

**United States Mission to the Organization for
Economic Cooperation and Development
(USOECD)**

**READER
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THOMAS W. WILSON
Information Officer, the Marshall Plan
Paris (1949-1952)

Thomas W. Wilson was born in Baltimore in 1912. After Graduating from Princeton University, he worked as a reporter for the Baltimore Evening Sun and later the Paris Herald. He served on the National Defense Advisory Commission, the War Production Board and the Economic Warfare Agency in World War II. After the War, he worked as an Information Officer for the Marshall Plan, and would later serve as a Political Advisor to the United Nations. Mr. Wilson was interviewed by Charles Stuart Kennedy on October 30 1996.

Q: You were in Paris until when?

WILSON: '49 until '51 or '52.

Q: Could you talk a bit about Averell Harriman. I mean he was a major figure in American diplomacy for many years. During the time you dealt with him in Paris, what was your impression and how did he operate?

WILSON: Well I did know Harriman very well and worked with him several times. I don't know anybody who worked with him, if they could work with him, who didn't love him. He was a man who was absolutely totally committed to what he was doing. He worked like a dog. He expected you to also, but he didn't expect you to do anything he

didn't do himself. He was really a wonderfully effective person. Everybody felt they had to respect him. I'm not talking about the non-Americans with which we had to deal. I think quite apart from the fact that sure he was a very welcome man – he was an ambassador, and he was running in this case the Marshall Plan. He was running a program that the Europeans were absolutely dependent on. But I think he was, now that we begin to talk about it, very persuasive in private. He was never a very good speaker. If you are talking about diplomacy, I'm talking about private diplomacy. He always knew what he was talking about. I think he was probably more responsible than any other individual in forcing the Europeans to take the Marshall Plan in a way that I think became ultimately its most important impact. That is to say, I don't know if he's responsible for this but we, the United States Government, refused to deal with the French and the Italians and the rest of them, nation by nation, which they all wanted. They thought they could get more from us I guess. He insisted that it be a European plan, that they put together their requirements subject to our review and approval, but that they do it themselves; but that they not do what all of them tried to start doing which was to face their terrible economic problems on a national basis. All of them wanted to deal with their problems by cutting imports and exports. They wanted to nationalize their currencies, and in any event, I think he had more to do with it than anybody else, insisting on a daily, practical day to day basis that this was a European recovery program. They had to present their combined requirements. We would allocate against it. They would then have to re-divide it among themselves. They could not do it by nationalist priorities

Q: Germany at this time of course was not in it. I mean was Germany in it too?

WILSON: Yes, from the beginning.

Q: Your job again was making sure the European public was aware. Looking at it sort of country by country, we've already looked at England, what about France? Did you find any difficulty getting the message out to the French?

WILSON: Well the Marshall Plan information program in Europe, I believe, probably engaged in the most open, active, large scale propaganda warfare that we've ever had. The Russians were out to ruin the Marshall Plan. You remember they refused to...

Q Yes they made Czechoslovakia withdraw from the Marshall Plan aid and all that.

WILSON: The first ships arrived in Europe in Le Harve with Marshall Plan goods. The dock workers refused to unload them. They had to be unloaded by the French Army. The mine workers not only went on strike but they flooded the coal mines in France and Belgium. Some of the European governments, as I said before, had Communists in them as part of their coalition cabinets. This being a quite understandable reward for having conducted active anti fascist, anti German activity during the occupation. The only people who really fought were the Communists in some of those countries, and they were sometimes taken in to those cabinets and had people in the governments. While they weren't at the top nonetheless, you're in a – I'm thinking of France in the early days – country that is short of paper for example. It turns out there's a Communist in control of

paper allocations, and you can believe me the Communist press gets plenty of paper, while the anti-communist press doesn't. The same sort of thing could be said about film stocks and that sort of thing. What's more they had money. They could afford publishing when some other people couldn't. If you've ever walked down a street where the walls only on one side are covered with posters, and they are all the same posters and they are all the same source, they carry a sense of power.

Q: Oh yes I've seen it. The workers with the sickle and hammer. You really feel like they are the movement of the future.

WILSON: Exactly! The Communists had a monopoly on the walls of Paris. So this was a real fight. So we did everything. We put the story in every media. We ran traveling exhibits in trucks and in trains and on barges down the canals of Europe. We had access to the non communist press completely. We could get our stuff in the British newsreels but the newsreels ran, I can't think of the neighborhood of Paris, it was almost completely communist. It didn't run in those theaters because if it did they'd get bricks through the screen. I remember every now and then getting a call from a French mayor from some town saying the local communists tried to bust up your exhibit this afternoon. We've got them arrested. Do you want to charge them? We never did; that's not the point. I remember we published a paper for French unionists. It used to get thrown off the train sometimes as the train went over the river somewhere. So it was a good fight.

Q: How did you find the French bureaucracy at that time? Was it difficult to, I mean the ones with whom you would have contact. Were the ones who were not Communist sympathetic to the Communists or not?

WILSON: No. They were trying to get France back on its feet, back in business so they could tell us they didn't like us. They were very active allies.

Q: By this time it was quite clear to everyone who was involved that the Soviet Union was the enemy and these were their surrogate warriors in a way. Was there any doubt in anyone's mind what the battle was about?

WILSON: No. Well of course there was. There were always left wing French intellectuals to worry about, but they were also hard to deal with. In due course even the French got into it. They didn't like us. We gave all of these things to the program in France, but they didn't have much choice, and they put up with it when it was easy to do so. We would rather have their name on it than ours anyhow. You know sometimes we'd want to do some things they just didn't know how to do. That was embarrassing. The French were also curious about things. This was probably about half way through the Marshall Plan and emphasis was starting to shift, I think Paul Hoffman had a thing about productivity; that was the key to manufacturing and industrial success. I remember we sent a group of journalists over once to the U.S. to visit some high productivity plants in the U.S. They came back and all wrote the same set of columns. I'm sure this is not true, they all had the same title, at least a number had the same title, "Quest que c'est la productivitee?" They were intrigued. They hadn't thought of productivity. It was a

strange idea to them. So it had a kind of intellectual level to it.

Q: Did you find there was any sort of approach you could make to the left wing intellectuals or did you almost write them off as somebody you couldn't make any impression on? I'm not talking about the hard line Communists; I mean the...

WILSON: Well, some of our most active help came from the Socialists. They knew the Communists. They knew you couldn't work with them. By this time there was an anti communist free trade union.

Q: Yes. There were two trade unions. One was dominated by the Communists and the other was not. I forget the name. We had a representative, I don't know if you knew him, Irving Brown. Did you work with Irving Brown at all?

WILSON: Yes. I don't think I did personally but I remember the French had something called the Quai Liberte. They were anti Communist. This is when I thought about the walls. And they did some wonderful things. There would be these huge Communist posters up. They would invent a little piece to go across it to paste over it. I remember the French, no doubt with some encouragement from us, were about to extend their military service from 12 months to 18 months. Of course the Communists took a battle against this. They had posters all over the place "Down with the 18 months." The Quai Liberte people made a little banner kind of thing that would go across these things and it said, "We want 36 months like they have in Russia." This killed it. They just couldn't get anywhere with it. Who was the famous head of the French Communist Party for many years?

Q: Maurice Thorez?

WILSON: Thorez. Of course. Thorez became very ill, or apparently very ill. The Russians sent a special plane to Cairo to pick him up and take him to a hospital presumably on the theory that he couldn't get competent treatment in France. You also know how any time any communist would get put in jail they would slap the posters all over the place "Liberee whatever the guy's name was." So as soon as the Russians took Thorez to Russia, they plastered France with things saying "Liberee Thorez." So they had some real competition. The French were active too.

Q: You finished up in 1953?

WILSON: '52.

Q: '52. How did you feel about it when you left? Sort of you had done your bit and as far as you were concerned people in France and all pretty well knew what we were doing?

WILSON: Yes. I'd like to think a job well done. I thought like most of us, there would be a United states of Europe within a decade. That was 40 years ago and they haven't made it yet. I'm not sure they are ever going to make it. Yes, thoroughly convinced that it had

been a very wise policy and a very effective program, and it was on the right course.

Now I think the Marshall Plan was actually kind of deceptive for many Americans. Because when we went over there the continent was a mess, and we fixed it in a few years. It didn't really occur to us we didn't do it. All we really did was provide the one thing that was missing from their point of view. The industrial revolution had started there. They knew how to build factories and bridges, things like that. They had just been bombed out, and they needed steel etc. etc. which you could only get from one place in the world, and it took dollars to buy it. We provided them with the dollars, that's all. That they didn't have and couldn't get anywhere else. They made the recovery plans. We provided them with the money to buy the stuff they needed, and so it worked perfectly. But it gave some of us I'm afraid, the notion that we know how to fix a country if they're in trouble. I think a good deal of our foreign aid program probably was driven by that myth. That's not quite the same thing as going to a country that has no experience and in some cases effectively no government that knows how to work. I think we had that illusion that we knew how to do things and in Asia, Africa, Latin America, the same thing doesn't apply. But I think we also failed to understand the significance of forcing them to decide what it was they wanted and what they needed. I think when it came around to running the, what did they call that in the Kennedy administration?

Q: The Alliance for Progress.

WILSON: The Alliance for Progress, we stuck to a country to country basis. I think it was because our people probably liked to do it that way. We were used to running those countries.

ELIZABETH A. BURTON
Statistician – Marshall Plan
Paris (1949-1952)

Elizabeth Burton grew up in Washington, DC. After graduating from Sarah Lawrence College in 1941, she worked for the Board of Economic Warfare until the end of World War II. She then worked as a statistician for the Marshall Plan in France. Throughout her career she also worked for AID, NATO and OPIC. She was interviewed by Charles Stuart Kennedy in 1998.

Q: How about in France, was that different? Paris was eating better?

BURTON: Yes, it was perfectly all right. There were no cars, because gasoline was in short supply. So the French were awfully nice to us, because we had everything. We had the silk stockings and the hooch and the gasoline and the cars.

Q: How were you able to tap into this?

BURTON: After I started to work, which was in the fall of '49, I had access... I bought a car, which the French couldn't do. I bought it in dollars, so I had a car and gasoline, and stockings.

Q: In '49, what were you doing?

BURTON: I wasn't doing anything to begin with. Then I realized I would run out of money eventually, and if I wanted to stay in Paris, I'd have to get a job. So I sniffed around through friends and connections. They were recruiting for the Marshall Plan at the Talleyrand at that time, and I went in there and got a job as a statistician in the Central Programming Office.

Q: It was the Hotel Talleyrand, wasn't it?

BURTON: Yes.

Q: Which was the center of American activity, or was it the center of the Marshall Plan?

BURTON: It was the center of the Marshall Plan, and gradually became the center for all of the international diplomatic operations, not to be confused with the embassy, which was on the other side of the square.

Q: Who was the head of the Marshall Plan when you started in '49?

BURTON: I can't remember, but I think it was Lincoln Gordon.

Q: What did they hire you for?

BURTON: As a statistician.

Q: This goes back to your finding out about the sewers of Antwerp?

BURTON: I don't know what it was. I don't know why they hired me, but they did. Maybe it was just that they had three slots to fill, and I was one of them, fortunately. Once I got in there, I could sniff around and find other things as need be.

Q: What were the sort of things that a statistician was working on?

BURTON: I can't remember. I remember editing papers that they gave me. This was a small office, and I think that anything you were equipped to do, you did.

Q: What was the work? Was it assembling statistics on various things?

BURTON: I'm sorry, I can't tell you. I simply don't remember. I was very new. I was getting used to things and trying to figure out how the cable system worked, things like

that. I was working for a very brilliant man whose name was Ostrander, who was handling the German distributions of the Marshall Plan stuff. So I just did whatever he told me, I guess.

Q: Can you characterize the spirit of the people working on the Marshall Plan?

BURTON: Yes, they were very excited with what they were doing. There was a very competent woman there named Mary Painter, who was apparently famous in the economic field. She died only about three years ago. She had constructed a new system for something in economics. But they were young, and they were enthusiastic. I worked with Tom Shelling, later of Harvard. He taught me how to use a slide rule. It was almost like a post-graduate group. A lot of very bright, attractive, young people.

Q: As you traveled about France, what was your impression of where France was?

BURTON: Looking back on it now, I realize that France was still in a pre-World War II state. And by that I mean it was in a medieval state as well. Anytime you got to a small village in the country, there wasn't much difference between it and the Middle Ages. If you went into a house, plumbing, everything else like that. But I didn't realize it at the time. I do now, because of the vast difference between then and now. But it had remained absolutely untouched, I would say, since the early 19th Century, the Proustian days almost.

Q: Did you have any contact with the international community while you were doing this first job? The French, the British.

BURTON: Not professionally. Certainly socially, yes. I knew quite a few French people from the French Embassy here, and they were very nice to me. I had entrée in France that was, at that point, spectacular. But even then I didn't realize that. They were just old friends and they would ask me for lunch, that kind of thing. So I had a view of Proustian Paris that I didn't realize I was having.

Q: This office basically was serving more or less the same way, I take it, that your economic warfare office was, supplying statistics or information on demand.

BURTON: Oh, I think not. No, no, I think it was far more than that. The Programming Office was the hub of where and what they were distributing to the Marshall Plan countries. Everything that was allocated to the Marshall Plan was siphoned through the Paris office, so that it was an extremely important hub of what was going out. But I was just too young and too inexperienced to have much part in that.

JACOB J. KAPLAN
Board of European Payments Union
Paris (1950-1959)

Jacob Kaplan was born in Massachusetts in 1920. After graduating from Harvard, he served in the Office of Strategic Services during World War II. He went on to work as the head of the economic section on Southern Europe and contributed to the beginnings of the Marshall Plan. He worked with the ECA and the Board of the European Payments Union, and later was the head of the International Development Organization Staff in AID. Mr. Kaplan was interviewed by W. Haven North on March 22, 1999.

KAPLAN: Well, after two years at Yale I decided that I really did not want to remain an academic. I had grown up thinking I wanted to be an academic but as a result of my war time and post war experiences, I began to realize that my real interests were in the application of economic analysis to real world policy problems. Hence, I went back to ECA in 1950. I soon found myself a member of a new staff that had been established to deal with European regional problems. Primarily, the staff served to backstop the OEEC. It also dealt with NATO, which had by then come into existence, and which became very important once the Korean war broke out in June 1950. Also, we provided some backstopping and support for the European coal and steel community which had just come into existence. It was a group of people, all of whom believed in the importance of European economic integration. We wanted to promote it and Dick Bissell, the ECA Deputy Administrator, set the staff up for exactly that purpose.

Q: Which was in the State Department?

KAPLAN: Within the ECA, a European regional staff. Its first head was John Hulley, who had been a major contributor to the European Payments Union concept. He shortly resigned and I succeeded him as chief of that Division.

Q: What were you trying to bring about?

KAPLAN: We were trying to promote economic integration through specific moves. That had actually begun with the European Payments Union Agreement. The OEEC was a forum that conducted discussions and meetings on all sorts of issues, but its major decision making role had been in the division of aid. By 1950 that was no longer practicable. The real problem was that although European production was well above prewar levels, trade within Europe was still 15% below and European dollar balance of payments was still in serious deficits. Neither the Europeans nor we in ECA had any great confidence that the need for aid was going to end by 1952. It was important for the Europeans to get rid of their bilateral trade agreements, to learn to be competitive with each other. Maybe that would increase productivity sufficiently to give them enough confidence to free their restrictions on trade with the dollar area. That was the purpose of the EPU to which we were giving strong support. ECA had provided the capital to get it started. In 1954, I went to Paris as the U.S. Representative to the Managing Board and stayed there for five years. It was probably the best work experience of my life.

Q: This was mainly putting together the Payment Union?

KAPLAN: Well, the Payments Union was together by then; it had functioned for several years, quite effectively. At the time, there were two issues. First, how was Europe going to get ready for convertibility and second, when were they going to reach the point when they could make their currencies convertible. The British were pushing for an early move to a very limited kind of convertibility. They wanted to reestablish the London financial and gold markets, which had been dormant because of trade and payments restrictions and because the British balance of payments itself was so weak. They had some hope they could reestablish those markets if the EPU were abolished. Most of their permanent officials had opposed its formation in the first place. Hugh Gaitskell, their Minister of State for Economic Affairs and later the Chancellor, overruled them. He was an economist by training and was persuaded by our very able staff in Paris that the Union would indeed be in Britain's interest, and so it turned out to be. The Bank of England and the Treasury civil servants were very unhappy about the whole affair and did not cooperate terribly well.

The Germans were also restless, particularly Mr. Erhard, the Economics Minister, who preached convertibility at any audience who would listen, though he had not succeeded in persuading his own government that Germany should move to convertibility before the rest of Europe was ready to move. The OEEC convened a Ministerial Conference on Convertibility. Harold Stassen, by then the head of the foreign aid agency, MSA, brought me along as his principal advisor. We were trying to figure out a way to hold Europe together, hold European integration together, and to promote European integration at least until such point as they really were able to become convertible together successfully. The Conference was able to agree that the EPLI should be changed to provide more flexibility.

When I came to Paris, the first issue was negotiating changes in the EPU Agreement to establish the conditions under which a move to convertibility could be made. The British were given a veto power, the power to move when they were ready. By late 1954, their situation had deteriorated to a point that they put off any such move to convertibility. Then the EPU went on.

The Managing Board was the place where the most intensive economic policy coordination took place that had ever occurred up to that time. Country's situations were reviewed regularly. Every member of the Union had accepted an implicit commitment to keep its payments with the rest of the members in balance over time and the Board supervised that commitment. It reviewed a country's position when it was getting out of balance. It made recommendations, both to the surplus countries and the deficit countries and they were accepted and proved successful. It had become a very prestigious and influential body because it had dealt with several crises in its early days very effectively. It had thus acquired a great deal of clout. In 1957, the Board was finally able to get the French government to accept conditions that required economic policy changes in return for a special credit. The EPU incidently did impose conditions on its credits. It invented the idea of conditionality, which the IMF later took over.

Q: These were conditions associated with...?

KAPLAN: They were fiscal and monetary conditions designed to help countries get their payments back into balance. In some cases, recommendations were made to surplus countries. They didn't get credits, but they had to give credit. They would get recommendations to remove trade restrictions that affected countries in difficulties.

Q: Were there other issues you addressed in that role?

KAPLAN: The Board had two major crises. One was with France, which had fallen out of step with EPU Agreement. The Agreement not only involved keeping one's payments in balance but also reducing quantitative restrictions on trade with each other. A companion European Code of Trade Liberalization required countries to free at least 75 percent of their trade in each of three major categories. The French had done so, fell back, later conformed and then fell back again. They were in economic and financial difficulties all through the '50s. The U.S. had provided them with a lot of aid and urged that they bring their economy into better balance. However, the governments changed every few months and none of them was willing to do anything unpopular. So the problems just rolled on. They got involved in fighting in Vietnam and later pulled out. We paid most of their bills, including retroactive payments for bills for their Vietnam expenditures before they moved out.

Q: I gather we were supporting...?

KAPLAN: They were in trouble and we were still generous. But by 1957, the U.S. government had had it. The French had run through the very large reserves accumulated from our earlier aid and they were desperate for further help. We told them to go to the other Europeans, who were in a position to help. The other Europeans were willing but they insisted that there be conditions. Finally in the fall of '57 a new French government put together a program that seemed to be acceptable. The EPU was willing to provide them with some credit, and the IMF offered a little more credit. The Germans offered a substantial credit and the French sent a mission to Washington to seek some more aid from the U.S. The German Chairman of the Board pleaded with me to persuade Washington to provide something. It would be politically embarrassing if Germany were the only bilateral contributor. It would be embarrassing for the French as well as for the Germans. I did go to Washington and passed this message along. The U.S. did make a modest contribution to the package and the program worked fabulously well. De Gaulle took over shortly thereafter. After a lot of debate he decided to honor the EPU's conditions and the French economy and balance of payments thrived thereafter. All of this is told in a book about the EPU that I co-authored with Gunther Schleiminger. It appeared in 1989.

Q: It was called the European Payments Union: Financial Diplomacy in the 1950s by Jacob J. Kaplan and Gunther Schleiminger, Clarendon Press, Oxford, 1989. Were there other issues?

KAPLAN: Then we had Turkey. Turkey had been a member of the Union from the very beginning, but it never removed quantitative restrictions on its imports. It kept asking for credit all the time, and none of the Board's members was responsive. Finally, in 1958, things had really gotten desperate. The U.S. had been providing substantial aid to Turkey for years and we were certainly not interested in increasing it. Turkey was then in real trouble and had huge debts. The Europeans had been letting them buy goods with export credit guarantees and the debts were enormous. An IMF staff member, a former Czech national named Ernest Sturc, had developed a relationship with the senior people in the Turkish bureaucracy. He went to Ankara and persuaded them to introduce a decent stabilization program. Mangoldt, the German chairman of the EPU Board, also went there. Thereafter, I got a telephone call from Washington saying that the stabilization program looked very good but that Turkey would need a financial package of X amount. The U.S. and the IMF can provide some, but how about the Europeans? Can you get them to fill the gap? Knowing the European attitude toward the Turks and their behavior up to that point I was very skeptical but said I'd try. I invited Mangoldt to lunch at one of his favorite restaurants in Paris and fearfully explained the need to finalize the operation quickly. To my surprise, he thought the stabilization program could succeed. This was a chance to bring Turkey back into being a full-scale member of the OEEC and thus to fill out the last gap in the European Community. So we wrote some numbers down, put together a package, and agreed to recommend all its components to our governments.

I guess there is no point in my now not telling tales out of the school. In Paris at that point a Treasury representative held the rank of Minister in the U.S. delegation, of which I was a member. He was a retired banker who had little to do except exchange gossip and views with anybody who would talk to him. A friend of the Ambassador, he saw my reporting cables. I had reported my conversation with Mangoldt in an "eyes only" telegram. My Treasury colleague promptly drove to Frankfurt and related its contents to Emminger, then the key international person in the German Central Bank. Emminger had been angling for Mangoldt's job for sometime and he proceeded to put the kibosh on the proposal before Mangoldt had a chance to approach Bonn. And so we had to recover, as we did. The Germans contributed a little less than we had suggested, and the other Europeans more. It was amazing that small countries like Belgium and even the French offered money. France had just been given a package itself. It offered a small sum if the others would agree. We thus were able to put together a package that was approved at an OEEC Ministerial Meeting and it all worked. We also set up a group to deal with Turkey's debts. The European debts were almost all government guaranteed, while our debts were all private, some substantial, some very small. I remember 10 dollars owed to a bookseller in Philadelphia.

Q: Put together a rescheduling of the debts?

KAPLAN: We put together a rescheduling of the debts. The Europeans wanted them repaid as soon as possible. We were providing aid and didn't want our aid money to be used to pay off European government debts. I was a thorn in the Europeans' side, but after awhile we reached an agreement and it was successful. In fact, the debts were

cleared off on schedule.

Q: Were there economic policy conditions?

KAPLAN: Very tight conditions that the Turks adhered to for awhile. They got into trouble again later on.

