomes a criminal exclusion, INA Section 212A-2, on the basis of his involvement in signature crimes associated with Chinese triads. We could infer that his sole reason in going to the United States, not just his principal or ancillary reasons, his *sole* reason was to continue these kinds of criminal activities. We worked out these profiles. We had the approval of the Visa Office. We applied those profiles vigorously.

We probably refused 100 visa applications in a year in this manner.

Q: Were you able to make those stick?

LEININGER: Every one did stick. Now, that model was then used successfully later on when VO had to do the same kinds of profiling with Russian organized crime, or the Japanese Yakuza. All those kinds of patterns of behaviors, signature crimes, and other activities that were characteristic of an organized crime syndicate, can now be used against individuals who fall into those patterns.

Now why did I tell you that story? Because, on that basis, we refused a rather highly-placed member of Hong Kong society. And being a rather highly-placed member of society he had previously gotten visas to the United States. This came as a real shocker to him, for us to be so bold as to actually refuse him. But he had many friends in high places in the United States, including a rather prominent Congressman – a chairman of a rather important committee in the House, who aspired, after he left the House, to an ambassadorship in one of my future countries of assignment. Our applicant prevailed upon this relationship, in attempting to get his visa refusal overturned, and this Member of Congress wrote several letters to us, with increasing vehemence and increasing obtuseness. He wasn't reading between the lines when we told him we had the goods on this guy. He persisted in arguing that this man is a "fine upstanding citizen" and "ought certainly to be given a visa to the United States" and blah, blah, blah. The Department stood firm in backing us. Well, eventually, when his hearings on his ambassadorship came up, this entire record of correspondence came to light, and his colleagues in the Congress decided the better part of discretion was would be for him to withdraw his candidacy for the ambassadorship, because he was on the wrong side in defending a crook of major international proportions. Sometimes our colleagues in Congress can go overboard, and the system catches up with them.

Q: So you spent three years in Hong Kong.

LEININGER: I could have extended, and we did love it there. I would ordinarily have done so, but being the kind of very forward-looking of person that we are here in the Foreign Service, I knew that my time in class as an MC was going to run out in the fall of 2000. At that point I would be given one year's grace for mustering out purposes, as was administrative practice, so my separation date would be September, 2001. But that meant that if I wanted to get a full tour of duty in back in a domestic assignment, for two years, I would have to be back in the U.S. by 1999. So I had to leave Hong Kong by '96, to take another overseas assignment for three years. And then I'd come back here in the summer of '99 for my last two years. Now why come back at all you ask? Fill in the blank.

Q: Well, to be ready for your post career activities.

LEININGER: More important than that, *locality pay*, which is not a factor in the calculations for your pension when you are overseas; it doesn't count at all. You count it only when you are here in Washington. It was the old problem we have had for years: when people are overseas, allowances and differentials aren't part of the base salary calculation, so even if you are making a 15 or 25% boost for the hardship or something, or other things across the board, that isn't

included in your pension calculation. If you come back to Washington, locality pay is. Even in those days the difference, was about 9.5 or 10 percent. And as it happened I came back for only two years, instead of three. They do a high three year calculation for your pension, so it is a difference that keeps on giving for the whole rest of your life.

Q: Yes, I agree.

LEININGER: So I wanted to come back in the summer of ’99. I could only stay three years in Hong Kong followed by three years someplace else.

Q: So what did you look at?

LEININGER: Well here again I was in that same conundrum that I mentioned last time around. There were precious few English-speaking senior consular positions overseas where I hadn’t already served.

Q: Right, exactly, having finished with Hong Kong.

End of reader