Q: Were there other issues?

KAPLAN: The other issue was the timing of convertibility. The British senior civil servants and the Bank of England had been recommending such a move for a long time. Finally, they had a new Chancellor of the Exchequer, previously the Minister of Agriculture, and persuaded him on the idea of moving fast. At the same time, the U.S. had just appointed a new Secretary of the Treasury, a former Secretary of the Navy, whose understanding of these matters was not yet very profound. The Governor of the Bank came to Washington, met with the Secretary, and told him what Britain proposed to do. Convertibility sounded wonderful to the Secretary. The Governor asked him not to tell anybody or it would all fall apart. The Secretary asked if he could tell the President. The reply was yes, but nobody else. None of the U.S. officials who had been involved in convertibility discussions for years knew about the move until the British told their European colleagues that they would act in a few weeks. It was all agreed. Despite the fact that they acted prematurely, it worked. However, the British ran into serious balance of payments trouble and had to be rescued by the IMF a couple years later.

Q: And you were in a very pivotal role in that location, weren't you?

KAPLAN: It was a great role working with a great Board. Almost all of my colleagues except Mangoldt held key positions in their governments. They came to Paris for meetings once a month or more, if necessary, but otherwise had full-time jobs in key international financial policy roles in their governments. They were a sophisticated group, very committed to European integration and to making the Payments Union work. It was a great job, the most educational work experience of my life. I learned much more there than I did in graduate school. I also established valuable friendships.

Q: I'm sure you were learning in a very practical way.

KAPLAN: In a very practical way from wise men, with very good judgement and real commitment to getting constructive things done.

ALBERT E. HEMSING
Marshall Plan Film Division
Paris (1951-1958)

Albert E. Hemsing was born in Germany and raised in the United States.

He began working for the Economic Cooperation Administration, which administered the Marshall Plan in 1951 and entered the USIA in 1953. His career included positions in France, the United Kingdom (England), Germany, and India. Mr. Hemsing was interviewed by Robert Amerson in 1989.

HEMSING: Actually, I was co-opted into USIA, as were most of us working in the information program at the Marshall Plan's European headquarters in Paris. I had gone to work for ECA, the Economic Cooperation Administration, which administered the Marshall Plan, in 1951.

In 1953, two things happened. ECA became MSA, the Mutual Security Agency; reflecting the change from economic aid to Europe to military aid, under the pressures of the Cold War. Also, that year, the U.S. Information Agency was born. It took over, among other programs, responsibility for the information activities of MSA.

My first encounter with USIA, aside from noting that I had a new paymaster, came in the person of the Agency's first director Ted Streibert and that was a kind of 14enefi-comedy.

Shortly after taking office, Streibert announced a trip to Europe. Rumors reached us that his purpose in Paris would be to shut the entire MSA information operation down. Our information chief was Waldemar Nielsen. His deputies were Eugene Rachlis and Hugh Sutherland. Peter Handen, a cracker-jack architect, headed exhibits. Lemuel Graves ran press; Dick Driscoll was in charge of radio. Our executive officer was Jim West, who later married Mary McCarthy, the writer. Nils Nilson was in charge of motion pictures and I was his deputy. It was a great shop, not least because we had assembled a very able, dedicated European staff. We were housed in what had been a nightclub at 5 Avenue Gabriel, opposite the embassy.

Our strategy for the Streibert visit was to convince him that, in us, he had inherited a unique asset, one that could serve USIA well. Specifically, we would concentrate on our media accomplishments in support of NATO and the common defense of the Atlantic Community.

Not ten minutes into the briefing, Streibert began to fidget. He asked, "What is NATO anyway, and why should we be supporting it?" [Laughs] You can imagine how that took the wind out of our sails.

It was soon clear that our odd-ball operation did not fit into his concept of USIA's country-by-country mode of operation, and we were finished.

So we asked Streibert to break the news to our European staff himself. This was to be done next morning, when we would assemble our 100-or-so employees in the only room large enough – the exhibits workshop. Though we had stressed that our "locals" were by no means all French, but came from some 10-12 nations, that point somehow got lost

overnight.

So, next morning, Streibert eased into the bad news by starting off with: “Our two nations have been tied together by bonds of friendship since the days of Lafayette,” and on and on. Well, at the end of his remarks what finally broke the tense silence was a little Englishwoman. She adjusted the monocle she always sported, jumped onto a drafting table at the rear of the crowd, and sputtered: “Sir, I want you to know just one thing, one thing, I am British!”

And so ended our glorious adventure with what was the largest and, I believe, most effective information program America ever undertook in Europe.

My own work in Paris would, however, last another two years. Within a few weeks of Streibert’s visit, Nils Nilson was summoned to Washington. After his first dismal meeting with USIA’s film chief Turner Shelton, he quit. He went on to become a successful film and TV executive in Europe. That left me to finish the large number of films already in the pipeline. Chief among these were the 15 films of the Atlantic Community Series – one film on each of the NATO countries. Like most of our films, the series was designed for theatrical distribution. Its purpose was to introduce the peoples of the Alliance to one another.

In October 1955 I shipped off to Washington the original negatives of the 260 films ECA/MSA had produced since 1947, closed the shop, and left for Washington myself to work for IMS, the motion picture service of USIA.

Some years later, in Berlin, I got to know Ted Streibert better, when he made several trips there on behalf of the General Mills Company. I not only came to appreciate his prowess at the piano, but found that he had learned a good deal about the world since the days when he had been catapulted into USIA, fresh from the Mutual Broadcasting Company. I told him then how I thought he missed a bet in 1953. A smaller version of our ECA/MSA information shop would have served USIA well. We could have become the Agency’s media service center in Europe. Our group had learned how to communicate with Europeans on their own terms, something the Agency’s Washington-tied media staffs never quite got the hang of.

My four years in Paris have remained for me a unique and rewarding experience, even after 28 years in the Foreign Service.

Winston Churchill called the Marshall Plan “the most unselfish act in history.” So it was, one that redounded to our immense credit and, of course, one that also promoted our own prosperity. Unfortunately, in the years that followed, our policy-makers drew many a false conclusion from the experience. The Marshall Plan was very much a success of a given time and place, a success that depended as much on the Europeans as on ourselves. Failure to grasp that fact, and our subsequent Cold War emphasis on military aid, led us into many a blind alley around the world.

Q: This means that when you were drafted into USIA, you were already an experienced overseas information officer, in effect. What took you to that point? How did you get from New York City, where you were born, into the overseas information business?

HEMSING: Actually, I had not yet learned what a regular USIS information officer does. I did know that the USIS officers I met around Europe during my Paris assignment had nothing like 5 million dollars a year at their disposal. That was the size of our film budget. These were counterpart funds, of course, local currency which the aid recipients put up to match our aid dollars.

Anyway, Harry was in Paris at that time, early 1951, on leave from the Guild to work with the Marshall Plan. He headed the rather ambitious ECA labor information program directed to Europe's huge trade union membership.

My first inkling of all this was a telephone call from Washington: did I "want to go to Paris to make labor films for the Marshall Plan?" My answer was something like "thanks, but no thanks." I felt that my four years in government had been enough.

But, when I reported the phone call to Esther that evening, guess what she said: "What, you turned down Paris!" So, we went to Paris. I remembered whom to call back in Washington only because he had the wonderful name of Ward Melody. To go to Paris, Esther gave up what might have developed into a real career at the New York Times. We did not foresee it at the time, but this was to be the first of several such sacrifices on her part.

We left for Paris in August 1951, on the Ile de France, first class. The Marshall Plan believed in supporting the use of "foreign bottoms." Esther's mother was quite inconsolable at the shipboard farewell. Having fled the Ukraine at age 15, alone, she could not imagine why any sane person would want to go back "there." My parents probably shared that sentiment, but left it unspoken. Also unspoken was the fact that my mother's heart was giving out, and that ours might be a final farewell.

I really should not take us to Paris without describing the job interview that got me there. Harry Martin came to New York to look me over, accompanied by Stuart Schulberg, head of the Marshall Plan's motion picture unit. Stu, I knew, was the son of B.P. Schulberg, the pioneer Hollywood producer, and brother of Budd, the writer. Later on, incidentally, Stu would become the long-time producer of NBC's Today Show.

We met at the Park Avenue apartment of Stu's mother. They offered me an FSS-3 position in the Foreign Service. Quickly calculating that at OWI the grades got better as the numbers went up, I allowed that I thought I was worth at least a 4 or a 5. While Harry choked on his bourbon, Stu stage-whispered, "It goes the other way".

Q: I'm glad the Melody lingered on, so to speak. You went, then, to Paris, where you switched to the rolls of USIA, stayed there another two years, and then came to the Washington head- quarters of the new USIA.

EDWIN MCCAMMON MARTIN
Marshall Plan
Paris (1953-1957)

Director of Development Assistance Committee, OECD
Paris (1968)

Ambassador Edwin McCammon Martin held a variety of positions during his long and distinguished career at the State Department, serving as Assistant Secretary of the Economic Area, Assistant Secretary of the Bureau of Inter-American Affairs, and as ambassador to Argentina. Ambassador Martin was interviewed by Melbourne Spector in 1990.

Q: I'm still not clear about the organization. What was your relation to the Marshall Plan then, when you were in Paris?

MARTIN: It was beginning to phase out by '53. It was pretty much phased down, but there were still aid programs, and we did have a substantial staff under me that represented the U.S. there and was working on the aid programs, and the OECD was an active organization for leadership and coordination of the program. Then we had a substantial defense staff that was working on defense programs. But they did not replace the two ambassadors under the overall ambassador. They just had me as a deputy with the personal rank of minister. I was also, for the first two years, head of the political section. Then when George Perkins replaced Hughes in '55, he thought we ought to have somebody else head the political section, and I was just his deputy.

I think the working relationships everywhere there in this period were quite good. Two of the young people I had on the political staff were, as I mentioned before, Bob Fearey, also a young fellow named Bob Miller, whom we've been close with ever since. He, later on, became ambassador to Malaysia -- we stayed with them when visiting there -- and ambassador to Ivory Coast, and Deputy Chief of the Office of Management at the State Department, and now is vice president of the National Defense Colleges. But there were some really able people there working with us.

I did want to mention a couple of incidents. One of the most important things that I think needs correction is the situation at the time of the Suez crisis. This was '56. Dulles made some unfortunate comments about the British and the French for their intervention in the UAR-Israel war. It was a mistake, what they did, but he publicly denounced them in rather unfortunate language. It was a press hurrah. The general press comment was, "Is NATO collapsing?" From the way the three countries were talking to each other, you might have thought so.

But in that period, we did three things. One, we had two or three times a week what are

called informal meetings, at which there are no minutes, and we just talked about the Soviet invasion of Hungary and what our reaction should be. We agreed in that period for the first time on how nuclear missiles could be launched, what the instruction channel was for NATO to launch nuclear missiles, a fairly important subject.

Q: *Fairly.*

MARTIN: We agreed on a much enlarged additional -- I think to \$3 billion infrastructure program, building NATO airfields, NATO communications systems and networks, that sort of thing. So in terms of concrete results, NATO had never been working together at its level more smoothly and effectively.

A second point that I want to make is that in this period, about this time, the French finally rejected the idea of a European Defense Community. This incensed Dulles, who had been since the middle Forties a great protagonist of European unity, before he ever got involved in international affairs, really. There was to be a NATO ministerial meeting, which we had two or three times a year, but this was the big and long one, the December one.

I was called back to work on the speech he was to make there, and met for several hours with him on a Saturday afternoon at his office, and for several hours in his home on Sunday. Each time he took a book from his bookshelf to get a quote to use to persuade the French they should change their minds or else it was a disaster, and the quote was from the same book, The Federalist. The idea that the uniting of the 13 colonies, described in The Federalist in 1780 was comparable to the unification of the independent countries of Europe, struck me as total lack of reality.

There are two other side stories, one which I forgot to mention, but I'll mention it here. One, the difficulty Americans have understanding the French is considerable. During this period of the Suez crisis, the French attitude was as exemplified by a story I heard from a wealthy American woman who had lived in Paris for 15 years, thought she was more French than the French, they wouldn't deliver her a newspaper; if she got in a cab, and the driver found she was an American, he'd force to get her out. They wouldn't deliver coal. She got her best French friend and said, "What is this? I'm more French than the French. Why are they treating me this way?"

"Ah," she said, "you must understand. We French think the English are tradesmen, the Italians are wops, the Germans are Huns, the Spanish are beneath contempt. We don't even like each other. Why should we love Americans?"

My second story is, that shortly after the Germans were admitted to NATO, Ambassador Hughes had one of his luncheon parties, which he had many of and beautifully. My main problem was conveying what he learned from his French friends to the embassy at these social affairs, because he had lots of them and learned quite a bit. I sat next to an American woman of a similar sort, who had lived there a long time, and was wealthy. She had, on her right, the just-arrived German General who was commander of European

ground forces based in Fontainebleau, to show that they were really integrated. After the luncheon, she said, "I can never remember names unless I can see them. What is on your card?" So she read it, and then turned to the person on her right, "Oh, he took his card. Who was he?" I told her who he was. "Oh," she said, "that explains it." She had been telling him about a trip she was about to make to visit the antiquities of Egypt, and she had asked him -- I had heard her do this -- did he know Egypt. His reply, very quickly and quietly she said, was, "Only from the maps." He had been Rommel's chief of staff when Rommel was preparing to invade Egypt and never got there. (Laughs) Just very blandly, "Only from the maps."

Q: Speaking of Americans in Paris, when you were there, did you ever know an Ambrose Chambers, "Brose" Chambers?

MARTIN: Yes. He was one of the people I had to fire when I was cutting the staff from 800 to 400, and many of them took it unkindly.

Q: "Brose" was a very good friend of Averell Harriman.

MARTIN: Was he?

Q: Yes, a charming man. Did you ever go to his home?

MARTIN: I don't remember it.

Q: He was in Cole Porter's home.

MARTIN: Yes, I do remember that. I think I was there.

Q: He was Cole Porter's lawyer. When the war was over, Cole never wanted to go back to Paris, and he said, "Please sell my home." So "Brose" said, "Well, I'll buy it," and bought it for \$50,000, a beautiful house with a garden and gold bathroom fixtures.

MARTIN: Yes, I think I do remember that. We had a lovely apartment bought with Marshall Plan counterpart at 89 Avenue Kleber, a lovely location, and four or five bedrooms, staff rooms up above on the top floor, and we could give a cocktail party for a couple hundred people, seat 40 people in the dining room. It was very luxurious.

Q: Where was your office located then, in the Talleyrand?

MARTIN: The office was in the Talleyrand, looking out over the Place de la Concorde. But, NATO was quartered then in the old temporary U.N. buildings right at the Place de la Trocadero, just half a block away from an apartment, and that was where the meetings were.

Q: I may have misled you when I said Trocadero.

MARTIN: Yes, overlooking the Eiffel Tower, right there in sort of temporary buildings. We did decide, before I left, to build a building for ourselves. Security was not easy to maintain there.

I'll just mention one other thing. I haven't mentioned this, I believe. When I had a full FBI clearance for getting the personal rank of minister, as deputy to Ambassador Hughes and Minister to NATO, they checked out a book I had written in 1948 on The Allied Occupation of Japan. I had been asked to do a paper for a conference for the Institute of Pacific Relations. Then they asked me to enlarge it to a book, and it was published by MacMillan and Stanford, relatively short. Bob Fearey wrote the subsequent one carrying it through the peace treaty later on. Mine was first phase; his was second phase.

Well, because it had been published by the Institute of Pacific Relations, which were suspicions, they said, "Secretary Dulles will have to read and agree that you may have the title of Minister."

Time went on and time went on, without Dulles finding time to read the book. Hermann Pollack was the administrative officer for the Bureau of European Affairs and was responsible for personnel reasons. He suggested that I just give up having the personal rank of minister, and I said, "No thank you, I will not." It wasn't until '55, after two years in Paris and several years in Washington, handling top-secret NATO military matters, that I got word that he had approved it.

Q: You had to wait how long?

MARTIN: Two years. Two years in the job. Also, in '55, I was Wristonized and became a Foreign Service officer. At that time, I had been a reserve officer in Paris, and came into the Foreign Service as a Class I officer. So that legitimized things.

MARTIN: Now we get off to Paris. In late '67, the head of AID, Bill Gaud, called me to know if I'd be interested in taking the job of Chairman of DAC (Development Assistance Committee) in Paris. [Gaud was Chairman of the PCC Board in the late '70s.] I had had no contact with DAC at all since helping to set it up, and I didn't know what it was doing, how it was functioning. But I made some calls, got some documents sent down to me, and decided that it was an active affair, and that I would be willing to be nominated. The nomination went in, and I was elected in January of '68. The elections were in January of each year by the governments of the 14 donor countries which were members of DAC. Having been elected Chairman of it in early January, I went to Paris on the 7th to check out the professional and personal situation for our move there, attending a DAC meeting to make a statement about my background and objectives, and then returning to Buenos Aires.

We went to Washington on January 20 for 4 weeks of personal and official business, including a visit to Ottawa to meet their aid staff dealing with DAC. We left on February

18 for Paris "by direct transfer from Buenos Aires" but actually going via Los Angeles, Honolulu, Tokyo, Manila, Sydney, Canberra and Bangkok for get-acquainted visits with both donor and recipients of aid, and to New Delhi for the UNCTAD meeting, the major UN forum for developed-developing country confrontations. We got to Paris March 23.

I don't know that it's necessary to go into a lot of detail about DAC, but I would say that it was, in many respects, the most fun job I had, and a very unique one. [1968 was very much a "getting your feet wet" year. So long as the chairman was a U.S. citizen he received the salary and other benefits--house, staff, car and chauffeur, entertainment allowance--of a Chief of AID Mission in a Class 1 Embassy. The U.S. also paid for a secretary. The OECD paid for the staff of 15-20 professionals.]

Although I had a staff of 15-20 professionals provided by OECD I did not report to the Secretary-General of the OECD in any way. However, I always sought to have a good personal relationship with him and keep him informed of important developments. Sometimes the Secretary-General was unhappy about this independence.

Although I had been a founder of DAC, I had lost touch entirely with it for six years, the transition was facilitated by the fact that my predecessor was Willard Thorp with whom I had, as noted, worked closely when he was head of the E Bureau in the late '40s and early '50s. He gave me lots of good advice.

As a bureaucrat, there were several special advantages. One, my job was to be as critical as I could of the participating governments in order to improve their performance with major help from the professional staff, for which I had no administrative responsibilities. It had a staff director, whose office was next to mine and whose secretary shared an office with my secretary. He was responsible for all administrative matters. I had brought Louise Hughes, my secretary from the E Bureau to ARA to Buenos Aires, then to Paris, but shortly she had family problems and had to leave, but a very good secretary from the OAS succeeded her.

The OECD published each year a 200- 300-page report on the development effort by donors over the Chairman's name, a draft of which the governments could comment on. Although the staff drafted most of it I was responsible for every word in it. It was published in two or three languages and parts translated into a couple more, widely distributed.

I was expected to travel and visit the battlefields which were in the developing world, and the capitals of the DAC members to persuade them to do a better job. The OECD paid my travel expenses, first class, everywhere I went. My wife had to go on my salary, often tourist class, in which she thought the people were more interesting than first class. (Laughs)

MANUEL ABRAMS

**Economic Division Director, USRO
Paris (1955-1958)**

Manuel Abrams was born in Pennsylvania in 1919, and graduated from the City College of New York in 1939. His career has included postings in Frankfurt, Paris, The Hague, Rome, Brussels and Geneva. Mr. Abrams was interviewed in 1990 by Charles Stuart Kennedy.

Q: I have you going to going to Paris, the USRO Director of the Economic Division, from 1955-58.

ABRAMS: That's right.

Q: What was USRO and what was it doing and what were you doing?

ABRAMS: USRO had originally been OSR. It was the regional organization based in Paris, for the Marshall Plan. USRO was the mission to the OEEC, the Office of European Economic Cooperation, later transformed to the OECD. In the OEEC, we were an associate member, in the OECD, we are full members. My job was to review the economies of the member countries and to report on developments in the U.S. economy.

Q: Which at that time were

ABRAMS: All the Western European countries were members of the OEEC, as well as Greece and Turkey. At the present time in the OECD, there are countries from outside Europe, but the only countries from outside Europe at the OEEC, were two associate members, Canada and the US.

Q: Who was the head of this program in Paris?

ABRAMS: At that time we had the tradition of political appointees, generally very short term. There were two directors in the period 1955-8: Fred Payne, an investment banker from New York, and John McCarthy, a businessman.

Q: When you were there did these political appointees play much of a role or were they just sort of birds of passing by?

ABRAMS: No, not a great role. When I first arrived there, the deputy, who was also non-career but a professional economist, played a big role.

Q: Who was that?

ABRAMS: Warren Shearer, professor from Indiana.

Q: How did you see Europe at this time?

ABRAMS: I was there from 1955 to 1958. It was a period when Europe was progressing very well economically except for a brief but sharp setback, the Suez Crisis. Its political significance, which I think has not been fully appreciated, was much greater.

Q: *What were the repercussions on Europe?*

ABRAMS: Interestingly, it split Britain down the middle, whereas it united France. There was no significant opposition in France to the French government's role in Suez. The US, after its initial highly negative reaction, played the role of faithful ally and agreed to supply the petroleum deficiencies. We made a commitment and we carried it through.

The important effect was on the French, particularly Gallist, thinking about NATO. Our public disapproved of our allies' (Britain and France) action was, in my view, a major factor in de Gaulle's later decision to withdraw from NATO's military army and to expel NATO institutions from France.

Q: *It was the first of the petroleum shocks.*

ABRAMS: This was a small petroleum shock, because it came at a time when we had a surplus of petroleum.

Q: *Were you part of an international group?*

ABRAMS: Yes, the Economic Committee where I was the US representative. This is where we discussed the economic effects of Suez. Every European representative made the most dire predictions. Initially we were without instructions but we tried to convince them that they were exaggerating the problem. Then, as I indicated earlier, we came to their assistance.

Q: *Did you see different splits in the committee, political ones?*

ABRAMS: No. The Europeans all sounded pretty much alike on that. It is not surprising that after the trauma of 1939-45, pessimism remained. There was a study done at the time by a British economist named Mac Dougall which predicted that there would be a dollar shortage to the end of time. It happened to appear at the time of the Suez crisis and was widely accepted in Europe for a while. We still had a balance of payments surplus when the study appeared, but, as is well known, have run a deficit since 1957 or '58.

Q: *Economists are like psychologists, you just pick the kind of answer you want and you can get it. Looking at it, your situation, you were paid by State or AID, how did you view Treasury?*

ABRAMS: The Treasury had of course different interests from the Department of State or AID. The Treasury was more concerned with the US economy than the State

Department was. The Treasury role I became more conscious of when I came back to Washington.

As far as the instructions went, I was not all that aware of what the problems with Treasury were.

Q: So Treasury wasn't something to get around?

ABRAMS: Not at the time, though it was true later on. Certainly.

Q: How was the backing from Washington?

ABRAMS: It was rather uncomfortable during the brief period when there were no instructions immediately after Suez. On the whole, Washington did very well in providing us with guidance.

Q: Did you feel any push for American trade then or did we have different goals?

ABRAMS: We didn't share the extreme views of the British economist I mentioned. We were not aware that we were about to be in deficit on our balance of payments. We even wanted to restrain our exports in order to allow the European countries to develop theirs. To some extent, we also overstated the dollar problem, and we were not actively pushing our commercial interests. Except in specific items where there was great political pressure from Washington. For example, we always pushed agriculture and we were always competitive in agriculture. But we agreed to permit the European countries to discriminate against US exports, something that would seem unthinkable now. We did that in the interest of the development of the European economies. Discriminate in the sense that they could have lower tariff barriers for trade within Europe but not for exports from outside Europe, including the US. Again there was the usual lag in thinking. It finally became clear in the latter part of the fifties that there was no longer justification for this discrimination, nor a justification for the inconvertibility of the European currencies. It required as much effort to convince the Europeans to make their currencies convertible as to convince them that they no longer needed US aid.

Q: How was the Soviet menace used in economic terms?

ABRAMS: In terms of the Europeans having to provide the resources for their own military buildup as part of NATO.

Q: What was the overriding principle. Did you see the development of the European economy as the best thing or was it the European economy in order to keep the Soviets out?

ABRAMS: The policy underpinning what we were doing was the belief that European unity, which began with the Coal-Steel Community would provide the basis for the resistance to possible Soviet encroachment. At the same time, this was very important in

the thinking at the time in the early post war period, was that it would tie Germany to the West. There was still the memory of what had happened after the first world war, when the Germans made deals with the Soviets. So those two aspects, the defense of the West against the Soviets and the German question have played a big role in our support for European unity. While all this was going on, we had the start of European Coal-Steel Community and the negotiations which led in 1958 to the formation of the EEC.

Q: Anything else in the Paris period?

ABRAMS: No, the EEC was the last of the important economic events in the Paris period.

Q: As an economist, how did you feel about the EEC.

ABRAMS: I largely saw it as a good thing. Now I would be a little more qualified about it. This is where agencies like Treasury didn't fully agree. They were concerned about setting up an organization that would free trade among the member countries but maintain barriers against outside countries. They were concerned about the effect on the US. We in the State Department agreed that this was the case, but we considered the economic price was worth paying for the political and military advantages. I think we should have been a little more wary about the effect this would have on the US. Although I don't think it would have made any great difference as a matter of fact.

Q: Were the people in the mission pretty much agreed to it or were they doing it under instructions?

ABRAMS: Here too, the degree of enthusiasm depended on where you were located. This has always been true. In USRO there was somewhat less enthusiasm for the EEC than you would have found in some other organizations. We were in part influenced by the views of the countries who were not going to be members of the EEC.

At the start there was just six members and a number of the other European countries formed another organization, EFTA, for which we in USRO had more sympathy than the State Department in Washington did. But it was a small difference really.

ANTHONY GEBER
Development Assistance Advisor, OECD
Paris (1961-1967)

Anthony Geber was born in Budapest, Hungary on February 18, 1919. He immigrated to the United States to attend college and was subsequently, was drafted into the U.S. military. His Foreign Service career included positions in Djakarta, Vienna, and Seoul. This interview was conducted by Thomas Dunnigan on August 24, 1993.

Q: After your interesting time in the Department, it was off to Paris and into the OECD for you, which seems to flow naturally from what you have just been telling us.

GEBER: Yes. Having become a development expert by then, and having worked on the creation of the Development Assistance Committee (DAC), my next assignment was to the OECD in Paris. I became the development assistance advisor to our mission at the OECD.

Q: Were programs coordinated among the donors and the receivers?

GEBER: No, not really. DAC did not coordinate programs of donor countries in individual developing countries. The Secretariat prepared information on the direction of the donors' aid -- by regions, I believe -- but DAC's main preoccupation remained the volume and terms of aid provided by its members. Other topics discussed in DAC related to various aspects of the effectiveness of aid. One of the most important activities of DAC was the periodic examination of each member's aid policies. This was a procedure used in several other committees of the OECD. The Secretariat prepared an analytical paper, in consultation with the given member, on its aid policies. On a set date the member country made an oral presentation of its policies and the other members were invited to comment and critique the policies; usually two or three member delegations were designated as lead questioners. After such a meeting the Secretariat revised its paper in light of the discussions and issued it in its own name. It should not be surprising that the final paper could not include criticism to which the member delegation strenuously objected; still it was a reasonably objective evaluation, and whatever criticism the paper contained was often welcomed by the responsible aid officials for strengthening their hand in their internal battles.

I must tell you an amusing story. It was the day of the examination of the French aid program. The American delegation was designated as one of the lead questioners. We prepared to be rather critical of French policies in the aid field: the overwhelming portion of French aid was directed to the few francophone countries of Africa; much of the aid consisted of the salaries of French civil servants and teachers who, whatever good they did for those countries, they also helped maintain the French infrastructure there.

The French delegation was headed by Andre deLattre, an Assistant Secretary in the Ministry of Finance and an inspecteur des finances, that fabulous breed of French civil servants, who, if they survived their elite and rigorous training, excelled among their peers. M. deLattre made a brilliant presentation of the French aid program, anticipating all critical questions, explaining as best he could why things were as they were, and promising improvements in the future, and all that in the most beautiful and articulate French. So, there was not much point in asking the questions we had prepared, and Sy Rubin, the head of our delegation, asked only why deLattre, explaining the constraints on the French program, used repeatedly the English words, "pressure groups". DeLattre replied that if would have had to use a French expression he would have said, "lobbies".

Sy Rubin, with the rank of Minister, was sent by the foreign aid administration in

Washington, which took over the backstopping of DAC from the State Department. I served for a while on the delegation representing State but after three years doing DAC work I switched to become trade advisor to our mission. Not long after that change I was elected chairman of the Trade Committee Working Party, a subordinate group of the OECD Trade Committee. The Trade Committee met twice a year and its members were trade officials from the members' capitals, whereas the Working Party was a standing committee, its members from the resident delegations. Its function was to do the preparatory work for the Trade Committee meetings.

The main agenda of the Trade Committee and its Working Party in my time was two fold. We were working on non-tariff barriers, such as government procurement practices, customs nomenclature, border taxes, etc. with the objective of setting forth guidelines to harmonize members' practices. The other part of the Trade Committee's agenda was to try to coordinate the members' positions on trade issues in relations to developing countries. This became increasingly important after the developing countries, dissatisfied with their role in GATT, created the UN Conference on Trade and Development (UNCTAD). In the first meeting of that organization in Geneva the developing countries took a highly confrontational attitude toward the developed countries, and the latter found themselves in considerable disarray.

It was not easy to make progress in the Trade Committee, or generally in the OECD. Two examples will illustrate. As I mentioned, eliminating or reducing non-tariff barriers was one of the main topics discussed in the Trade Committee. It was decided to attempt the formulation of a code or set of guidelines for non-discriminatory government procurement practices, such as open bidding procedures. It was not an easy task, most countries, including the United States, having national laws and practices which they were reluctant to modify. The Working Party had numerous meetings, and the Secretariat draft paper was revised several times. Finally, it seemed there was general agreement, and prior sounding suggested that at the next meeting of the Working Party the proposed guidelines would be approved to be forwarded to the Trade Committee and from there to the Council to be issued as an OECD Recommendation to the member governments. At the meeting one representative after another approved the document until we came to the delegate from Portugal who in a long statement declared that his government could not approve the guidelines because there is a great deal of difference between his centrally governed country and the federally constituted United States; therefore these guidelines would have a differential impact in the two countries. No pleading that at least he should abstain, which would have allowed the application of the recommendations to the other members, could persuade him to desist from his objection.

The other illustration occurred in connection with coordinating OECD members' positions on trade issues concerning developing countries. The question before the Working Party was how should OECD members vote in UNCTAD on resolutions pushed by the developing countries against which OECD members have objections; it was understood that UNCTAD resolutions have no legally binding character. The US representative argued that OECD members should stand on principle, and should vote against resolutions to which they object. Other members were more inclined not to

aggravate unnecessarily the confrontation with the developing countries, and go along or abstain on objectionable resolution. That point of view was most concisely and perhaps somewhat cynically expressed by the French representative, who very solemnly declared that the French government is prepared to support and will abide by any UN resolution of which it approves.

Still, one should not belittle the usefulness and accomplishments of the OECD. For instance, on the question of granting preferential tariff treatment to developing countries, one of the urgent demands of the Third World, the United States found itself isolated in its opposition. It was in the OECD, in a four member task force, that a scheme for a generalized system of preferences (GSP) was worked out which made it possible for the United States to adopt such a system. Similarly, a dispute between the US and the European maritime countries over the rate setting in maritime trade was resolved in the OECD.

More generally, the reviews of member countries' economic policies, and subsequent publication of the findings, are acclaimed throughout the world by economists in and out of governments. Many important studies, on fiscal policy, on labor, etc. are useful to policy makers and academics. A development research institute, initiated by the Kennedy administration, did excellent work and provided a bridge between the OECD and developing countries. Every once in a while we got together in the US mission to ask ourselves what we have accomplished. Very often the feeling was, "not very much". But when we looked back over a two or three year period, we could see that whereas earlier there were issues which countries considered their sovereign right and could not be subject for discussion in a multilateral forum, they began to realize that an exchange of views was in their interest. Just the fact that the OECD brings economic experts and policy makers from capitals together has its value. I remember a story a very distinguished pre-war president of the Hungarian National Bank, who later was consultant to the German Bundesbank and the World Bank, told me. It was in the 1930's, when all over the world trade barriers were raised, multiple exchange systems were introduced, that a friend asked him what good it does to attend the monthly meetings of central bankers at the Bank of International Settlement, since the bank is completely ineffective and had no enforcement powers. His answer was, that the fact that the central bankers had to look each other in the eye every month prevented them from doing much worse. The OECD has done better than that.

Talking about a former Hungarian bank president, I have one other anecdote I would like to tell. In preparation for an UNCTAD meeting the Trade Committee tasked the Trade Committee Working Party to prepare a study of developing countries' trade policies with a view to demonstrate that their generally practiced protectionism and import substitution policies are hurting them as much, if not more, than any trade policies of the industrialized countries. Such a study would enable the OECD members to take a less defensive position in UNCTAD.

It was clear to me that the OECD Trade Committee Working Party was not qualified to undertake such a study, even with the help of the Secretariat. I was greatly relieved when

I found out that the World Bank has engaged a small group of very competent economists to undertake such a study. This I learned from the director of the World Bank's Paris office who also told me that the head of the team will be shortly coming to Paris. I thought that the best way the Working Party could comply with the awkward mandate of the Trade Committee, is to invite the World Bank representative and the distinguished economist charged with the study, have them brief us on how they plan to proceed, and report that to the Trade Committee. I tell this little story because at the meeting I as chairman, flanked by the Paris office director of the World Bank (Mr. Arthur Karasz) and the World Bank economist (Mr. Béla Balassa). We were sitting at the head of the conference table and chatted in Hungarian.

Q: The Hungarians taking over the world!

GEBER: Well, Hungarians were known as nuclear physicists and as orchestra conductors, so now you can add economists.

Q: May I ask a question Tony? During your years there did you notice a developing cooperation among the European countries because the Common Market was beginning to gel at that time? Was there ever a tendency for them to speak together or coordinate their policy ahead of time for meetings?

GEBER: The European Community (EC) was represented by a separate delegation in the OECD which functioned the same way as the country delegations. Furthermore, at least before any major meeting, members of the EC held a coordinating session. Member countries could still speak for themselves. While this arrangement fostered the cohesion among the members of the EC, it allowed less flexibility for its members to speak their own mind. Mind you, this was still in the days when the EC consisted only of the original members of the Rome Treaty and when de Gaulle did everything in his power to keep the British (and others) out of the EC.

One thing that I meant to mention, it was interesting to see the European bureaucracies and how they differed. The French were absolutely magnificent. They were self-assured, they could engage in discussions expressing their personal views, they didn't have to have detailed instructions, etc. The Germans were in the old European tradition mostly not economists but legally trained and had to stick to the letter of their instructions. I think next to the French some of the best people were the Dutch.

May I go back for a moment to my days in Germany.

Q: Of course.

GEBER: I do not want to take away the great merit of such really farsighted Frenchmen as M. Monnet and M. Schuman, but the beginnings of European cooperation, the European Coal and Steel Community, has probably as much to do with US and British policy in Germany, as with Mr. Schuman.

Q: The Schuman Plan.

GEBER: M. Schuman undoubtedly had the vision of Franco-German cooperation in the post-war world, but I had some insight into workings of the French bureaucracy to believe that it somewhat grudgingly accepted the European Coal and Steel Community as a defensive measure. Realizing that dismantling in the Ruhr was coming to an end around 1947 and that the British and US were willing to join forces and build up the German coal and steel industry, the French decided that they had better join the Coal and Steel Community. I suspect that they still had in mind that thereby they can still control German steel capacity. The Maginot line mentality disappeared only slowly.

Q: You were in Paris during the high years of President de Gaulle. Was his imprint noticeable at all on any of the work that you did or any of the attitude of the French?

GEBER: We felt it much more personally in our private lives than in our official life. I cited to you the statement made by the French representative on UNCTAD resolutions. Generally, the French were no great believers in coordinating OECD positions vis-a-vis the developing countries. All that had a de Gaullist flavor. But on the whole they were quite cooperative in the OECD. It was an institution to their liking and they were pleased to have it in their capital. Also quite a few of the French officials who represented France in the various meetings and in the Secretariat had friendly feelings toward the US Among them I would count Ambassador François Valéry, the head of the French delegation to the OECD and the son of the famous French poet, Paul Valéry. It was a different story with NATO which de Gaulle sent packing to Belgium.

Q: He did while you were there.

LESTER E. EDMOND
Counselor, US Mission to the OECD
Paris (1966-1970)

Lester Edmond attended College of the City of New York and received his Master's degree from Harvard. Since joining the Foreign Service in 1956, his career has included positions in Japan, Finland, France and the Philippines. Mr. Edmond was interviewed by Raymond Ewing in 2001.

Q: Where did you go after the National War College?

EDMOND: My next assignment was as Counselor of Mission to the Organization for Economic Cooperation and Development (OECD). Phil Trezise, under whom I had served in Tokyo, had been appointed Ambassador to the OECD in the latter part of 1965 and he asked me to join the Mission after I was graduated from the War College.

Q: The Organization for Economic Cooperation and Development in Paris. Counselor of

Mission where did that put you in the hierarchy?

EDMOND: That was the third-ranking officer in the mission. The deputy was Weir Brown, who came from the Treasury Department. Treasury traditionally supplied the Deputy position. In recent years, the Ambassadorial position has been given to political appointees. In some ways being at the OECD was an unusual assignment. It's an organization that focuses on the broad range of economic activities that governments deal with on a day to day basis. It was the one place where twenty industrialized democracies - actually the ones of Europe plus the United States, Canada and Japan - worked together to deal with a broad range of economic and social questions which were of interest to them. The organization actually grew out of the Marshall Plan, when the United States encouraged European countries to cooperate in advancing European economic reconstruction rather than working individually. That organization became the Organization for European Economic Cooperation, the OEEC, which in turn developed into the OECD. For a variety of reasons the OEEC had few accomplishments to its credit. But by the end of the 1950s, Europe had recovered and it was thought that a new organization should be established that would be a forum to foster cooperation between North America and Western Europe. The two had become the world's leading economic powers.

The European Economic Community, which had been established in 1957, could not speak for Europe since the EEC originally had only six members, Germany, Italy, France, Belgium, Holland, and Luxemburg. Britain and the Scandinavian countries were standing aside and Spain, Portugal, Austria, Greece, and Turkey were not considered ready for membership. The OECD which had Ambassadors and permanent delegations from all of these nations, together with Switzerland, Iceland, Canada, the United States, and Japan, which joined in 1963, was seen as a place where the interests of most of the advanced market economies might be reconciled and common interests pursued. In reality the few commitments that members were asked to make were hedged with exceptions and in any event the OECD convention had no enforcement provisions. The institution, thus, was largely confined to consultation and studies. Subjects for consultation were many and varied i.e., economic policy, balance of payments, trade, education, agriculture, the environment, consumer affairs, anti-trust issues, almost any issue with the exception of defense.

The OECD had a sizeable and on the whole a very competent secretariat that supported the many working groups that were established to deal with the various issues. The working group members were drawn from the permanent members of the missions as well as representatives from capitals. The European countries drew more heavily on officials from capitals since the time necessary to travel between the capitals and Paris was not great. Every so often the working groups would hold significant decision making sessions and senior officials from Washington and others capitals would come and participate. It normally was not difficult to persuade even the busiest official to attend, as the lure of Paris was considerable. Almost every department and agency in the United States government, with the exception of Defense and the Post Office discovered that they had an interest in the subjects being dealt with by the OECD.

In addition to being a discussion forum for government officials, the OECD was a major research organization for economic issues. My primary responsibility was to supervise the activities of many of the working groups in order to assure that the activities being undertaken were consistent with United States policies and to help assure that the work being undertaken was of as high a quality as possible. With working groups operating in areas as disparate as agriculture, manpower, social affairs, education, science and technology, industry, energy, restrictive business practices, transportation - in other words, the entire gamut of government operations - the work was challenging and intellectually stimulating. Governments used the OECD to develop common views in controversial areas and the delegations attempted to direct the work programs of the various committees in directions that promoted the views and supported the positions of their respective governments

Q: You mentioned that for important meetings of working groups or committees, officials would often come from capitals. That would include, I suppose, Cabinet officers on occasion as well. Is that right?

EDMOND: Cabinet members did not attend the working groups. Their attendance was limited to the annual ministerial meetings. Even at those meetings, the US representative generally was at the Undersecretary of State level. We did have an official visit of Vice President Humphrey, but even that formed part of a broader trip that he was taking.

Q: The US mission to the OECD was pretty large, to have experts for these various activities of the organization. Were other delegations also well staffed, or did they rely perhaps more than our case to experts' officials coming from their capitals?

EDMOND: It varied. The larger European countries followed the same staffing practices that we did, but their permanent delegations were not provided the same autonomy that the US delegation enjoyed for the officials could actually participate in a meeting and return to their capitals after the conclusion of the session on the same or following day.

One issue which took a fair amount of my time was what was known as the Technological Gap. There was believed to be a substantial and growing gap in technology between the United States and Europe. There was concern that Europe was falling further and further behind the United States in technological prowess and that development would eventually lead to a substantially lower rate of economic growth in Europe with its becoming a technological backwater. It is difficult now to believe that this was a question of serious concern. It was feared that United States industry was going to dominate the world and international action would be necessary to prevent this from occurring.

Concern over the purported technological gap actually was one of the arguments used by supporters of the UK's membership in the EEC. The argument made was that Britain needed to join with the other Europeans so as to enhance their technological capability. This was an issue that if permitted to fester could very well have affected the United

States adversely. We had a very gung-ho and ambitious Science Secretariat in the OECD who proved to be strong proponents of the need for Europe to take decisive action, and were attempting to promote courses of action that could have required American firms to transfer their technology to our OECD partners. Since the proposal called only for US firms to take action, it was widely supported by most of the other members.

Phil Trezise assigned me the task of engaging in protracted negotiations with the members of the Science Secretariat to attempt to revamp the parameters of the research effort so as to neutralize its possible adverse effect on US industry. These discussions proved to be difficult as the Science Secretariat relished being in the center of a politically popular program. While I was undertaking this effort Ambassador Trezise was discussing the issue with the other Ambassadors and the Secretary General. Of course, no proposal could be formally adopted by the OECD over US objections, but it would have been politically embarrassing to have had to veto a widely approved OECD document. The US veto would have been publicly portrayed as an act of ungenerous self interest. Eventually the OECD's technology gap report was issued with most of the objectionable features deleted and the entire technology gap issue disappeared from view. While researching this entire question in preparation for the discussions with the Secretariat and members of other delegations, it became clear that there was very little, or no hoarding of non-defense technological discoveries, which were either being freely licensed or were being made available through American investment in Europe. It became evident that the real objection was that American firms in Europe were making use of these technological advances and that the American computer industry, particularly IBM, was the principal target. There appeared to be a widely held view that a nation would fall behind technologically and economically if it did not have a domestically owned technologically advanced computer manufacturing facility. I became fully aware of this widely held view during my second tour in Japan.

During my assignment at the Mission I observed how an issue that would appear to have only domestic implications could unexpectedly have international ramifications. The question of automotive safety had in this period become a significant issue in the United States. Ralph Nader's book "Unsafe at Any Speed" had savaged the design of one of the General Motors cars, possibly the Corvette and its poor accident and safety record. The outspoken Nader and his book had captured the attention of the American public and led to the introduction of federal safety standards for vehicles sold in the United States. The Europeans and Japanese awakened to the fact that our introduction of such requirements would, in effect, prevent them from exporting their cars into the United States unless they adopted the American standards. This could prove to be prohibitively expensive. The Europeans and Japanese argued that the unilateral introduction of the American standards without any consultations could well be regarded as a non-tariff barrier and should be considered in the Kennedy round of trade negotiations.

Phil Trezise asked me to try to come forth with a consultation program that would not delay the United States introducing automotive safety standards and yet would satisfy the Europeans and Japanese that we were not deliberately or inadvertently developing new non-tariff barriers First, it was necessary to persuade Washington that it would be

advantageous to enter formal discussions in the OECD on the grounds that the danger existed that we might be forced to use a forum such as the General Agreement on Tariffs and Trade (GATT) which did have enforcement powers. The subject then was made the focus of OECD discussion for some months, with technical experts from capitals participating. As a result of these efforts the question came to be viewed as purely a technical one and not a politically motivated one. Although some unhappiness continued to exist on the part of European manufacturers, the issue faded away as matter of controversy among governments and in fact may have encouraged the Europeans to introduce their own safety standards.

Q: Any other examples come to mind in the period that you were there in Paris?

EDMOND: Well, yes, the two issues just discussed were those where we tried to blunt activities that appeared to be disadvantageous to US interests. I found it possible to make use of the OECD to promote views that appeared to be consistent with overall US interests. None of my initiatives, by any stretch of the imagination, could be regarded as earthshaking but they were consistent with US positions. I personally am persuaded, without doubt influenced by my academic studies, that America has greatly gained from its efforts to achieve a highly competitive industrial structure. I believe that US efforts to promote competition that began with the passage of the Sherman Anti-Trust Act of 1890 and continued under the "trust busting" policies of Theodore Roosevelt were important factors in promoting innovation and economic progress in the United States. The tradition of promoting competitive behavior has remained strong in the United States despite efforts by various administrations to weaken or even emasculate the laws, aided at times by a judiciary that often appeared unsympathetic to the need to promote competition. The benefits of competition were not that apparent to a Europe that primarily had been concerned with rebuilding the industrial base that had been destroyed in the War. Also the American tradition that equated competitive behavior with economic progress did not exist in Europe. e.g. the cartelization of German industry prior to World War II. I was authorized to promote, with the concurrence of Ambassador Trezise and the approval of Washington, an activity in the OECD designed to examine the implications of anti-competitive behavior on economic growth. I am unable honestly to say that this ever blossomed into a significant OECD activity, but it did get the subject discussed by the member countries. I like to think that the OECD activity was one factor if only a minor one, that promoted the current active European Community anti-trust program.

The other issue that comes to mind was the introduction of the subject of consumer affairs. Actually, the idea of establishing a working group to examine the idea of consumer protection originated, I believe with the Netherlands delegation. A member of that delegation informed me of their thoughts and I concurred that it appeared to be a worthwhile OECD activity. There was then a growing interest in the United States as to the need to protect the consumer. A post of Presidential Advisor for Consumer Affairs, I believe, had been established and subjects such as the need for accurate product labeling; prohibition of predatory lending; sanitary conditions in food manufacturing facilities were being actively discussed. I obtained the concurrence of the Ambassador and the approval of Washington and pressed for the establishment of this activity within the

OECD. The Netherlands delegation was delighted to receive the active support of a major delegation which considerably improved the likelihood of the activity being initiated. There may not have been too much opposition to this new undertaking, but there was certainly a lack of enthusiasm since it added a requirement for additional funding and placed an increased work burden on the Secretariat and the delegations. I am unable to tell you whether the activity continued after my departure or whether there were any accomplishments for which it could claim credit. I would like to believe that some governmental officials may have taken advantage of its efforts to support consumer protection.

Q: And what about the role of France? The OECD was headquartered, as it had been from the beginning, in Paris. Were the French more positive than they were in some other organizations of this period of the late '60s, or did they cause some problems on occasion?

EDMOND: No, I wouldn't say the French created any greater difficulties than did any other country. Their attitude depended on the subject being discussed, as was true for every delegation. For example, on the technological gap issue they were strongly supportive of the Secretariat. At that time the French were deeply concerned at the failure of their national computer firm, Machine Bull. Their principal concern and sensitivity dealt with the use of the French language in the OECD so as to ensure that English did not overwhelm the use of French. Most of the members, the northern Europeans, Scandinavian countries, Germany, Japan the United States and Canada used English as their language of choice. In addition to the French, only the Spanish, the Portuguese, the Italians, and I think the Greeks used French in meetings and preferred their documentation to be written in French. The French delegation would protest vigorously if the English version of a Secretariat paper appeared earlier than the French version, which might readily happen since the bulk of the Secretariat worked in English.

In summary, the OECD is a largely unheralded organization that deals with issues that do not appear to have a lot of sex appeal or attract a great deal of public attention. I believe it rarely received public notice except on those occasions when it issued its annual forecasts of economic growth in the various member countries.

Q: Okay. Is there anything else that you'd want to say about this period in Paris from 1966 to 1970 or thereabouts?

EDMOND: Only to note that it was a great place to be for an observer of the European scene. You will recall that the year 1968 saw two significant political developments in post-war Europe. One directly involved France, and that was the so-called Paris Student Revolt that almost brought down the DeGaulle Government while the other was the invasion of Czechoslovakia by Soviet armored divisions which obliterated the political liberalization movement in that country that has become known as the Prague Spring.

With regard to the Paris events, suffice it to say that a student protest movement broke out in Nanterre University. The proximate cause was the arrest of eight members of a

National Vietnam Committee. One of the protesters was Danny Cohen-Bendit, a German student who proved to be a dynamic and articulate revolutionary. In recent years, he has remained a popular left-wing voice in the European political scene. In March, a number of students broke into the Dean's Office and occupied it. The following month, the eight students were to be brought before a disciplinary hearing at the Sorbonne. Student activists at the Sorbonne joined forces with the Nanterre protesters and there was a demonstration at the former University, which has a special place in the French educational system and in the hearts of the French people. It appears that the authorities may have overreacted. The much feared French riot police were called in and considerable violence took place and the police took some students into custody. This enraged the student demonstrators and thousands took to the streets on the Left Bank. Barricades were built by destroying cars; paving stones were torn from the streets and used as weapons. The Sorbonne had been closed, reportedly for only the second time in its history. The first was when the Nazis marched into Paris in 1940. The students demanded the reopening of the Sorbonne, the withdrawal of the police and the release of those arrested. The authorities would not agree to the last request.

What made these developments particularly dangerous for the Government was a widespread feeling of dissatisfaction among the workers. Workers in factory after factory in France went on strike and occupied their workplaces. Renault, Peugeot, Sud Aviation were only a few of the companies shut down. Then the strike spread to non-industrial workers with the department store employees and the traffic controllers at Orly Airport following. Finally a general strike throughout France was called with the strike leaders calling for occupation of Government offices. These strikes and demonstrations had been organized and led largely by self appointed and unelected leaders and not by the traditional unions. It is interesting to note that the Communist Party initially had opposed the student demonstrations and the worker strikes, stating that they had been organized by provocateurs. Only after they had received such wide spread support did the Communist leaders support them in fear that they would lose all influence. The non-communist union leaders and those of other organizational bodies began seriously to fear that anarchy and revolution might result and organized counter demonstrations to defend the government offices from occupation. General Charles DeGaulle addressed the French nation on May 24 in which he called for a national referendum calling for a mandate for renewal. Cohen-Bendit was deported on May 25 and on May 27 the Government announced a thirty-five percent increase in the minimum wage and a ten percent general wage increase. Elections were held in August, I believe, and the Gaullists won approximately 60 per cent of the vote. The crisis was at an end.

The Czech crisis I only watched from afar. The communists had obtained power in Czechoslovakia through democratic elections between the years 1945 and 1948. Economic conditions in Czechoslovakia continued to be difficult and the Czechs increasingly chafed at the authoritarian rule of the Communist regime. The Czech Communist Party named Alexander Dubcek as First Secretary and he began introducing a number of reforms and liberalizing measures that became known as the Prague Spring. These frightened the Kremlin, I assume, because the Communist leaders feared they might also be adopted by other Eastern European countries that they dominated. On the

night of August 20, Soviet armor invaded Czechoslovakia and snuffed out the short lived Prague Spring. I have always noted the difference in the treatment that Soviets showed to Finland and to Czechoslovakia in the post World War II period. I continue to suspect that Finland maintained its independence because the Soviets knew that the Finns would defend themselves, even if such action appeared suicidal in nature in contrast to the Czechs who would far more likely accept the inevitable defeat.

JOSEPH A. GREENWALD
U.S. Representative, OECD
Paris (1969-1972)

Joseph A. Greenwald was born in Chicago, Illinois on September 18, 1918. He received a bachelor's degree in economics from the University of Chicago in 1941 and entered the Foreign Service in 1947. Mr. Greenwald's career included positions in Geneva, London, and Brussels. This interview was conducted by Horace G. Torbert on May 16, 1989.

Q: No, but at least we got a high proportion of competent people.

GREENWALD: Yes. Qualified people. They just refused to take those who weren't, and they made it stick. Those were the good old days. Things have changed, I guess, since then.

Anyway, this is the deal we worked out. So I did not then stay on in Washington to see the implementation. It took about five years before the legislation went through, but it did go through. It had some riders on it that I didn't like and wouldn't have liked to have seen, but fundamentally it went through, and the US carried out its obligation that we had taken on in New Delhi.

Then I went to the OECD as US representative, and I enjoyed that very much. Now that's a lot of multilateral diplomacy. It was interesting. I got into a much wider range of issues than just trade, obviously. By the way, that's one where I don't take the credit for, but where a policy was evolved on the environment -- it was the principle of "let the polluter pay." It had an economic base. It's gotten much more politicized now. But when it first came up as an issue in 1969 or '70, I guess, in the early days in Paris, the concern was that if government subsidized waste removal or environmental measures, that would put some firms, some countries' firms, in a better competitive position than if the company themselves had to pay. So to try to avoid that kind of adverse impact on some firms dealing with environmental problems, we evolved the principle there that the polluter should pay and that should be adopted by all countries so that everybody would be on the same footing.

I think for political reasons, that may have gone by the board. But people are still talking about it now, I'm happy to see. It is still an objective to try to have a level playing field in

the sense that the governments don't subsidize excessively so that they give their firms an unfair advantage.

Anyway, that was one of the issues. But the first one that hit me as an interesting one in retrospect, I would just mention this. The one that the OECD had started with when Phil Trezise was still there in '68 was the concern the Europeans had about something called the technological gap. And it was related to a book by a man named Jean Jacques Servan Schreiber, talking about how Europe was lost, it was going to be overwhelmed by the United States. Well, the OECD took this on -- it was given to them by the ministers -- the task of demystifying it. In other words, to try to look at the facts, find out was there really an overall technological gap. Well, the report had been started, but it came out in my time in '69. And what it showed, not surprisingly, was the US was ahead in some sectors, Europe was ahead in other sectors. There wasn't really an overall technological gap.

What's funny in retrospect is nobody said a word about Japan. Japan was not a factor, was not considered, and looking at it from 1989, it is a --

Q: Twenty years later.

GREENWALD: Twenty years later. It was only a little while after that --

Q: When the explosion came.

GREENWALD: Yes. When the Japanese came over. What people, as you know, worry about now is not a technological gap so much between Europe and the United States, but between Japan and the United States and Europe. But anyway, that was one of the interesting problems.

Then, as I say, we went on to environmental issues for the first time taken up multilaterally, which was an interesting -- anyway, it was a pretty interesting job.

But after three years of multilateral diplomacy, which included a lot of very boring meetings on budget and finance as well as work program, I was ready, I was looking forward to moving. The job that I wanted, the obvious succession, going back to my time in London, is to move to Brussels from Paris. Now, Bob Schaezel had been there for six or seven years, and he liked it and wasn't very eager to move. He wasn't a Foreign Service officer, so that there wasn't any pressure, in a sense, through the Foreign Service for him, even though he had been there a long time.

But finally the Department decided that it was time to move, so in '72, I went from Paris to Brussels, and Schaezel came back. I guess he actually left the Service, or maybe he did some special assignments and then left the Service.

Anyway, as I had anticipated, it was a very pleasant change because even though there were some interesting activities in the OECD, it still wasn't really where the action was.

Q: Just to divert a little bit there, how did the OECD get its assignments? Did you invent them yourself and sell them?

GREENWALD: Sometimes. You mean myself?

Q: No. I mean, I just wondered, who decided what the agenda was going to be in this sort of thing.

GREENWALD: Well, the way it went was that sometimes things would germinate, originate, in the permanent representatives, which was what we were in Paris. Sometimes, not all that often. Mainly they came from governments, and governments would be looking for a place to develop a policy, to get a joint policy among industrialized countries. That was the main function of the OECD. It was a kind of a pre-negotiation in broader organizations or sometimes where it only involved the industrialized countries, a program or a policy or a project would be put through like, say, the technological gap problem. That didn't affect the developing countries. It only affected the OECD countries, and they did what I call the demystification exercise. But governments would use the OECD for a kind of a caucus for broader organizations like the UNCTAD or the U.N. or the International Monetary Fund. That was one function.

Q: It had no real organizational relationship to the U.N., however?

GREENWALD: No. No organizational connection at all. Entirely independent, funded by the member countries. We paid 25% percent of the budget, which was good at that time. We were paying more in the U.N. We were up at 33%, 30%. We paid 25% there. It had, as I say, this kind of caucus function.

In addition, it had a very important function, depending on how it was used, in the financial and monetary field. For example, the famous group of seven that we have now really had its origins in the OECD. There was a group of ten. There was also a group of five. Economic policy committees. I remember in the time that I was there that people who were head of the council of economic advisors in the United States or chairman of the governors of the Federal Reserve System would use the OECD much more actively -- it isn't any more because there are other channels that have been developed. But the OECD was a place where they got together to discuss macro economic policy, interest rates, exchange rates, all the things that have become much more prominent now and which are done through similar kinds of groups, but it's outside the OECD framework. But at the time while I was there and through the 1960s -- the OECD, by the way, was only established in 1960 -- well, it was when Dillon was the Secretary of the Treasury. I think that was in the Kennedy Administration.

Q: Yes.

GREENWALD: Early 1960s. He and a man named Jack Tuthill and John Leddy were the ones who dreamed up changing the -- I should go back. The OECD was a conversion of the OECD to a more permanent broader organization. The OECD was set up in the

Marshall Plan days in the 1940s and 1950s to play the role and did play the role of allocating Marshall Plan funds among the European countries. It was then the OECD, which stood for the Organization for European Economic Cooperation. And that was its first task, to achieve the most efficient and effective use of Marshall Plan funds by all of the European countries coming together and deciding what to do.

It was also used to carry out a process of European liberalization, of getting rid of the quantitative restrictions, the quotas that all the Europeans had on for balance-of-payments reasons, and the controls that they had, financial and monetary controls that they had, again for balance-of-payments reasons. And by the early 1960s, convertibility had taken place. The European economies had come back, European currencies were now convertible, and most of the special restrictions that they kept on for balance-of-payments reasons were eliminated.

So Jack Tuthill, John Leddy, working with Dillon, decided that there was time to take this organization and make the United States instead of an observer, the United States and Canada, full members. Subsequently, Japan was brought in. Subsequently, Australia and New Zealand. It turned into, basically, a caucus of -- a club of the rich countries is what it was called.

CARL C. CUNDIFF
Economic Officer, OECD
Paris (1970-1973)

Ambassador Carl Cundiff graduated from the University of the South and received his Ph. D. from the Fletcher School of Law and Diplomacy at Tufts University. Since joining the Foreign Service in 1966, his career has included positions in Vietnam, France, Ivory Coast and an Ambassadorship to Nigeria. Ambassador Cundiff was interviewed by Raymond Ewing in 1996.

CUNDIFF: No. I arrived in Paris...I think it was late January or early February of 1970 after having Christmas at home.

Q: Your assignment to Paris was what?

CUNDIFF: That was with the U.S. Mission to the Organization for Economic Cooperation and Development, the OECD, which is an international economic organization of the industrial countries headquartered in Paris.

Q: Which started out in the Marshall Plan period. I've been reading the book by Richard Bissell, I think, and how he helped put together the European Payments Union and they were certainly involved in the early period in European integration. And many of the habits of European cooperation in receiving and disbursing and coordinating Marshall

Plan assistance. Much later, by the time you got there, that was all in the past. But what sort of work were you doing in the Mission to the OECD?

CUNDIFF: I had essentially two types of assignments actually. One, for the economic counselor who was a State Department person. I attended a committee which reviewed the economy of each of the OECD member countries on a periodic basis and made economic policy recommendations. That was a fairly time demanding responsibility because there were a number of countries in the OECD and their economies are being reviewed all the time.

I also back-stopped the visits to the OECD by senior economists from Washington, mainly the chairman and the other members of the Council of Economic Advisors.

Q: You say you had two bosses. Under the economic counselor, you did the economic policy review.

CUNDIFF: Largely macroeconomic policy review of the OECD countries.

Q: Who was your other boss?

CUNDIFF: My other boss was one of the treasury representatives in the U.S. Mission in the OECD. Under that person I sat on what is called the "Invisibles Committee," which is a committee which is involved in monitoring the process of liberalization of foreign exchange practices among the industrial countries.

Q: By this time, the early 1970s, the work of that committee was presumably much less than it had been earlier when they were lots of controls and regulations.

CUNDIFF: That is correct. The work...there was probably less work to be done than there had been right after World War II when there were more comprehensive foreign exchange controls. But the fact is that even when I was in Paris in the early 1970s many of the members of the OECD still had restrictions on capital movements. And largely outward capital movements. And there were also restrictions in the services areas in regards to various services transactions such as: insurance, purchase and sale of real estate, film rights, intellectual property in general and this sort of thing.

Q: Was this true particularly in the less advanced OECD countries? Or were there some kinds of restrictions in just about every case?

CUNDIFF: There were some restrictions in just about every case. For example, in Canada, a very developed country there were restrictions concerning films and magazines-culturally related transactions. And in France there were restrictions concerning property in particular. And also a lot of property restrictions in a good many of the European countries.

Q: Let's come back to the other hat or other activities in the macroeconomic policy

review and you say that this was almost continuous. Because at that time there was twenty odd OECD countries or even more.

CUNDIFF: I think about twenty-one.

Q: How much response did you feel there was in general to the recommendations or to the process of interaction that took place at the OECD. Did countries listen to advice or was it in some cases sort of preemptory in the sense that they knew they were going to be criticized or asked questions and therefore made adjustments or promised they would make adjustments?

CUNDIFF: I think it is a little bit of a combination of what you described. I think that countries were very seldom surprised by the analysis and recommendations from the OECD because generally speaking, the OECD staff would have already visited the countries - and spoken with the economists that they needed to see. And they would probably be making recommendations that would not come as a surprise to most professional economists. However, some of these recommendations obviously have political implications. And I think countries generally tend to be a little bit circumspect in regard to accepting advice coming from outside the country.

Q: One of your roles, I suppose, as a representative of the United States on the committee was not only to understand and participate in economic analysis - although a lot of that was probably done at least in the initial stages by the OECD secretariat or staff. But to kind of give a kind of political understanding and maybe interpretation that were being considered. And I assume you worked with other American embassies as well as agencies in Washington.

CUNDIFF: That is correct. We would share the Secretariat's work, its analysis and recommendations with Washington in advance of meetings. We would also share that in advance with our embassies in the countries concerned. And then we would take the reactions from the embassy and Washington and use that in our own intervention during the review of the Secretariat's work. Essentially you are correct. We would try to address the key policy concerns. Often this had to do with whether the country should be taking a more restricted fiscal policy or a more restrictive monetary policy or to the contrary and be a little more expansionist. And this...if you look at it in broad terms, the idea was to try to help countries orchestrate their growth and their economic progress in a way that would be beneficial to the whole global economy.

Q: Which part of the U.S. government in Washington did you particularly work with in this area? Was it the State Department, or Treasury?

CUNDIFF: Well, the three agencies. The State Department obviously, all the time. The office in the State Department was the European Bureau that was responsible for our relations with the OECD and with the European Economic Community. And then also close relations with the Council of Economic Advisors-the President's Council of Economic Advisors. And with the international monetary side of the Treasury

Department. Also to some extent with the Federal Reserve Board in Washington, DC - the international side of that.

Q: You mentioned that you also worked with or for Treasury representatives at the U.S. Mission OECD in the "Invisible's Committee" area. Did Treasury have permanent people assigned to the Mission - or are these people that came from Washington?

CUNDIFF: The Treasury had, when I was there, two permanent and fairly senior and experienced Treasury officials.

Q: Who were, as you say, quite experienced and had other assignments in Europe?

CUNDIFF: That is correct.

Q: Carl, as you know, I came at least once...maybe more than once to Paris to the economic review when you were there. I look back on that as a very rich experience personally because it gave me a chance to interact with Italian government representatives. And I think I was also there in connection with when I was in Switzerland and to be able to hear and participate and get to know the issues and the people was really a very valuable experience. So I'm not sure I would want to do that work every week - or every day. But it certainly helped me in my responsibilities in the embassy in Rome. I thank you for whatever you did to make sure that people from the embassies could actually come and participate.

CUNDIFF: Well, that made it a richer experience for me as well. When embassies like yours in Rome were able to send an experienced officer to attend because even though people like myself had read the analysis by the Secretariat and had our instructions perhaps from Washington on individual countries, the fact remains that none of us could be as aware of what was going on say with the Italian economy as say someone like yourself who was in Rome.

Q: And Paris in the early 1970s was a good place to live and be?

CUNDIFF: Excellent place to live and be.

PATRICK F. MORRIS
Deputy Director, OECD/
Paris (1970-1973)

Mr. Morris was born and raised in Montana. Educated at Georgetown University, Mexico City College, and San Marcos College, Lima, Peru, Mr. Morris served in the US Army in Europe during World War II, where he was captured and imprisoned by the German Army. He joined the newly established Point IV program in 1950 and worked with that agency

and its successors in various senior level capacities in Washington, D.C., in Paris and throughout Latin America. His final posting was in the Dominican Republic, where he served as Director of the US AID Mission. Mr. Morris was interviewed by Charles Stuart Kennedy in 2007.

Q: What was, you might say, the thrust of both the Jackson report and our desires to make the UNDP a more effective program?

MORRIS: I cannot, at this time, recall the details. We had conducted a thorough review of the Jackson report and supported most of its recommendations. So we were pushing to have it adopted by the UN hierarchy.

We were interested in improving the whole recruitment process and making sure that they improved their professionalism. Their programming was very amateurish. And Paul Hoffman, a wonderful guy, he was treated like a god up there and with reason. You know, here was a man who brought the Studebaker Corporation out of bankruptcy and turned it into a going organization and then went on to head the Marshall Plan in Europe. But Paul Hoffman was, by this time in his 80s, a venerable figure and a wonderful guy. He had, I cannot remember his name now, he had an assistant, an American, who had the second top job in the organization who was a professional in every sense of the word but they were just living within the realities of the UN system at that time and they, both Paul and whatever this fellow's name, both realized and they accepted the recommendations of the Jackson report in toto and were happy to have the United States pushing the other delegations to get it implemented. But as in any multi-national or even any organization that has multiple interests you get all kinds of different obstacles and people had already built up their little fiefdoms and they were resisting making any changes so that even if Paul Hoffman had wanted to he would not have been able to do it without a very strong support from member nations and of course that is what we were engaged in.

And I was on that job for, let me see, '69, yes, I guess all of '69 and then I was offered a job in Paris at- U.S. delegation to the OECD (Organisation for Economic Co-operation and Development) as deputy director of the delegation to the DAC, which was the Development Assistance Committee of the OECD. We had at that time four people on that delegation. And that was of great interest to me for two reasons. All the time I have been in the field I had become intimately familiar with the operation problems and I think that I had a very good understanding of what made a program work and how you made it work and what you had to do to make it work and so forth. But I had never had an opportunity to step back from the trees and see the whole forest. What was going on at the DAC looked at the development assistances worldwide. The United States had established, after the Marshall Plan in Europe, the Organisation for Economic Co-operation and Development and within that organization there was the Development Assistance Committee that coordinated or attempted to coordinate the activities of all the countries in the industrial world that were providing economic assistance to the developing world. And I thought that that would really complete my understanding of development, both from a micro point of view and from a macro point of view. And so I was quite interested and in fact, it just happened that that particular activity was part of

my responsibility in Washington; my office within AID had a responsibility for coordinating all international program activities. I had spent nine-tenths of my time on UN because the DAC was almost problem-free and we had routine requirements to provide the delegation in Paris with information and expertise whenever they needed it in particular areas that were under consideration by the DAC. So I had continuing contact with the DAC all the time I was doing the UN work and our delegate to the DAC at that time was Stuart Van Dyke. And Stuart asked me if I wanted to come to Paris and since I had spent my whole career in Latin America this was an opportunity to go to Europe, to work in Europe and in a great city like Paris. And of course my wife was delighted when she heard that I had an opportunity to take a job in Paris. So we went to Paris in January of 1970.

Q: And you were there how long?

MORRIS: Two-and-a-half years.

Q: What was your impression of the organization there? Were you up against the fiefdoms and-?

MORRIS: Probably; probably. But the play there was interesting because it had to do with governments pushing their own themes and it was great fun because part of the DAC process was that each year the heads of the various development organizations of the various countries had to come to the DAC to defend their programs; to explain their programs and to defend their programs. And so it was great fun to pick holes in everybody else's programs. And of course, you know, our programs were criticized and most of the criticism was political criticism; it was not development criticism. My interests, of course, were in the mechanics of development but this devolved on that level, at least, although we had lots of other meetings where we did get into the essence of development and we were- I think that the organization itself, OECD and the DAC, are absolutely essential to continuing interchanges between countries and among countries on what they are doing, why they are doing it; it gives you insights that are really essential to make international assistance work.

Q: Did you pick up on, I mean, there were many other themes but the fascination of, particularly Scandinavian countries with Nyerere in Tanzania and all where he was really driving his country, it was my impression, into the ground using the Fabian socialist model but he was a great talker and you know, particularly Scandinavian countries fell in love with him, kind of.

MORRIS: Yes, yes. Well, you know the Scandinavians were in many ways above the battle, they are above the ideological battles and they really thought of their programs really as philanthropic efforts. But, you know, their own development models had evolved into socialist or semi-socialistic models which worked for them and so it made sense in their view to support similar efforts around the world. And, it is an interesting commentary, really, that Sweden at the turn of the last century, that is the beginning of the 20th century, was almost 100 percent rural and agricultural and during the progress of

the 20th century became a leading industrial nation.

After I served in Paris I eventually went to the Dominican Republic and I cannot remember why but at some point I had the idea of comparing the Dominican Republic and Sweden, their advances, industrially. Probably one of the reasons was that they had comparable populations; very different in every other way but they had comparable populations and comparable land mass. Maybe Sweden is a little larger than the Dominican Republic but not too much larger. And the evolution of Sweden in the 20th century, alongside the evolution of the Dominican Republic, there is a difference of night and day. And of course I think in the minds of the Scandinavians they had accomplished great things following, you say a Fabian model. Yes, they are following a Fabian model and they saw no reason why this would not work in the rest of the world.

MORRIS: And the DAC. OECD has top notch staff but mostly provides statistical and economic development information reports; reports, reports. But all of this information is extremely valuable because it is all analytical, and it gives you insights.

You know the World Bank does some of this and you find a lot of World Bank reports being cited but I think that the OECD reports are just as valid and many times better reports on development problems than the World Bank reports are. In terms of U.S. development programs or any other country development programs, the DAC reviews did not really make much difference in terms of the direction that those programs took. The programs, each one of the country programs were pre-determined long before the DAC reviews took place and they continued on their way regardless of our reviews. I think they were useful in the sense that the people who ran the programs became aware of the professional judgments that were being made on their areas of weakness.

For example, we all played a game of how generous we were and the United States included- Well first of all, the funds for U.S. development assistance included our economic assistance to Israel, our economic assistance to Egypt, which took up almost 50 percent of the budget at that time. And those programs were politically determined.

Q: Well actually, we were not giving as much to Egypt at the time you were there because it was only in the mid, late- '70s that we-

MORRIS: Well yes, you are right; you are right.

Q: But we were giving significant amounts to what is now an underdeveloped country.

MORRIS: Exactly. But we were counting it as development assistance. And of course by the same token the French included in their development programs a lot of their overseas territories that even had representatives in the French parliament.

Q: Yes, sure.

MORRIS: For example those Caribbean countries the French-

Q: Martinique.

MORRIS: Martinique, yes, and there are a couple of little islands off of Canada.

Q: Yes, yes, those two little islands.

MORRIS: Right. And they were part of the French development assistance programs and of course we would criticize them, that this was French, not overseas assistance, just territorial assistance.

Q: How about the Cold War? How did this intrude?

MORRIS: That is a good question. I think that for the most part we were all on the same page.

Q: Were the Soviets doing- Because the Soviets had quite a program in Africa.

MORRIS: Yes but they were not part of the OECD.

Q: Oh, that is right.

MORRIS: They were not part of the OECD. But you know, the thing is that we were in Vietnam and we had a large assistance program in Vietnam and obviously we included that and we got very, very strong criticism from everybody else for including Vietnam as a legitimate development assistance program. Privately I could agree that you cannot do very much legitimate development assistance in the middle of a war, just as we are seeing again in Iraq, where it is very difficult to justify any kind of traditional development assistance program when you have a war going on.

STEPHEN H. ROGERS
Counselor, OECD
Paris (1972-1975)

Ambassador Stephen H. Rogers was born in 1931 and grew up in Long Island, New York. He entered the Foreign Service in 1956. His career included positions in India, France, the United Kingdom (England), Mexico, and South Africa, and an ambassadorship to Swaziland. Ambassador Rogers was interviewed by Raymond C. Ewing in 1994.

Q: Your tour finished about 1972 and you went back to Paris.

ROGERS: Back to Paris and the OECD mission this time.

Q: Had the mission been there during your previous assignment in Paris?

ROGERS: Yes. I had very little to do with it at that point. I can't say that I was very enthusiastic about going to the OECD mission. Joe Greenwald was there at the time I arrived but left about a month later to become Ambassador to the European Communities. As a matter of fact we didn't have an ambassador for two years and the acting chief of mission was the Treasury representative, Weir Brown, who had been there for many years and knew the business. I acted as his deputy for that time. At the end of two years the administration finally got around to replacing Joe with a businessman from Arizona, named Bill Turner. He was a very nice fellow, but was new to the business and it wasn't easy for him to get a hold of this very technical organization, so they sent Abe Katz to be his deputy. Weir Brown left at that point. So the third year I was under Bill Turner and Abe Katz.

Q: And then Weir Brown, who had come from the Treasury was replaced by another Treasury man?

ROGERS: Yes, but not at as high a rank within the structure.

Q: That was Ralph Korp wasn't it?

ROGERS: I think it was.

Q: He came from Rome.

ROGERS: Yes. Jim Ammerman was there then too. We had two Treasury people all the time.

Q: While you were acting deputy, what other responsibilities did you have or was it all coordination of the mission?

ROGERS: Well, it was partly that, partly personnel matters and coordination of Mission activities, but with special responsibilities for the trade committee, the energy committees, the manpower and social affairs committees. I did not have responsibility for the financial side of the OECD, the Economic Policy Committee and Working Party III, which were under the Treasury person there. But much of the rest...agriculture for most of the time I was there was part of my responsibility.

Q: I spent part of that period in Bern and I was spending a fair amount of time on something called the Executive Committee in Special Session which was where high level trade economic policy officials come together in fairly quiet ways periodically. Did you work with that?

ROGERS: Yes. That was a limited group. It wasn't all countries. I was there at the time that structure was set up.

Q: The OECD has been there a long time and still does good macro economic research, studies, coordination of AID programs. How would you assess the OECD, particularly looking at the period when you were there, but more generally both before and later?

ROGERS: I had had some background, of course, in my time in RPE, so I knew something about it. I think anyone who has had experience with international organizations knows enough not to jump at the chance of going back to such environments because there is so much talk and so much paper. But I also feel strongly that the OECD is a necessary organization. It serves to deal with some pretty basic problems in international economic and scientific and other relations. It isn't a very exciting place and that is probably an advantage in dealing with these difficult subjects in a technically competent way. I can think of two or three examples, perhaps.

One is the issue that was brought up in Europe about US technological domination of the world -- the technological gap. This had become a major political issue for some people. We were able to put that into the Committee on Science Policy in the OECD and deal with it through a series of specific studies on different areas to see what the situation was and to see whether in fact there was damage to the Europeans of the sort that would require some kind of action which presumably we would not like. I think that somewhat depoliticized the issue and controlled it. That worked quite well.

Q: Another aspect that I think is interesting about the OECD is the inclusion of Japan at a fairly early time. I think the OECD was the first regional grouping that Japan became a member of after the Second World War. The willingness of the Europeans, I think with strong American leadership, to have Japan be a part of the OECD was very much appreciated in Tokyo. I don't know if you had any experience with the Japanese at OECD or any reflections about the expansion of the OECD beyond Europe?

ROGERS: Well, it certainly was an interesting development when the European countries started expanding to Australia and New Zealand and then Japan. It made it the premier organization of developed countries on economic matters. I think the expansion was obviously necessary, to include Japan. Everything since then has shown that it was absolutely right. I don't recall that the Japanese took great leadership at my time there, but they did become active. They had people in the Secretariat and wanted to be active in that fashion.

There was another issue that I should mention that came up then, an issue with which I also had quite a bit to do with in RPE, and that was energy, the oil crisis.

Q: The oil crisis was about 1973.

ROGERS: It was the end of 1973 when OPEC announced that prices would rise. We thought it was a very big rise as of January 1, 1974. I say we thought it was a very big rise, but it went up a good deal more in 1979. The OECD was well placed to do a quick analysis of what the implications were of this great increase in the price of oil. Much of the month of December, 1973 was focused on this. It happened to be a time when Weir

Brown was on a well-earned home leave so I was sitting in the Council for the US and was the principal high-level contact on these matters with the Secretariat and all. The Secretariat put out some analyses and policy papers that certainly impressed me at the time and as far as I can recall would still stand up well. They had to do with the implications for capital movements. They foresaw the massive transfer of capital to OPEC countries and the fact that this capital would have to be placed somewhere. Something would have to happen with it. This led through the years to tremendous lending through Western banking institutions during the critical times of the late seventies and eighties in the international balance of payments situation.

Q: Another thing that happened with strong OECD involvement as a result of the OPEC price increases was the establishment of the International Energy Agency.

ROGERS: Yes, that's right.

Q: Were you involved in that?

ROGERS: Yes. That happened in my third year there, or we were in the process of creating it then.

Q: Steve, let's break for today and pick up at this point at our next meeting.

ROGERS: Fine.

Q: Today is Thursday, August 4, 1994 and this is the second session of the interview with Ambassador Stephen H. Rogers which is being conducted on behalf of the Foreign Affairs Oral History Program of the Association for Diplomatic Studies. Steve, when we finished talking last week, you were talking about your experiences as counselor of the US delegation to the Organization for Economic Cooperation and Development (OECD) in Paris where you worked in 1972-75. You were talking about how the International Energy Agency got started. I wonder if there is anything else that you particularly wanted to cover from that time in Paris?

ROGERS: The five years that I had in Europe, that is the two years in London and three years at the OECD mission in Paris, occurred at a good time to be there in the sense it was a time of economic change and a certain amount of crisis and many major issues. To go back to the London time, in August, 1971 when President Nixon took major economic steps to protect the US balance of payments including cutting the tie to gold and putting a surcharge on US imports, it caused a good deal of consternation in Europe and in Britain in particular. Then going through the rise in the oil price on the first of January, 1974, that I think we mentioned before. And, in this period also, the negotiations for Britain's entry into the Common Market, which raised issues and heightened issues in our minds, in particular about agriculture, but about other things too. So this was a time of tension, uncertainty and change. In some senses it showed the importance of the OECD, the fact that we had something like that in existence, well supported with a secretariat that was excellent in some fields, including fields of most importance here. I remember that

following the announcement, late in 1973, by the OPEC countries of the increase in the oil prices that would shortly go into effect, there was this flurry of activity in the OECD and the Secretariat through the Christmas period and all, to try and analyze what the significance of this would be and the analysis, which I think I mentioned last time, seems to have held up as having been quite valid.

One concern that the Secretariat and the Organization expressed in particular was that countries, especially the developed companies, the oil importing countries that were most impacted by this rise in price of oil, would react in protectionist ways. So, the organization developed a trade pledge, that is a pledge that committed the countries not to take protectionist actions as a reaction to the rise in the price of oil. And that was something we worked on significantly, both in the development of the pledge and then in its renewal later.

Q: Was it initially for one year?

ROGERS: My recollection is that it was for one year. I remember the discussions of renewal while I was there too, so I suppose that means it was one year in each case.

Q: I have been reading a book called "The Cold War, A History," and one of the points it makes is that one of the good results, if you will, of the Cold War was a number of economic measures that served to strengthen and pull together the cohesion of the countries of the West. The OECD, obviously, was one of the important organs or institutions that brought together the industrial countries. Was that a theme or sentiment that you thought much about at the time you were there?

ROGERS: I think it was more something that we took for granted. I don't think it was explicit in our thinking. Rather the focus of our thinking tended to be protecting the continuing movement, the overall trend towards liberalization and opening up markets for goods and capital and all, against the rise in the price of oil. This was a period of adjusting to or toward a new international financial system, devaluation of the dollar in 1973, I guess it was.

Q: I think 1971 perhaps?

ROGERS: Well, there was August 15, 1971, but then in February, 1973 there was another action, and I can't remember just what it was, but it again disturbed people and we had to explain and defend the action. I mention that because looking through my notes I recall that I happened to be sitting in the Council of the OECD at that point and defending the action by the United States to our major trading partners.

Q: I suppose in retrospect one would have wished that when a major action like that were taken that there had been prior consultation, discussion in an organ like the OECD with our major trading partners. But in some cases that wasn't feasible, wasn't possible, wasn't even thought of, and then it became an important task of explaining, justifying, defending what had already been done after the fact.

ROGERS: All that is true and a little embarrassing on occasion, but the United States was and remains a large economy and has perhaps different responsibilities and requirements than other countries because of that reason.

Q: There was also some disadvantage when you telegraphed your intentions by consulting, by discussing because that has an impact, obviously, for certain parties who are involved in the market.

ROGERS: It gives a field day to speculators, among other things.

RAYMOND MALLEY
Minister Counselor and U.S. Representative to OECD
Paris (1975-1978)

Mr. Malley was born and raised in Massachusetts and was educated at Boston University, the University of Geneva, Switzerland, and the Fletcher School of Law and Diplomacy. After serving in the U.S. Air Force and engaging in private business, Mr. Malley joined the Treasury Department. He later joined AID, where he worked in senior level positions at home and abroad until he retired. During his career Mr. Malley was posted to Karachi, Rawalpindi, Kinshasa, and Paris, as well as in Washington, where he worked on economic development projects of AID and with international organizations concerned with foreign assistance and development. Mr. Malley was interviewed by Charles Stuart Kennedy in 2007.

Q: What were you doing in Paris?

MALLEY: The OECD is where the rich countries of the world discuss international economic problems. The “rich men’s club” it is often called. There were about 25 member countries when I was there – the U.S. and Canada, the countries of western Europe, and Japan, Australia, and New Zealand. Today there are several more members, including Korea, which progressed from being terribly poor to relatively rich in not much more than a generation. OECD might be compared to the North Atlantic Treaty Organization (NATO). NATO is a military alliance of the rich democracies; OECD is where the same countries coordinate economic matters. Of course the comparison is far from perfect, but it is illustrative.

OECD has a secretariat of 100 people or so headed by a secretary general. It has offices dealing with specific international economic topics – foreign aid (the DAC), finance, trade, agriculture, science, energy, education, labor, and so on. The secretariat organizes and manages meetings of the members on these topics, including the preparation of discussion papers describing problems and possible approaches and solutions. It also does

research on international economic problems.

Each member country has a delegation accredited to OECD headed by an ambassador. In my time the U.S. delegation consisted of 25 to 30 people. Our ambassadors were Turner and then Salzman, but the key man was the number two, Abe Katz. He was State's OECD expert for many years, and eventually became ambassador himself. About half of our delegation consisted of State people; other departments of government such as Treasury, Commerce, Agriculture, and Labor provided attaches. Our USAID office consisted of Smalley, myself, two or three analysts (including Bob Asselin), and a couple of secretaries. We were a close knit and high morale delegation.

In our area of foreign aid and north-south relations we were discussing and dealing with policies, not with individual programs or projects. Such policies were very widespread – they ran the gamut. Let me give you some examples. Having received development loans for some time, many developing countries now had considerable debts and were making large repayments to donors even as they received more aid. Should some of their debt burden be reduced or eliminated? And would such reductions count as foreign aid? These questions were discussed at the DAC over many years, before, during and especially after I was there. The members decided that the answers to both were yes. This is an illustration that, although the basic question of what is foreign aid had long since been agreed, it had to be periodically reviewed and updated to respond to new developments, such as debt relief and the creation of new financial instruments.

What is foreign aid may seem like a simple question. It is not. International financial flows are constant and in the trillions of dollars, but almost none meet the definition of aid. Most move under normal commercial terms. To be counted as aid, the flow must be on concessional terms – that is, non-market terms. But only a slight concession from normal commercial terms, say five or 10 percent, is not enough. The DAC decided to define foreign aid as financial assistance provided to developing countries with a minimum 25 percent grant element – a technical term that is complex, but means partly that there must be at least a one-quarter reduction from the prevailing commercial rates. Of course the consideration of grant element is applicable only to loans. When aid is provided as grants, there is 100 percent concessionality.

Here are some other examples of what we discussed. Tied aid – requirement that the funds be spent for goods and services from the donor country – was a frequent topic. Obviously it is better for the recipient if it can buy from the lowest responsive bidders, regardless of nationality. But in donor countries, the tying of aid often is important to gain support from businesses and the public for significant aid budgets. This problem usually was compromised by donors – by tying some of their aid, untying the rest. Often it was decided to untie aid for the poorest developing countries, but not for others. In meetings, those in favor of more untying usually did not want to get too much in front of the doubters. All would have to march along more or less together to get consensus.

Most donor countries have export credit agencies that assist their exporters. Ours is the Export Import Bank. A frequent topic of discussion was the relationship between export

credits and aid. To what extent should they be mingled for the same project? When is the aid portion so diluted that it is no longer aid?

The United Nations prepared a list of the least developed countries, and argued that they should receive more aid under more favorable terms than the better off. DAC generally agreed, but discussed the details and ramifications at length. We also discussed aid to individual sectors of economies, such as agriculture, education, and health. Experts often would come from Washington to assist us in such meetings. All DAC members shared their experiences with others, and all profited. We described USAID's pioneer work in such matters as evaluation and women in development, to the gratitude of other members who introduced such considerations into their own programs.

Another area of activity was the review of each member's foreign aid program by the other members, which normally took place every other year for each member. Criticisms and suggestions for improvements inevitably came out of such meetings. The U.S. program was criticized as being divided between too many agencies (USAID, OPIC, Peace Corps, and the Trade and Development Agency, which we will discuss later), and for being too small relative to our economic size. We were invariably near the bottom in the amount of aid provided as a percentage of our gross national product (GNP). The DAC had established a figure of 0.7 percent of GNP as a target for each donor country. We were usually around 0.2 percent, along with Italy and Austria. France and Britain were higher, but only the Nordic countries and the Dutch normally came near to or exceeded the target. We had a difficult time defending the U.S. record in these meetings. We stressed that because of our economic size the quantity of our aid was very great, often at the top of DAC, even if our percentage was low. Another argument was to note our preponderant role in military defense and NATO, where our expenditures well exceeded those of others – but our colleagues usually refused to see the relationship between the two. I must say though, that the discussions were civil and diplomatic. There was no rancor.

Maybe that is enough to illustrate our work at DAC.

Q: It is quite a lot.

MALLEY: But I should mention one other very important undertaking that was not envisaged when I went to OECD. That is the Conference on International Economic Cooperation (CIEC) between the DAC countries and the so-called Group of 77 developing countries (actually more than 77). It was also called the North-South conference. It was hosted by the French government in Paris during 1976 and 1977, and was a major event at the time. The Group of 77 was pressing the rich countries for all kinds of concessions – more foreign aid, reduction of trade barriers to their exports, more technology transfer, more influence in the IFIs and UN bodies, and the like.

The large U.S. delegation to CIEC was headed by Under Secretary of State for Economic Affairs Richard Cooper. It was divided into four or five segments, one of which was development assistance. Joe Winder headed that segment, and myself and Bob Asselin

were appointed part of his team. Other sections of our delegation to OECD provided support in other areas. There were, as I recall, three long CIEC sessions lasting two to four weeks each. A vast amount of time and expenditure went into the meetings. Position papers on all manner of topics were prepared by both sides. We had to reach agreements on topics with our OECD colleagues before facing the other side. Night discussions and negotiating sessions were normal, all night on a few occasions. Diplomatic notes regarding results were negotiated to the last word and comma. There were daily meetings with the press. Finally it all ended in June 1977. I suppose it made some contribution to north-south relations. At least we understood each other better. Secretary Cooper sent me and Asselin commendation letters for our roles.

Q: During this time, how did you get along with that political appointee who was your boss?

MALLEY: Mr. Smalley turned out to be a good and reasonable fellow. He let me and the analysts do the work and represent the U.S. at almost all DAC meetings. He limited his role to attending the highest level meetings only, and representing us at formal functions. And he did not participate in CIEC. Later under the Reagan administration, he became the State Department's number two and then number one press spokesman. He and his wife then retired in France. They were real Francophiles.

I had a fair amount of dealings with political appointees during my career. Unlike Smalley, many arrive with the attitude that they are going to change things – to “run things right,” or “in a businesslike manner.” They imply that you have not been doing so. You have to tell them truths. Foreign aid is not a business – it is a foreign policy and economic development tool. You have to say, “What you want to do is illegal – you have to get the law changed.” Or, “We can cancel these activities if you want, but they are joint with the World Bank and the Dutch, so you will have to explain to them.” The newcomers are often irked by such responses. You have to be very diplomatic.

Q: How was life in Paris?

MALLEY: Well Stu, it was very nice. My work was high level, intense at times, but there was also considerable time off. That is the European way. Let me tell you about my involvement in baseball in France.

Q: Did you say baseball?

Yes. Baseball is a minor and amateur sport in France, say like rugby in the U.S. There is a baseball league, well organized with rules and regulations, in the French manner. The top team each year wins the French baseball cup.

Well, the U.S. marine detachment in Paris had several excellent baseball players, and wanted to form a team and enter the league. They needed a leader and manager. Somehow they discovered that I had a baseball background, and asked me to assume that role. I was glad to. We found other players in the American community, applied and were

accepted into the league, and practiced regularly in the Bois de Boulogne. We had a great 1977 season, ending up as one of the top four teams in the country. We lost in the semi-finals to a team from Nice, which in turn lost to a Parisian team in the finals. The next year we were not so successful – some of our best payers had been reassigned. Eventually the team disbanded and left the league. But I continued to attend meetings of the French baseball association. And I became an umpire, earning francs in the process.

At their annual ball in 1977 or 1978, the marine detachment presented me a nice award and plaque for my services, to my complete surprise.

Q: Let me ask a question about the French. So often we are at odds with them. At DAC, were you pretty much singing out of the same hymnbook, or not?

MALLEY: In the foreign aid field, yes. The French had, and still have, a very significant aid program. It is much higher than ours on a per capita and GNP basis. We are one of the stingiest countries, although as I said before, our quantity of aid is still very high because of the massive size of our economy.

Q: Okay. That is probably a good place to stop. You left OECD when?

MALLEY: American politics again intervened in my life. Carter won the presidency in 1976, so Smalley had to leave. It was assumed by everyone involved that I would succeed him – after all, I had been doing most of the work all along. I was highly recommended to the Carter foreign affairs transition team by our mission and our backstops in Washington. And members of that team visiting Paris virtually promised me the job – it is “only a matter of paperwork”, Ted Van Dyke said.

But in truth, they had other ideas. They decided to replace Smalley with their own political appointee. And more egregious, this favorite was a veteran USAID officer – Lloyd Jonnes -- who had retired some years before. Stuart, you may remember that the late 1970s and early 1980s were a period when senior Foreign Service officers were in surplus – some were even “walking the halls” in Washington without assignments. For me to have been promised and then not get the DAC job, and then have a retiree be brought back to take it during a period of employee surplus, was disgraceful. Myself and the mission voiced our displeasure at the highest levels. Of course it did no good. Efficiency and cost did not matter to the newcomers. I assume that Jonnes had some great influence among the Democrats, and he and his wife wanted to live in Paris for awhile.

Actually I knew him from the past – he had been in PPC. He had been a perfectly competent senior professional, and we got along fine. But I could not stay in Paris under these circumstances. I requested transfer.

Q: And then where did you go?

MALLEY: To Washington. But I almost stayed in Europe. You are familiar with the United Nations Industrial Development Organization (UNIDO) in Vienna. The number

two position became vacant, and our OECD mission recommended me to Washington and Vienna to fill it. I did not get it.

PAUL K. STAHNKE
Counselor of Mission, OECD
Paris (1978-1982)

Paul K. Stahnke was born in Illinois in 1923. He served in the U.S. military from 1943-1946 and received a bachelor's degree and a master's degree, both in international relations, from the University of Chicago in 1950. Mr. Stahnke's career included positions in Germany, Italy, Japan, Somalia, Denmark, France, and Thailand. He was interviewed by Thomas Dunnigan on June 1, 1994.

Q: Now, as you mentioned, in 1978 you moved from that assignment to Paris where you were with our mission to the OECD. What was your exact position there?

STAHNKE: My title was Counselor of Mission and I was number three or four, depending on how you counted it, in the Mission. To provide direction to our complex activities, the Mission had an Executive Committee composed of the Ambassador, DCM, the Treasury Attaché, myself, and the AID representative. I headed a section that dealt with the energy issue (the International Energy Agency, which was semi-autonomous), trade, steel, social affairs and a few others things of lesser importance. Perhaps one of my most important assignments was that of US representative on the OECD Budget Committee. That was the committee that annually determined the budget for the OECD Secretariat. This was important because we contributed directly to the OECD, all of the 24 member countries, and through this budgetary process at the end of each calendar year we directly influenced the activities of the Secretariat, indeed sometimes forcing them to change direction. For example, over the strenuous objections of those working in social and labor affairs, we took money from them (thus forcing a reduction in their activities) and transferred it to trade which had become a more important current issue. Using the budgetary process as a program setting device worked very effectively. We thus kept the activities of the Secretariat and member country priorities in harmony.

Q: It sounds as though you had a very full platter there. I note you mentioned energy and as I recall it was during those years that we had the great rise in energy prices in 1979.

STAHNKE: That was the second oil shock. The International Energy Agency was a semi-independent agency. We were then collectively trying, among other things, to develop a set of procedures in the event that we should have another oil crisis which would result in a cutoff of oil from the Middle East in particular. This involved programs such as stockpiling. Nobody was forced to do this, although there was a lot of talk about it and recommendations about how we best could do this and indeed the United States began about that point to store larger amounts of oil. We perhaps over did it because the

concern about oil was not just whether it might be in short supply, or cutoff for various reasons, but that the price might rise. There was considerable concern at that point that it might rise to \$100 a barrel; instead, it did nothing but go down, dropping to something like \$12 a barrel about four or five years later. So, as a result of these changes in the years I was there, the International Energy Agency, dropped from being a very important focal point, particularly for our Department of Energy, to becoming almost irrelevant. Little purpose was served in coordinating energy policies in an environment of satisfactory supplies and falling prices. It also seemed clear that a shock similar to the two we had in the 1970s would be repeated again in the foreseeable future.

Q: My only experience with the OECD was to note that they usually issue gloomy reports as to how bad the situation is. But the period you were there it was a serious problem because inflation was rising in the United States and probably in other countries too. Were there differences between the OECD organization and the US administration's views, and you dealt with two administrations, Carter and Reagan?

STAHNKE: I suppose you are right in that these reports tended to focus on problem areas but not always. Coordination for these reports was excellent. In preparation for the report on the US economy, either the Chairman or his deputy of the Council of Economic Advisors came to Paris for discussions in depth, plus representatives of the Treasury Department. Discussions were usually heated and the outcome not necessarily satisfactory to US representatives. Still, on the whole, these reports were widely respected as they continue to be.

I think you are right that the OECD staff responsible for these reports felt, besides a certain amount of glee in criticizing various governments, that they did have a responsibility in being the sober, external, objective organization looking at the economy and providing recommendations as to where the focus should be. This was also the time when the Japanese began to feel their oats. They were always ready, whether in the economic committees or in the Executive Committee or in other organizations to provide advice to the other OECD members countries as to how they should run their economies. They were never reluctant to tell the Americans that they were spending too much and saving too little.

Q: The Dutch uncle treatment.

STAHNKE: Yes, the Dutch uncle treatment, which was kind of amusing because they were the ones who were soliciting advice ten years earlier on how they should run their economy.

Q: Did you enjoy your tour at the OECD?

STAHNKE: Yes. It was eventful and intellectually satisfying. Aside from the other activities I mentioned, I was Chairman of the Trade Committee Working Group which met weekly much of the time. The Group consisted of representatives from the various missions resident in Paris who prepared the material for consideration by the Trade

Committee at its periodic meetings of representative from capitals.

The major issue with which I was involved at the time was trade and services, which I've already cited. We were trying very hard to develop a coordinated position among the OECD industrialized countries which we could then use for presentation to the GATT in Geneva for further debate and for consideration at the next GATT round, which indeed it was.

Q: It became a sticky point there for a while.

STAHNKE: It was a very strong sticky point for quite some time. That and agriculture issues. We didn't get as much as we wanted but we got a fair amount and the issue is now subject to both international agreement and international dialogue.

Yes, on the whole, besides just being in Paris, it was an interesting, exciting and very different assignment. It was different from normal embassy operations because it involved a consultative organization among 24 countries, both in the General Council as well as the various committees, with generally no decisions being reached, but a lot of discussion. So it was interesting in terms of the subject matter under discussion and a little frustrating because there was so much talk, so many papers and very little accomplished. But it was fun doing it nevertheless.

LYNNE LAMBERT
Investment Advisor, OECD
Paris (1981-1985)

Lynne Lambert was born in Ohio in 1943. After receiving her bachelor's degree from Smith College in 1965, she received her master's degree from Johns Hopkins in 1967. Her career has included positions in Athens, Teheran, Paris, London, and Budapest. Ms. Lambert was interviewed by Charles Stuart Kennedy in January 2002.

Q: You went to Paris and were there from '81 to when?

LAMBERT: '85. I was not at the bilateral embassy. I was at the U.S. mission to the Organization for Economic Cooperation and Development [OECD], which is primarily an economic organization of the wealthiest countries in the world, namely Japan, Australia, New Zealand, North America, and Europe. It was a policy organization. In some ways, it was a place where policy was debated before it was debated in a large international context. A specific example would be preparation for the Uruguay trade round.

Q: Let's get the nuts and bolts first. Who was the ambassador while you were there?

LAMBERT: Abe Katz was the first ambassador that I had. Ed Streeter was the second. I

was there for four years. The mission at that time had about 30 permanent employees.

Q: Was there any relation to the European Community or to the embassy in Paris or any of these other organizations or were you sort of on your own?

LAMBERT: Serving in a multilateral organization in a foreign country, I think we sacrificed a lot of knowledge of the foreign country. Of course, you lived there. You listened to the news. You knew some people. You deal with buying your groceries, having your car repaired, and this is all in French. But you don't follow the political or cultural life of the country as much as you would in a bilateral embassy. Of course, I knew everybody in the embassy. Socially, we saw quite a lot of them. There were a lot of embassy-wide activities. We shopped at the commissary. But the kind of substantive... Culturally, we were not part of the French experience so much as the embassy was. As far as the European Community goes, they had a representation, they had a mission, at the OECD just like a country would. They attended every meeting. In some cases, where the members of the community had ceded their sovereignty, the EC represented the member states. In others, the member states represented themselves, but the EC chose to speak quite often. They always caucused. So, there was very definitely a large European Community presence. On some occasions, the member states would take pleasure in shooting down the Commission where they had the sovereignty and the Community didn't. But I think by and large, the caucus was always effective and became more so. Once the EC members had agreed among themselves, and it often was a least-common denominator position, it was hard to accomplish anything other than the EC position. I think there were 12 members of the Community at that point. Maybe they should have had one vote, but like in the UN and elsewhere today, they had 12. So they would give 12 speeches on their position, and we would get only one shot. Voting doesn't matter, really, except on officers and the budget, because the OECD works by consensus. Even so, it is hard to work with a block of countries that constitute about half of the membership. At the time, we were roughly the same size as the whole Community.

Q: What was your slice of the pie?

LAMBERT: I had an unusual and interesting slice. My title was the investment advisor. Every job at OECD relates to different committees. My primary committee was the Committee on Investment and Multinational Enterprises, which supervised three non-binding voluntary agreements, which were major at that point because there had been no international discipline in investment. Still, the OECD instruments are the gold standard. The investment instruments were quite newsworthy and interesting to U.S. corporations. One dealt with national treatment, which is the idea that we treat a foreign investor equally to a national investor. They're eligible for the same government contracts, the same tax treatment, the same treatment in licensing, etc. The committee did review exceptions and complaints. Another instrument had to do with trade-related investment measures, which is the weakest instrument. This is basically an attempt to try to stop incentives and disincentives to foreign investment and let the market regulate it. An example would be tax holidays, which in our case would usually happen at the state level, not the national level, but the U.S. government was a signatory.

The third instrument was the most controversial by far. It was a code of conduct for multinational enterprises. This was the most difficult to negotiate and certainly the most politicized, the one that business had the most interest in, even though they had the most to gain from the other two. But this was the one that would put them on stage and often criticize them. Those were the three primary instruments in the investment committee.

Delegates to the Investment Committee came from Washington. We had large delegations with a number of agencies represented – State led, with USTR as co-chair of the US delegation. Then we had reps from Commerce and Treasury, and sometimes other agencies. My job was to prepare the delegation, work the Secretariat between meetings so our positions would be reflected in committee documents, and to work with other delegations to try to resolve issues prior to the start of the formal meeting.

In addition, I was one of two U.S. reps on the Committee on Capital Movements Invisible Transactions. This committee dealt with two binding codes - in this case, obligations of the codes were mandatory – dealing with the movement across borders of services and capital. There were old codes that had been signed shortly after World War II, and probably would not have been achievable in the early '80s or today, because they were more liberal than the situation in the '80s. The Treasury representative basically dealt with capital movements and financial services. I dealt with non-financial services and investment, and I took the microphone on those issues. We managed in the time I was there to negotiate an important agreement on the right of establishment, which meant that any company of any member state had the right to establish in any of the other member states. This was a binding agreement, which took the form of an amendment to the Code of Liberalization of Capital Movements, subject to some reservations usually related to national security. This was pretty much a three-year negotiation. The negotiations were acrimonious, in part because the amendment would provide really a new investment instrument, and it would be binding. It was quite a major step forward in the mind of U.S. business. Actually, it was my initiative.

Q: Give me an example.

LAMBERT: Most American companies were having trouble establishing in France. They had to have a presence to get any business in France, and it was difficult to get a presence. The requirements were such that the bureaucracy might take four or five years, by which time the firm would lose its opportunity or its market. Some of our companies for this reason or that would never succeed in establishing a presence. This instrument made a lot of difference and set up some standards. The French government was required to be transparent on what their restrictions were. If they hadn't entered a reservation, the problem could not exist for an American company. If they had entered a reservation, the Code required gradual elimination, and it forbade new restrictions. Countries were examined annually, and with each examination were required – maybe pressured is a better word – to get rid of several specific reservations. This was a major initiative, and, although imperfect, is probably state of the art even today.

The two committees, we also made an outreach to third countries. The idea here was that developing countries needed investment to get their economies going. They needed also to understand some of the things that the investors from the developed world were looking for. In addition, a number of countries were particularly promising candidates for investment like Korea and Mexico. That was the beginning of the move to get these countries into the OECD, which did happen.

Q: What was in it for a country like France that had very strong exclusionary impulses to get involved in something like this?

LAMBERT: The French were not in the forefront of wanting the instrument. They had a number of reasons why they opposed the instrument and a number of negotiating ploys. But the OECD is a strong organization that moves forward. The Codes themselves were intrinsically liberalizing, business was pressuring, and the French eventually went along – I’m sure because they decided it would be in their interest, or against their interest to keep stonewalling. The more comprehensive investment instrument that the US wanted in the late 1990s, called the MIA, would have combined all of the OECD instruments and made them binding. Unfortunately, the effort failed. But normally in the OECD, if you have a critical mass of particularly the larger countries that want something and it makes sense and the Secretariat supports it, it’s discussed at ministerial level and the ministers give a go-ahead. In the case of the right of establishment amendment, ministers gave a fairly strong endorsement. The ball gets rolling. It’s difficult to stop. I think the French initially opposed the idea. Certainly Canada did. At that point, Canada had a very restrictive investment environment. Some of the Scandinavians opposed it. But the critical mass kept getting larger. These countries’ ability to argue down, particularly with a ministerial endorsement, failed and they changed their efforts to try and protect some of the things that they were most interested in protecting, which they succeeded in doing. It is interesting that this effort succeeded, because at one point the negative countries made an issue of sub-national units, or states in the United States, which can be a vulnerability for a US negotiator. We sign agreements with foreign countries only at the national level, but the federal government doesn’t speak for states and can’t control what states do unless the agreement is a ratified treaty. Most of our establishment regulations are actually determined at the state level. While our states for the most part promote investment, they do have regulations and laws that sometimes discriminate against foreigners. In a negotiating situation, the fact that we are not negotiating for the parties that actually control the issue, even though it’s a largely hypothetical problem, it’s one that is used against the U.S. continually in many negotiations.

Q: Were there natural allies in your particular field and natural opponents?

LAMBERT: Yes. Again, quite often, it mirrored the U.S. relationship with the European Community, because a majority of the countries in the OECD were members in the European Community. The more liberal countries on investment and trade were the UK, Germany, the Netherlands, and Denmark. Basically that was the liberal nucleus of the Community. Canada was more restrictive at that point. Japan was more restrictive. It depended on the issue. Sometimes these could countries could be allies. Occasionally,

you could find other allies, but your hardcore allies were those four.

Q: It sounds like particularly France was often on the other side.

LAMBERT: Yes, usually. And then France had a little alliance of its own, which were basically the Latin countries in the Community. Turkey was a possible ally for us. It had very liberal economic policies.

AURELIUS FERNANDEZ
Economic Officer, OECD
Paris (1982-1986)

Aurelius Fernandez was born in New York in 1931. He graduated from Bowling Green University, received an M.I.A. from Columbia University and served in the U.S. Army from 1953 to 1956. His postings abroad have included Bucharest, Vienna, London and Paris. Mr. Fernandez was interviewed in 1997 by Charles Stuart Kennedy.

Q: Well, that's all right, but you can add. Then in '82 you went to the OECD. What is the OECD?

FERNANDEZ: The OECD is the Organization of Economic Cooperation and Development. Which grew out of the Organization of European Economic Cooperation, the Marshall Plan after World War II. Something that Kingman Brewster had worked on, it was always fun to talk to him about those years, too. But at any rate, this organization they had, I guess, at the time 23 or 24 members, they were really all the west European, Canada, Japan, Australia, New Zealand, and it was a marvelous...I always like to say, as I wrote down here "the greenhouse of ideas." There was always a lot of activity there and they were high-level visitors. Secretary [George] Shultz came through, [Ronald] Reagan was Treasury Secretary, [William] Brock used to come through all the time as USTR, [Secretary] Malcolm Baldrige, as Commerce, Mark Feldstein was the Counselor of Economic Advisors, and Beryl Sprinkle. Well, I could drop more and more names to engage in what my dearly beloved Kingman Brewster used to say, "Sorry, Joe, the Queen hates name droppers."

Q: The first place you were there from '82 to when?

FERNANDEZ: '82 to '86, four years.

Q: What was the role of the OECD as opposed to the Common Market, the European Union, whatever you want?

FERNANDEZ: It was in a sense, freestanding. It was not a policy-making body. It was more of a...where policies surely were debated because statements were made about

them. But it was, as I say, freestanding. One of the institutions that came out of the Marshall Plan where studies were about all the subjects and they were sort of forerunning for what became the G-7 summits out of that. There would be a direct relationship between what would come out of the G-7 summit, of the ministerials, and then what would go into these summits. There was just terribly exciting work going on in the field of trade in terms of commercial policy, in terms of communications.

There was once a long, long negotiation about transborder data flows. There was an economic policy committee. That Committee Three or Committee One that used to meet two or three times a year. And the Feldsteins and all the leaders, Sprinkles, and all the leaders of... thinkers of a number of countries would come together and they would sit there for two days and they would then debate policy. Well, these things didn't always make fast years. That is to say the myriad of ministerial meetings that were happening, for example, the ministries of transportation. Those things really didn't resound in the press the way the annual surveys that were done internally would just buzz through the whole press the world over. Or the ministerial readings where the Secretary of State and the President would come.

During the period I was there [Secretary] Shultz came once. He was the only Secretary of State who came to the meeting. But these were meetings where there was always negotiation beforehand about issues but where they would sit and talk about issues. One of the issues during those years was, for example, that as far the United States had information issues in foreign relations was the matter of our deficit, budget deficit. Well, they used to beat up on the United States for having this great budget deficit and drawing in foreign capital and such and just not contributing to world growth. This was something that the whole time I was there was pretty active because we did have a big budget deficit at the time. We always argued that as a percentage of our GNP we weren't as bad as a lot of other countries, depending on how you cut it. Our position was that our budget deficit was not as disruptively destabilizing as it was often charged.

We then came back in about '84, was it or so, with a proposal in the OECD again, focusing on the international information relations problem. It was focusing on the problem of structural adjustments that what our theme then became was that what we really needed in Eastern Europe was to free the capital in labor and merchandise markets and this was a theme that we pushed very, very hard in which we put an enormous amount of energy because this was in many respects a response to the charge that we had too big a budget deficit.

Q: Well, I'm still unclear, other than having meetings and debating things, sounds like almost an academic exercise as opposed to coming down with policy or something like that. What did you think?

FERNANDEZ: It tended more toward that. You know, it was more of this greenhouse of ideas than a policy-making... You know, out of which would come let's say, factual treaty type of commitments. You didn't get that. These really were policy statements. They were talked about as issues. We're talking about another fora. The trade issues we're

talking about the GATT, and the size of the GATTs. There is where the contractual obligations would come in.

Q: Could you talk a bit about maybe, from your perspective national differences as they went into this. Take the French for example.. I mean, what role did they play?

FERNANDEZ: They played a very big role. Of course they were right in town so they could always send big people to the meetings. No prime minister was in. I don't know that the foreign minister was in, too. The minister of agriculture, the minister trade and people like this would be at the meeting. What was their role? It probably wasn't a great difference than it was in any other forum in which the ministers between the United States and France, whatever you wished. When I left the organization was headed by a Frenchman. But as I say, I don't think there was anything terribly unique about U.S.-French relations in that forum from any other place, believe me, just no differences of what the priority should be. I remember during this period Mitterrand had come to power.

Q: As a socialist.

FERNANDEZ: A socialist and a series of nationalizations if you will of the banks and such. These policies were not particularly beloved by the United States. He did in time have to make a U-turn. But when he came in, was it in 1980, '81, he began a policy, a regime of directing the economy which is a strong French tradition in trade which the United States is not very much in favor of.

Other issues that we would, trying to think of another one that came up. For example, there was the matter of subsidies to industries by the government in order to compete internationally. There was the matter of giving countries foreign assistance as a sweetener to get certain deals. One, let's see, the devolution of the telephone system, or whatever. These could be very flagrant instances of the French using ODA, Official Development Assistance, to sweeten the package that French industry would be negotiating with the country in order to enable them to get the contract because U.S. and other companies couldn't make these kinds of arrangements, which would run contrary to whether or not it should be done. The fora in which that was debated was called an export credit [arrangement]. According to that arrangement, [there were] two categories. For each of these categories a government could provide a certain percentage of ODA [Official Development Assistance]. Now there is where we really separated with the French. The United States and France were really fighting that out in the export credits arrangement because then that would become policy that the country would be committed to, in a sense codified their behavior or what was legal to do in our international relations with each other.

Now, what are the French things? Well, I think on the trade matters we were always tuning and throwing during this period. I could remember Bill Brock, he was our USTR, a splendid man with an outstanding staff of people. I just want to talk about USTR as far as the Foreign Service and the State Department and foreign relations. There is no question that the USTR was a lean and mean agency that had great influence, and still

has, over our foreign trade relations. Greater, in many instances than the Department of Commerce and the Department of State. At State, the old economic officers will always [be critical] or complain about [USTR being] the stepchild of the whole thing. Well, STR was very much involved in trade policy. There was a trade committee and it was a trade committee involved in trying to adjudicate differences and interests and reconciling [differences].

I remember during this period that there was a GATT [General Agreement on Trade and Tariffs] meeting in Geneva where the issues were taken. What struck me was I went down there to assist with the information activity and I was not feeling well at all, I had a terrible cold, and I said, "Well, I think I'll go home." Well, it was Sunday afternoon, so I got in the plane and went back to Paris. In the meantime the negotiators stopped the clock. They had these negotiations to go on until midnight of another day. So they stopped the clock and they kept negotiating. Lo and behold, that Sunday morning I left Paris and I woke up the next morning in Paris and the talks were still going on.

Q: Did you find within the American delegation a growing questioning of what the development of the European Community meant to the United States? This had been a cornerstone of our policy, particularly keeping the French and the Germans from fighting each other, and the more you can tie them together... The main thing was to keep the French and Germans... So we were sponsoring all this. This has been a cornerstone since 1945. But I was wondering whether you were finding people beginning to say, "Hey, wait a minute, is this a good thing as far as the U.S. is concerned? Will this become a closed market for us?"

FERNANDEZ: Well, those issues, you know, for market access and competition policy for example, those are really handled in Brussels. The major ring for the negotiations was in Brussels.

Q: I was just wondering, when you're discussing these things, one of the things, obviously, the French keep French interests foremost and I was wondering whether the United States was in discussing wondering where are all these joint cooperative like Common Market and other things going?

FERNANDEZ: See, they actually had a representative on the executive committee, seated. Let me just try to answer this from another different point of view in terms of what U.S. priorities were and what is going on in OECD. There was one issue that we didn't want to expand too much. That was environment. ...let's do more for the environment, so there was a constant struggle within OECD to keep a reign on that, so an issue like that wouldn't come to dominate...

Q: This is reflecting the Reagan administration early on, acid rain, and everything like that.

FERNANDEZ: That is correct, there would always be... There was a bureaucracy there that was very clever. [The people] trying to fill up their briefs and their sections were

very, very active indeed in that sort of thing. Now, in terms to go the other side of the issue that were of interest to us in that forum, [there] were as any others, was the matter of East-West relations. Well, there, I think any officer of our mission at the time you would interview would remember that getting the East-West issues out on the table for a good debate was always a problem. It was always a compromise on the part of the others. You would say, "Well, you know, we really don't need, you know..." Then the other country would say, "We don't..." you know, went into it holding their noses to debate East-West issues. But this was the Cold War and we were very interested in having that [included] as an agenda issue for the executive committee, XESS, the Standard Executive Committee meeting which were always very interesting. You had two or three kinds. You always had big fish that would come from all the countries to this.

GLENN SLOCUM
Club du Sahel Officer, OECD
Paris (1984-1988)

Glenn Slocum was born in 1940. After finishing graduate school at the University of Maryland in 1969 he joined AID. His career includes positions in Cameroon, Senegal, Paris, Washington D.C., and Burundi. Mr. Slocum was interviewed by W. Haven North in November 1998.

SLOCUM: I continued working on the same region, succeeding Art Fell at the Club du Sahel position at the OECD in Paris. The Club was a donor group organized under OECD auspices in 1974 to help coordinate donor policies and strategies in the eight countries of the Sahel region of West Africa. In August 1984 I transferred from Washington to Paris. It was unusual for an AID officer to be assigned to a European post, but I was fortunate to be assigned to one of them. I had quite a bit of Sahel experience, having been posted to Senegal for three years in the late seventies, plus the five years I had spent working on projects in the Sahel region from the Washington side, which left me fairly familiar with the issues of the region.

Q: What was the setup that you had at the Club?

SLOCUM: Before getting to that maybe a little bit of background on how the office was established. I recall an evening dinner, when you were coming through Dakar and Gene Chiavaroli had you over for dinner while you were waiting for a connecting flight on PanAm for New York. I have a vague recollection of sitting in Gene's living room, out there by the beach, and talking about some of these issues.

As the drought had taken on some fairly devastating dimensions in the early seventies, by about 1974, AID was, I think, the main agency pushing other donors to have a more coordinated approach to the effects of environmental devastation and desertification and drought in the region. The Sahel region of West Africa goes from Mauritania to Senegal, Gambia and Guinea Bissau moving east across a belt south of the Sahara through Mali,

Niger, Burkina Faso and Chad. (The same ecological conditions pertain to Sudan, southern Ethiopia and northern Kenya, but the Sahel region with which the Club du Sahel deals ended with Chad.) The Sahel also includes the islands constituting the country of Cape Verde off the coast of Senegal. Roy Stacy was the first AID officer stationed at the Club du Sahel. He went there in, I believe, 1974 and served there for about four years. Art Fell then was there for six years. So, by the time I got there in 1984, the Club du Sahel was a mature institution. It was headed by a renowned Frenchwoman, Anne de Lattre, who after 10 years was the driving force and, some would even say, the personification of the Club. Although AID was the main donor pushing the Club's establishment, the French were key to its success because six of the eight countries were former French colonies and French was widely spoken, and the official language of, these countries. In 1974, Madame de Lattre was named the first director of the Club, and served in that position for 14 years, maintaining an association with the Club until recently. She had already been an international civil servant, having worked for the OECD for a number of years in the Development Assistance Directorate. Though she had no experience living in Africa in the way AID Foreign Service officers did, she was a very dynamic and respected force behind the Club. The AID person functioned informally as the deputy in the Club. The Club staff has varied over the years. When I was there, there were four donors who seconded people to the Club. In addition to the American, Canada and the Netherlands posted officials there. France had a de facto representative in the fact that Mme. de Lattre was French, but also by virtue of the Club's location in Paris, with close access to the French Government and the widespread expertise of French citizens. Italian participation was informally supported by an OECD documentalist who was Italian. Later a knowledgeable German aid person served at the Club.

The Club had been founded in tandem with a counterpart organization in the Sahel, which was known as the CILSS, the Interstate Committee for Development and Drought Relief in the Sahel, a regional organization of Sahel countries set up to combat the effects of the drought. In the first 10 years, the CILSS and Club collaborated to complete a number of sector assessments in the main areas affecting environmental degradation and food security policy in the Sahel. By the end of the '70s, there were AID Missions in all the Sahel countries, and they collaborated in varying degrees with the Club to help do these national sector assessments.

By the time I arrived, the sector assessments had been completed for each country, and the member states had approved them. These formed the basis for the next step, forging common regional approaches to make the national programs effective and working in sync with each other. National programs of food security, environmental control and related areas had regional implications, as, for example, in pricing policy. One country's pricing policy could stimulate or discourage trade with its neighbors. If the latter, then farmers would be disadvantaged or consumer prices would be higher than they had to be. By the time I arrived at the Club, the basic analytical work had been completed, and the time had come to begin looking at national programs from both the governments' and donors' perspectives. Art had handled the anti-desertification and environmental portfolios, so I spent a fair amount of time working with the donor community in the

Sahel countries helping them develop national environmental action and desertification control plans that would meet the approval of most of the donors so they could have coordinated approaches to these areas.

Q: The sector studies were for the whole region rather than individual countries?

SLOCUM: Initially the studies centered on individual countries, followed later by some “synthesis” studies bringing together some general analysis and principles, tying together the country assessments and drawing some regional conclusions. Most of the national studies were prepared in French, and they had the French-language title that became our jargon: Bilan Programmes. “Sector assessments” is a loose translation of that, but we don’t have quite an equivalent.

Q: What did they focus on?

SLOCUM: The initial push was on food production. The agricultural bilan programmes looked at what they called overall cereals policy questions because they were the basis of the agricultural economies of all those countries. The others were in the areas of drought control and environment, with a focus on reforestation.

Q: They were projects?

SLOCUM: That is a good question. From the donor and Club du Sahel point of view they were not projects, they were sector assessments with policy indicators. But here is where we get into a theme that I think became a problem for the Club’s network and philosophy. I touched a little bit on this earlier. From the donor/Club viewpoint, the assessments were necessary to develop consensus approaches to overcoming the effects of the drought and getting the countries back on a self-sustaining ground. A key operating, and philosophical, principle from the beginning was that the Club had to work in collaboration with the CILSS secretariat. The key founding donors of the Club, notably the French and the U.S., in effect, “created” the CILSS to institutionalize Sahelian involvement and ownership of long-term sustainable development programs. However, the Sahel states through the CILSS had a different, if unwritten, mandate, which was not in concert totally with the donors. The donor interest was to develop better policies and programs. I think the Sahelians saw the CILSS more as a mechanism to get more funding into their programs. This fundamental institutional difference was unspoken but important to recognize. It probably still persists today.

In the ten years since I left the Club the work program has branched out to include new areas, such as the linkage of coastal countries’ to the Sahel countries’ economies. The Club and the CILSS also began looking more to the private sector as the indispensable underpinning to growth and development. And the impact of population growth became part of the mandate. These changes have taken place since I departed in 1988. It is a sign of the Club/CILSS model’s staying power that it is still a dynamic network, despite the cuts in AID’s budget and personnel staffing over the years and the closure of bilateral USAID Missions in all but two of the Sahel countries. It shows that despite the divergent

interests of the two institutions, their contribution has been important enough to merit continuing support.

Q: Was policy reform a major emphasis?

SLOCUM: Yes, mainly in the selected sector areas. But the implicit result was to expose the Sahelians to the regional nature of the issues with which they were working so that the countries would cooperate more closely on issues critical to their economic futures.

Q: But, it wasn't a formal program.

SLOCUM: Not as such. The idea was to spur debate among the Sahel countries to develop better policies, but to do so based on their gained experience and the added knowledge provided by their debates on the bilans programmes.

Q: How did you find this work of trying to translate a general sector analysis into a national program?

SLOCUM: It was a challenge to translate the sector assessments into national applications that had a change impact on the donors or the Sahelians. Again, the divergence I enunciated earlier, divergent interests between donors and the Sahelians — in which donors were looking for better projects and Sahelians for more money — played out here too. An additional element was that donors' national programs were unlikely to be changed based on a Club/CILSS-sponsored meeting held in country X. Holding national “concertation” meetings to see how countries might better approach agriculture or environment had only a temporarily stimulating effect. What was needed was some sort of local incentive to take the results of those discussions and put them into a framework which would effect real changes in approaches within the national programs. But it never quite came to that. I suppose that for this to happen it would have been necessary for a Club/CILSS entity to take root institutionally within that Sahel country. But that was not the purpose of the Club/CILSS, to replicate itself country after country.

In fact, I learned that USAID Missions in the Sahel were the strongest objectors to a strong Club/CILSS network in the Sahel. They saw us as laying a competing claim to scarce resources for their bilateral programs. They rarely saw us as value-added to their own programs. In meeting after meeting of Sahel Mission Directors, complaints were lodged that USAID funds going to their regional programs detracted from their own programs. I should note here that, in addition to the Club/CILSS study program, AID funded a number of regional projects, in AGRHYMET, INSAH, Population, Agricultural Research, and Pest Control (IPM). It was a battle, and despite strong support from Washington leadership, both the Administrator's office and the Africa Bureau, the field directors never fully bought into the regional program. The field directors were part of an institutional culture that rewarded the Missions' bilateral programs. Officers rarely got rewarded for building regional programs, because they were seen as not really contributing much to their own national development objectives. This was a constant tension which I don't think any of us were ever able to abate. The debate was over how

much investment should be made into regional approaches vis-a-vis national ones. It was something we talked about at every annual Mission Directors meeting.

Q: What was the receptiveness of the governments to this sector strategy for the Sahel ?

SLOCUM: At the technical and policy levels, there was tremendous receptivity. For one thing, for the first time, the CILSS/Club network provided a regular forum for exchanging ideas, for learning from country to country, and this was very enriching and empowering (Anne used to refer to it as a “privileged forum.”) I did feel that at a political level, there was this divergence in interests between the donors, who were aiming at better policies and programs, and the Sahelian governments, who saw CILSS as a fund-raising mechanism. However, to be honest, I should ask the question: if the interests were as divergent as I assert between the donor community and the Sahel governments, then why in 1998 does the Club/CILSS mechanism still exist? I think it is because the CILSS provided a needed forum for dialogue, even if the countries’ economic indicators have not improved that much in 25 years, regional cooperation has been in their collective national interests, and the CILSS has fostered that and is now, a generation later, identified as an important contributor to that process. I should add also that the operational budgets of the Club and the CILSS as institutions were not large. In fact, donor pressure has seen the CILSS budget and staff cut back and their work program rationalized.

After my departure from the Club, the CILSS secretary general, Nigerien Brah Mahamane, was hired to set up a regional office in the Ivory Coast to look at the role of the coastal states’ economies on the Sahel countries. I remember hearing that there wasn’t much product from that effort, but I can’t be specific as to what the problems were. It was inevitable and, I think, appropriate, that the burgeoning movement to spur market-led growth in developing countries would be reflected in the Club/CILSS work program.

Q: You talked about the coastal regions?

SLOCUM: Yes, these were a critical element of economic opportunities for the Sahelians, and I don’t think the Club/CILSS strategy gave them adequate attention at the outset, though it came to recognize their importance. For over 10 years the Club/CILSS looked to restoration of the Sahel’s ecological capital, but it could also have taken its coastal neighbors into account. For years, citizens from the Sahel have made their way to the coastal countries for jobs and other economic opportunities. So, for example, throughout the coastal countries of West Africa you have many citizens of the Sahel countries working in the service industries. There was an attempt to look only at the Sahel countries as a unit and exclude the economic impact of their economically stronger neighbors. There were a lot of efforts in that area after I left. The point of all this is that there were constant attempts to take a fresh look and enhance the wisdom and rationale for the CILSS and Club’s agendas.

Q: To raise the question of why did it survive?

SLOCUM: Well, there was a mechanism to have the “board of directors” —the donors and the Sahel countries — conduct a formal review every two years of the Club/CILSS work programs. Later, there were efforts to re-engineer, to look at what made sense in the Sahel. What is curious is that, in response to the Sahel drought, not only was this regional mechanism set up between the CILSS and the Club, but AID also established Missions in the mid-seventies in virtually every country in the Sahel, which was, I think, a sign of the strong interest and support the Agency intended to give to development in those areas.

Q: You were able to view the work of the Club du Sahel and all resources it provided after it had been in business for about ten years, what sense did you have that it was making a difference or would make a difference? What was the result of ten years of effort? In the beginning there was an assumption that in ten years we would have finished the job or close to it.

SLOCUM: I recall seeing a review of the 1960s’ antipoverty program on PBS recently, and a clip showed Sergeant Shriver, the program’s first head under LBJ, reply “yes” to a question “Do you think poverty can be eliminated in America in 25 years?” I think that the 10-year time frame envisaged at the outset was totally unrealistic and not based on any firm analysis of the real problems that had to be overcome: desertification, poor human resources capacity, mismanagement, donor dependency (which was probably exacerbated during this period), inadequate macroeconomic environment, etc. We’ve learned that sustainability requires long-term investments. The Club has now gone on for over twenty years. Roy Stacy went back after his retirement, and became the Club du Sahel Director. He has now left, and Club donors have agreed on a replacement candidate — another American, by the way. So, despite all, the slow rate of progress in the Sahel, the closing of many USAID bilateral missions, and the historic lack of support to the operation by USAID Missions in the field, the Club/CILSS institution lives on. I think it continues for a number of reasons. One I suspect is the fact that the level of poverty in those countries, because of the low resource base and the effects of continued environmental degradation and desertification, are such that they simply cannot survive without donor support. So, collectively among the donors there is a recognition that, even if not every donor can be present in every Sahel country, as AID is no longer able to be, the Sahel needs special attention. (In fact, it could be argued that closing so many of the AID Missions was facilitated by the existence of regional sources of continued assistance to those countries.) That is one rationale that keeps it going. I think the other reason is that there probably never will be very strong results in the near term. One has learned to be very modest in the expectations as to how long it will take for these investments to bring lasting results, and that probably the best we can expect in the short term is to create a kind of standing action to keep the desert from encroaching further, to enable the nationals, both public officials as well as private citizens, to better equip themselves to manage their own development.

But, there has been another factor, and this is kind of getting us away from this assignment, but I think it is useful to put it in context because we are going to come back to it in my experience in subsequent assignments. That is, the increased propensity in many African countries towards chaos and conflict, which unsettle the already fragile

conditions, have become more manifest and therefore have worsened the human condition. That means a stronger need to give some kind of attention to this. One manifestation of this is the increasing amount of funds going to relief and humanitarian aid as opposed to development aid. That is a reality. I don't have the figures on every country, but in the East Africa region four years ago, for every dollar of U.S. government money going to development, two dollars were allocated for relief and humanitarian assistance.

Q: How much would you say roughly was the aid to the Sahel over this ten year period that you can look back on?

SLOCUM: Speaking for AID, the annual Sahel development appropriation was on the order of \$80 million. It varied from year to year and eventually this special appropriation got melded back into the Africa appropriation. Early on, this level of interest was manifested by some fairly big projects. I remember one for Burkina Faso that was a fairly large integrated development project. I think it was \$80 million over ten years, or something like that. Wherever we went we saw the same tendency because of the availability of funding to come up with some fairly ambitious activities. In the countries in which I have more knowledge, for instance, Mauritania, where I was later assigned after leaving Paris in 1988, the impact of those initial large projects was unclear. For example, in the Rural Assessment and Manpower Survey (RAMS) in Mauritania, a great deal of money went for a wide swath of technical assistance which produced a long series of studies that, regrettably, seemed more useful as shelf stabilizers than for the application of their substantive contents, and I saw little evidence of their use by Mauritians, or anybody, when I got to Mauritania several years later. I would hope that other donors coming through wanting to work in a given area where some of these overall assessments and satellite mapping and natural resources had been completed would use them. But, to what extent it enabled the Mauritians to better understand their areas of potential that they could develop, I am less able to answer that. I just don't know.

I had a colleague who worked on a huge livestock project in Tahoua, in northern Niger. He is a personal friend of mine and I see him socially. He spent two years as a financial analyst on the project, a huge technical assistance team in this remote area of Niger and the idea was to assist Nigerians to improve herd practices, animal health, management and accounting, etc. He told me that he is not sure any beneficial result was left behind based on his own knowledge and the contacts in the years following he had with his working colleagues from there. This person is still working in development and is able to place the activity in a wider context.

At the same time, I know that Mission Directors were very keen on making these projects appropriate and making them run properly and structuring them in a way that enhanced capacity locally. Similar issues were raised, I recall, with respect to the regional integrated pest management project (IPM). This concern led to a major scaling back because it became apparent that the expected results were not being achieved, mainly because of the very weak indigenous capacity to learn and apply the assistance.

Now talking historically, of course, and lessons learned ten, fifteen years ago, I think we did learn a lot of lessons which helped us improve our approaches. The focus on managing for results and developing indicators that give you a sense of how you measure progress has all come in the last ten years. But, if I go back to your question, what results do we have in the countries in which these projects were implemented, I think probably the biggest result over time is how many trained people understand the issues, understand management, understand financial controls. I think that probably it is the most important thing. Gradually building a critical mass of trained managers and technicians who can design and run these activities themselves on the ground.

Unfortunately, what has countered that tendency has been problems of governance, power oligarchies and corruption, not to mention tribal and ethnic violence. Those things were not as apparent in the Sahel in the '80s. There was one border war between Mali and Burkina Faso, but it only flared up for a few days and quickly subsided. There was a greater tendency to maintain control, but these also were essentially nondemocratic governments. So, I think the effort to focus on the Sahel made sense, because it was recognized that over time, more and more humanitarian relief would be required if we didn't try to get a basis for development established in that region.

Q: But you don't see any results on the ground?

SLOCUM: Oh, yes, once we understood better the multiple causes of the constraints, we began to design better activities. Certainly we see results in terms of enhanced capacity, both of civil servants and in the private sector. The Club/CILSS epoch coincided with the World Bank structural adjustment programs. These SAPs, plus sector investment programs, have resulted in such innovations as modern and widespread health clinics and reforestation activities that involve community participation. While the mega-projects were probably inappropriate for their time, progress has occurred in decentralization, civil society and other examples wherein nongovernmental organizations (NGOs) serve as counterpoints to governmental dominance in economic development. The Structural Adjustment Programs became very important mechanisms for economic adjustments so that the state got itself out of some very inefficient roles in the economy and allowed the private sector to take over. All these things were germinating in the 80s and later even burgeoned in the 90s. For example, were the investments in the health sector from the donor community sustainable for the host country? Probably not. It is unlikely for the national economies to get to the point that they can maintain a national primary health service delivery system without some kind of donor assistance. Whether it was for vaccinations or for drug supplies, birth control, whatever those systems were, I suspect that it was going to take a lot more than just these projects to make these activities sustainable. But something had to be done to get the basics to the people. My point is that we are learning as we go and adjusting our programs accordingly to get at the basic constraints.

Q: Do you think these countries are viable?

SLOCUM: It just occurred to me: You came through Paris and you and I sat in Anne de

Lattre's office and we were talking about some of these same issues. I remember you said to Anne, "What can we do?" Anne said, "We should just build roads and maintain them forever." I don't know if you remember this discussion, it just came back into my consciousness. We were all three searching for what would really work. I think Anne's point was that they are not going to be really viable in the national sense, and, therefore, the donors have to pick out certain sectors and provide the wherewithal to make them work for the foreseeable future, relieving the pressure from the local government by a major contribution to that one sector, and freeing resources and people to work on other important sectors. That was probably a nonscientific response Anne gave you based on her years of experience and may not have been totally thought through. If one went further with that question I think one would say that even if the economy is not viable, what are the areas that these economies can sustain? There are other complications in this discussion. For example, how much of an AID budget should go to the social sectors, how much to the economic and productive sectors? Well, there you have national parliaments and our own congress saying that you will devote so much of the budget to health and family planning. Even we, as analysts, who try to determine where the best donor investments can go, have our hands tied by the fact that some of the allocation decisions are made through the appropriations process and not on the basis of a needs analysis. So, it is a very complicated game we were and are playing here.

Q: Did you get a sense after ten years that anybody was better off?

SLOCUM: I think there was the beginning of the effort to see how local initiatives could pay off. For example, I told you a lot of my time was spent in the first three years of my four years there on working with donors in countries to come together with the national services and develop a national environmental action plan. (Actually they were called "National Desertification Plan.") In my last year, with help from my Dutch colleague, we began to realize there had to be much more emphasis on local initiatives, what we now call civil society and NGOs. So, a big conference was held shortly after I left, and my Dutch colleague took responsibility for organizing this. It was called the Segou Conference, held in Mali. That was the first effort to bring not just government officials but also NGOs interested in reforestation and similar environmental projects throughout the Sahel to come together and talk. To my knowledge this was the first effort of the Club to get involved in participatory issues. I think donors had been talking participation for some time, this was not new, but it was the Club's recognition that we had done the sector assessments, done the regional issues, done a lot of the national sensitization programs on cereals policy and environmental issues, and now where do we take it from here? About the time I left they were just beginning to recognize there had to be much more involvement — what we now call "stakeholder" involvement — and this was the logical direction for the Club to go, a new area for them, to get broader participation in the decision making, the actual problem identification and the whole process.

Q: In the sectors you were handling, environment, etc., what were the elements of the strategy or policy that you were promoting and trying to get governments to adopt and donors to join in on? What were some of the substantive features?

SLOCUM: In a resource-poor environment aggravated by drought, rationalizing the agricultural sector on a regional basis was the first priority. Thus the bilans programmes on cereals pricing policies. The reforestation bilans were meant to help countries and donors develop coherent strategies for stopping the advance of the desert, where feasible. Later, as I just said, the Club began looking at how these strategies could be best promoted, and we realized that there were gaps at the local level. We also began sharing technical lessons among the countries. A research activity in one country might develop a special plant species that had roots that could go down low and find the aquifer, a perfect drought-resistant species for the Sahel. One of the things we were trying to do was take lessons learned and propagate them. There were things that were drawn up by the consultants who did the sector assessments and then the idea of doing these at the national level was to see what the donors and the Sahelian officials coming to the meetings thought would make sense. The result of that meeting would be a document which would provide a list of activities that would move the process forward. Was it a shopping list that the Sahelians always like to see? Well, to some extent it was. On the other hand it did get people sitting in the same room thinking about these things.

Q: What were some of the activities?

SLOCUM: Sand dune stabilization was a controversial area and applied mainly to Mauritania and the northern regions of countries like Mali. I saw such schemes in Mauritania. Even the capital city of Nouakchott was threatened. Once those dunes start moving, they are virtually impossible to stop. The Mauritians had constructed a good road running east from Nouakchott, which is on the Atlantic. Within five years parts of it had to be regularly plowed from sand on the northern side. Eventually the dune would be so massive that no amount of plowing could handle it. They would simply have to abandon the road at some point and relocate it further south. So, technically, stabilizing sand dunes was a lost cause. As far as I know, the idea was abandoned as unfeasible. The more successful activities over time were community-based reforestation, small-scale irrigated perimeters near water areas, natural crop and plant protection.

Q: The big part was reforestation?

SLOCUM: Yes.

Q: Would that include the community tree-planting scheme?

SLOCUM: The result of Segou was to encourage countries to give farmers more autonomy and authority over such planting sites. Prudent use of water sources was another area for development, including irrigation schemes. Other lessons learned and applied included the evolving role of the state, from one of intrusion to support for private-sector and community-based initiatives. The idea also was that these local reforestation projects were more successful if land ownership issues were resolved and if the people living in the area had a sense of personal responsibility for making these projects work. There were land tenure issues involved. We did quite a bit of work in that area.

Q: Were you involved in the cereal policy exercise?

SLOCUM: Most of that work was done before my time, although I had some involvement.

Q: Have a chance to see any results of that policy exercise?

SLOCUM: Prior to my arrival, national cereals policy analyses had been completed. The effort shifted to regional coordination of those policies. A series of regional conferences were held, the last in my era was in Cape Verde. At this point discussions were shifting away from official policies, which were becoming increasingly harmonious among member countries, to private sector incentives to increase production, and more extensive agricultural practices.

Q: Did you go to the Club du Sahel conferences where the donors got together?

SLOCUM: The formal convocation of Ministers and aid agency heads occurred every other year. I went to the one in Milan in 1986 or 87, I believe it was.

Q: Who attended them?

SLOCUM: It was very high level. Donors sent the equivalent of the Administrator or the head of their Africa sections. These were major events. Usually a president of one of the Sahel countries would come to open the session. In the case of the one I attended in Milan, the Italian Prime Minister and the President of Niger presided at the opening. The agenda was twofold: to present the results of the joint work program of the past two years, and to propose for review and discussion the work plan for the next two. A number of thematic presentations were made by Sahelians or donor representatives.

These were not just sector-level presentations. For example, two years earlier, the Canadians had proposed, and the plenary approved, an assessment of the future of the Sahel over 25 years: a "Futures Study." The Canadians funded it and contracted with a Canadian firm to conduct the study. It was a fairly extensive effort, but my recollection is that they carried it out rather in isolation. They came to the Club and met with Anne, then traveled to the Sahel organizations: certainly to the CILSS headquarters, and probably to the INSAH. As far as I know, no other donors, including USAID, were consulted until the first draft was produced. It was a Canadian effort from start to finish, from proposal to report submission. The brief was to present a picture of sliding scenarios of what the Sahel was going to be like 25 years from now, with an analysis of what donors could do to affect these scenarios. Their draft report was quite disappointing: it concluded that the Sahel was bound to fail unless donors provided what they called a "big push," an infusion of massive donor investments that would somehow make the Sahel viable. This was an instance where Anne's considerable diplomatic skills brought success out of failure. (Anne wasn't always so diplomatic, but someday maybe you can get her story!) The consultants were sent back to their drawing boards, gently, and tasked with doing more

focused analyses and making recommendations for ways in which both Sahelians and donors could make a difference.

Q: Back to the biannual Club meetings. What were these meetings supposed to accomplish?

SLOCUM: Taking stock of the work accomplished and getting endorsement of the work program for the following two years.

Q: The work program was a program that each government agreed to and was willing to take on?

SLOCUM: Yes, in principle. But frankly, I don't think the Sahel national governments were as motivated by the Club/CILSS work program and its impact on their national sector development plans as they were about attracting donor attention, meaning more funds, to invest in their own plans.

They weren't meant to be pledging sessions, but in the eyes of some attending the meeting, there was an expectation that those discussions would end in endorsements which would result in more aid. But, from donors', and certainly the Club's perspective, it was important to show what had been done and get some guidance on future activities.

Let me mention one other comment on the Paris assignment. In addition to the Club professional staff of five, three of whom were seconded from donor agencies (the U.S., Canada, the Netherlands), Club funds employed a number of consultants. There was a decided bias toward French consultants, but not entirely. One of the two full-time consultants working in the Club was French, and the preponderance of the short-term consultants we used were French. As you know, six of the eight Sahel countries are French-speaking. As an American Foreign Service officer, I found this an enormously enriching experience, too, working with development experts from other donor countries, often interacting in French. Most of the work in the Club was done in French. This opened up a world which was in many ways very different: conceptually, analytically, and culturally.

As the only native Anglophone in the Club, I was the one to do the final review of professional English translations of French studies and reports. It could be tedious but always necessary to make sure the final English version flowed smoothly. I did find, in fact, that professionally translated English-language versions of the original French often were very weak and required some work. So, I began taking on that as well, just because I was under pressure all the time to demonstrate to USAID and to the Mission Directors in the Sahel the "value-added" of the Club. So these reports in English had to look fully professional and be readable. Sometimes if you took a perfectly good sentence in French, and just translated it literally into English, it wouldn't make sense, or would come across as very stilted. I remember I would sometimes look at a sentence and wonder what it meant and would take it to my French-speaking colleagues for help. They would scratch their heads, hem and haw, and eventually we would understand each other, and I could

then put it into idiomatic English. There were instances in which the sentence had to be totally restructured for it to make sense.

Q: How did you find your counterparts from other countries to work with?

SLOCUM: The ambiance was quite good. My colleagues were all development professionals and we shared a commitment to Africa. We were two groups: what I would call development managers, people like me who had “grown up” in a bilateral overseas development environment. Others were a step removed, from countries in which their aid agencies were part of their diplomatic service. The Canadians were in this category. Madame de Lattre, Anne, was the most different. She had never lived in a developing country, unlike all the rest of us, but she had a career as an international civil servant at the OECD in the Development Assistance Secretariat. So she knew the development business and the issues. She was fully bilingual, traveled well in the worlds of USAID and the ODA (British aid at the time). I would like to say a word about Anne. She was both a positive and negative influence on the Club. She was its matron. In many ways the Club and Anne de Lattre were synonymous. She put her all into it and deserved this identification with the Club’s success. For the 10 years prior to my arrival, she and Roy Stacy, followed by Art Fell, were the principal drivers of the organization. She in particular gave it its stamp. But after 10 years, she had begun to realize she wanted to reduce her personal involvement and hand over the Club to someone else. But she was having difficulty letting go. In fact, even though she has not been the Club director since 1988, I believe she is still very influential and playing a role behind the scenes. At least that was the case until very recently. She was the driving intellectual force behind the Club, but she was not what one would call a “modern” manager. In the four years I was there, as she was slowly withdrawing, she would choose moments for intense involvement, alternating with periods of virtual absence. For example, each year she spent the spring semester teaching at Davidson College in North Carolina.

I must say she interacted very well with Sahelians at all levels. She was an aristocrat of the old school, yet loved traveling to the remote corners of the Sahel. She was on a first-name basis with many Sahelian presidents. She really was a very strong presence. This is the positive side. But I think her strength did have one negative impact: it did not allow the natural growth on the Sahelian side of strong counterpart leadership in the Club/CILSS network. But let’s give her credit: the Club and CILSS system is still a strong presence in the Sahel, even though many bilateral donor missions no longer are present.

I cannot talk of the Club without reflecting on the French more generally. As I said earlier, the Sahel region was in many ways still in the French “domain” (I realize this term could raise eyebrows.). The period of the strong donor buildup in the Sahel, roughly the first 10 years of the Club’s existence (1974-1984) saw growing collaboration between the French and other donor countries. The French were happy to have other donors share the load. The French had a burden after their colonies’ independence to keep investments and the economies afloat, and they welcomed assistance from other donors. I think that is one of the reasons the initial effort by the Americans to set up this regional system of the

Club and the CILSS met strong French support, and also the fact that Anne de Lattre was such an excellent bridge builder. So this was a period of strong collaboration.

Occasionally there would be little scraps which gave an indication of French underlying attitudes towards their “domain.” I will give you an example. The French had financed a lot of big irrigation schemes in the Sahel. I remember there was an irrigation group that had a meeting in Paris and I don’t remember exactly who was attending, but one of the things I circulated was a comment from USAID/Mali that included a sentence saying the classic big French irrigation projects have been a failure in Mali. One of the French engineers at that meeting caught that and reacted strongly. He was a very nice, reasonable guy, but he saw that as America attacking the French. He came back with a very vitriolic letter, which was totally untypical of the man whom I had met at the meeting. I showed it to Anne, who said not to engage in polemics, just leave it alone and don’t worry about it. She had good political instincts, including which battles to pick (i.e., the ones you have a chance of winning!)

What has happened subsequently and especially in recent years is that the French budgets have gone down, just as the U.S. budgets have declined. But major conflicts in Africa have required the French to send their troops, and this always has a high cost. The French have started to become concerned that they are losing their hold in Africa, and fear we are trying to replace them. Of course, the last thing we want is to see the French leave, because their influence is still needed. So, it is a complicated subject.

The last comment I will make on the French in my experience at the Club du Sahel is that the French philosophy of development is intimately allied with their own cultural values. Their cooperation missions abroad are called not just development missions but development and cultural missions. This means propagating the French language, which is the main vehicle for propagating the French culture. One cannot understand the French attitude towards its former colonies without understanding that we, as Anglophones, do not share that sense of feeling threatened. We don’t feel threatened by the potential loss of English as an international language, but the French feel constantly beleaguered by the “dominance” of the English-speaking world. They feel that that is an important part of their international role, and it is in their national interest to propagate their language as a vehicle of their culture. This is the key to understanding much of France’s behavior in Africa in recent years, such as in Rwanda.

Probably the best example I can make, and this jumps ahead a little bit, was in the aftermath of the Rwandan genocide in 1994. The French sent troops into what was called Operation Turquoise, which was to try to stop the civil war. I happened to be in Paris on my way through and was in a friend’s apartment watching the news that night on TV. The French prime minister was being interviewed by the newsmen, who said, “Mr. Prime Minister, why is France sending its soldiers to Rwanda.” Here is how he responded. In French it comes out much better, but what he said in English was, “Well, of course, you understand Rwanda is our friend and it is a French-speaking country.” In French that makes perfect sense. But, can you imagine if you try to apply this to the American context, with our president announcing that he has decided to send troops to Nigeria to

restore democracy and we are doing it because they are our friends, *and* they speak English? He would be impeached! So, there is a fundamental cultural difference in the approach and the world view the French have.

Q: A very good illustration. What about the technical orientation of the counterparts that you worked with, the French, the Dutch, etc.? Did you find them still in the old technological perspectives or were you all on the same wave length when you are talking about desertification and environmental issues and things of that sort, for example ?

SLOCUM: The French irrigation expert aside, I found that donor representatives were moving forward in technical innovations and concepts pretty much in sync. In fact, one of the Club's major contributions was its serving as a forum for bringing different points of view together and hammering out a consensus. In addition to the meetings, there was almost continuous consultation on the range of technical issues to reverse the process of environmental degradation in the Sahel. Technically, I think there was excellent interaction. In fact, as I think back on it, what the Club really represented was what USAID would call re-engineering ten years later. The principles of "customer focus" (e.g., African ownership) represented by the CILSS, "doing business differently" (hammering out regional and national consensus on approaches to development) typified the Club's philosophy and operations. The Segou Conference was a breakthrough as it applied a broader consultative approach with the populations on the types of participatory programs which could combat desertification at the local level.

Q: How did you find the Germans?

SLOCUM: Like the Swiss and the Dutch, the Germans employ what I would call a disciplined and "pure" approach to development. None of them has colonial "baggage" in Africa. (The Germans did, but that ended in 1919.) I found the Germans at the cutting edge in technical areas, and they trained well and seemed motivated by making sure Africans were able to pick up the activities at the end. Only in later years did the Germans post someone to the Club. But I worked closely with their man in Ouagadougou, an environmental expert who headed the German Cooperation Technical Assistance office there (GTZ). Part of his work was to support the Sahel regional program through the CILSS. His name was Gunter Winckler. I liked him immensely. When the Germans later decided to place a person in the Club, it was Gunter, where he served for a number of years. He and his wife were strong supporters of the Club/CILSS process, and I worked very closely with them on a number of related issues. He had great skills for the work he did, technically, interpersonally, and so on. The Germans were very cooperative during the period I was there. The GTZ in Frankfurt at one point hosted a donor meeting on environmental programs in the Sahel, to which all the major donors and the Club were invited to participate.

If you asked me to rank the donors in terms of their interest and support — and I realize you haven't asked — I would say in the top rank, after the U.S. and France, of course, I would put Germany, the Netherlands and Switzerland, the same countries I cited above for the soundness of their programming, so this is not a coincidence that I rank them

equally high in terms of their policy commitment. Canada was very interested, and collaborated closely with us, and, of course, they too had someone in the Club. Japan began getting more involved, and at one point was considering joining the Club and perhaps even placing someone, but that did not occur. Italy was hot and cold, and eventually Italy withdrew as a Club member, I understand.

Q: Were the meetings always with the Sahelians and not just among the donors?

SLOCUM: There were both. There were donor-only meetings, usually when CILSS performance issues were on the agenda or, for that matter, Sahelian countries' performance in a given area needed airing in a frank atmosphere. There was another meeting I remember I generated with the World Bank here in Washington. I was concerned that after the national meetings on the draft national environmental action plan, there wasn't any follow up or even an action agenda. The idea was to get the major donors interested in national environmental action plans to agree on approaches, then work out a plan of action for implementation. It was hard for us to know what practical effects these meetings had. So these meetings didn't really push the action agenda forward on the ground. Normally the CILSS would and should have been responsible for the follow-up with their member countries, but I don't think this was done, at least systematically.

By the way, in terms of donor interest, though the World Bank was not formally a member of the Club, it and the European Commission were interested in the process and routinely attended both donor and mixed donor-CILSS meetings. One reason for the Bank's interest was probably that it didn't have many resident missions in the field they way it does today.

Q: They didn't participate in the Club did they?

SLOCUM: As I said, the Bank never formally joined the Club as a member, but Bank staff, both technical and managerial, were very active in the policy and sector issues. The Club ethos was, I would say, very "Bank-friendly": deeply analytical, prescriptive, pointing the way to reforms. Now that I think about it, we (the Club and the Bank) were soul mates. And the Bank staff were very cooperative. This was another problem. The Club and the Sahelians generated reflection at the regional level, but the challenge became to translate that energy into national-level change. But then who was going to take responsibility at the national level to follow up? As you can see, this issue keeps popping up.

Q: The Sahelians weren't there?

SLOCUM: We had a mix of meetings. Some, especially the more formal, definitely involved national services, and Sahelian officials were active participants. But, as I showed above, we sometimes had donor-only discussions as well. But, you are touching upon another thing which is: how effective can donor-only meetings be when we are essentially trying to get the Sahelians themselves to get more involved and engaged in

these areas. Once in a while someone would raise the question: why is the Club in Europe? Shouldn't it be a support organization to the CILSS in Ouaga? Well, nobody ever said so, but I think it probably was because a lot of the people who energized the Club at the OECD would not move to Ouagadougou, including Anne, herself, I suspect, if you asked her. A related proposal was to transfer people between the two organizations, to take somebody from the Club and put that person at the CILSS and put somebody from the CILSS in Paris. Implementing the proposal broke down over the practicalities: who in the Club would move to Ouagadougou? And who would the CILSS put in Paris? The problem became who they would be and how effective would they be. That never quite got to the operational stage. In fact, it didn't really come up, to my knowledge, while I was in Paris, but it had been discussed earlier.

Q: Also the question of how effective the CILSS was because you still weren't at the national level at the CILSS. How effective did you find the CILSS?

SLOCUM: Generally speaking, the CILSS had difficulty finding its proper role vis-a-vis its member countries. Though some might disagree with me, I have the impression that the CILSS's creation was more an initiative of the donors than of the Sahel member states. The Club needed a Sahelian counterpart institution with which to work. As I said before, I think there was always a different perspective between the two institutions. Donors felt the CILSS would harmonize the policy and strategic dialogue among its member states, while I suspect that the CILSS countries saw the CILSS as opening up a wider source of donor resources for their national programs. So, CILSS's effectiveness was, in my view, constrained by this reality. But I am not saying that the CILSS served no useful purpose. Its secretariat had some outstanding people. The Secretary General during my tenure was quite good, a Nigerien former Minister of Rural Development who understood the issues and possessed excellent interpersonal skills, probably one of the most self-effacing people I've ever known. These skills helped give the CILSS a certain amount of credibility, but there was always the question of what CILSS's value-added was. People with a longer history might say that the CILSS's reputation fared better under the first Secretary General, but keep in mind that he served when the CILSS was starting from scratch developing those bilans programmes in the major sector areas concerned with agriculture and environment. He laid the foundation of the organization. Another element affecting the CILSS's effectiveness was, I think it needs to be said, the image many had that the Club drove the CILSS agenda. Was this true? Well, Anne was a very strong personality and, as I said earlier, her personification of the Club surely impacted on the CILSS. If some felt the CILSS was drifting, then the Club would pull it back. Again, I think one has to keep in mind that each institution had, by its own members' reckoning, different objectives. The Club wanted to improve the quality of development assistance going to the Sahel; the CILSS wanted to show its members that it was getting more money for them. These are not identical objectives.

About the time I came to Paris, Art Fell's counterpart for environment and forestry was a Malian who was quite good, a fairly senior man with earned credibility and respect, and an acknowledged expert in his field. Unfortunately for me, he returned to Mali (and became a senior adviser to the prime minister), and was replaced by another Malian who

was just the opposite: lazy, unproductive, and lacking respect and credibility among his own peers. So, the effectiveness of CILSS varied according to the quality of its staff.

Q: How did you go about it since your primary job was to convert national plans into operating programs? What did you do and how did you get them involved at the country level?

SLOCUM: We employed experts to move from the bilan programme stage into the preparation of national anti-desertification action plans. During my time at the Club, we oversaw the preparation of these plans for about six of the eight countries. The process involved outside experts, always including Sahelians, working with national experts. Once the host government approved the plan, we would sponsor a national-level meeting among relevant services and donor representatives within the country to review the plan, revise it based on that dialogue, and finalize it for donor funding. I think it was follow-up at this final stage that wasn't very successful. Even though CILSS staff participated fully in the planning and execution of these national meetings, and even though each Sahelian government had what was called a CILSS National Coordinator responsible for managing all CILSS-sponsored activities within the country, there weren't enough personnel to shepherd this process of operationalizing the plan. Now maybe this wasn't so bad. Ultimately, the impact had to happen within the country, and whatever initiatives generated by the CILSS national meeting took root, fine. Perhaps the seeding analogy helps: when you broadcast seed you expect some seeds to take root and germinate; others to dissipate. What I cannot tell you is which seeds among the ideas discussed at the national meetings took root. It was impossible for Club and CILSS personnel to keep track of each national program, nor should we have been expected to. I would be fascinated to see evaluations of these efforts in the subsequent years.

Q: They were national workshops about environment with specific programs?

SLOCUM: That's right. They were called "National Desertification Control Action Plans." There was a dichotomy there between our perception that these plans had to have high-quality program content based on rigorous analysis and research, and the CILSS/Sahelian perception that the plan should offer a shopping list of projects for donor funding. We always had a struggle in trying to get them to reduce the "shopping-list" mentality in the preparation of the documents and focus on quality of analysis and program development as the basis for project identification. The "first-things-first" concept. The joint Club/CILSS expert team would conduct the analysis, and when the document floated through the national services, projects for funding would be added in an annex, with little relevance to the analytical section. I think this was true in every country plan once it went through the national services.

Q: Did you find the regional meetings somewhat productive?

SLOCUM: They were useful in sharing ideas among member states and learning lessons that could be applied from one country to others. The participants, either policy-makers or technical experts, would get to know each other and to exchange ideas and

experiences. I remember one technical-level meeting on agricultural statistics, which was held in Dakar. The Burkina Faso representative later became the minister of agriculture. Such meetings and discussions must have enriched his ability to direct agricultural policy in his own country.

Africa development is not constrained by the lack of good professional, analytical and technical people. I think the idea is to build a critical mass. I hope that these regional efforts by the Club and CILSS over time are helping to build this critical mass.

Q: Critical mass of...?

SLOCUM: Professionals, trained managers and technicians who form the nucleus of the institutions needed to manage the development process. Over time I think that has been developing. Institution-building has been enhanced in recent years by the revolution in information technology, which is helping to create this mass of trained people.

Q: Any other dimensions of the Club du Sahel experience?

SLOCUM: As an AID officer assigned to Paris, I was privileged to be exposed to a very different working environment in support of development objectives in Africa. I would estimate that I spent about 30 percent of my time in the Sahel region of Africa working on the areas I have described, networking, promoting national programs and representing the Club at a number of regional meetings.

However, I would like to point out one additional area related to this assignment: it is that I don't think the agency places a great deal of value on what are called excursion assignments. These are assignments in such areas as long-term training, or an assignment to an international organization or bank. The AID promotion system does not honor such assignments because the AID "culture" regards them as outside "the mainstream." I think it is unfortunate because some of the most rewarding and broadening assignments have been these such which have served to substantially broaden one's professional perspectives. For me, the Club posting enabled me to look at development from a very different perspective in a multi-donor environment. That was very useful. Later on I went to the War College, which was also extremely enriching, but within AID, officers' chances for promotion are not enhanced by serving in such assignments.

I can tell you a story. At one point your successor as one of the Deputy Assistant Administrators for Africa, Lois Richards, pulled me aside at a meeting in Washington. She had been on one of the promotion panels and said, "I think you ought to know that when we looked over your file, someone on the panel felt if you want to get promoted you have to get back to the mainstream." She was graciously sending me an important message: to get promoted in AID, don't stay out of the "mainstream" very long. It was very good of her to pull me aside and give me that advice, because that was important for me to know.

Q: Your assignment in Paris was not appreciated by the system as contributing to your

promotion?

SLOCUM: Again, I think AID's value system does not include these kinds of assignments. It would be interesting to see what the progressive downsizing of the Agency has done to this concept. If anything, it has probably hardened.

Q: I think you are right.

SLOCUM: Since we are talking about the general impressions of the Paris assignment and leading on to the next assignment, I can relate an amusing set of events. I got a cable sometime in the fall or early winter of 1987, sometime before I was due to leave in the summer of 1988, informing me that my next post would be Fiji. I thought this wasn't consistent with the discussions I had been having about my future goals, so on my next trip back I checked with people in the Asia Bureau and talked to them about the Fiji program. I was to be the number two in Fiji, not the director. People whom I knew and respected said that this was not a prominent program, and they expressed surprised I was being assigned there. I was advised by some senior people that I thought had my interests in mind to appeal it and hold out for a more senior assignment. So, I did that.

The response was that they had considered my appeal and overruled me, so the Fiji assignment was upheld. Shortly thereafter, back in Paris, I got a phone call from the head of senior placement in Personnel, who had been a senior officer in the Africa bureau, saying not to tell anybody but I would shortly be getting a call from the Assistant Administrator for Africa asking if I would like to go to Mauritania as director. This was an unexpected and immediate vacancy. I had been hoping for a senior-level appointment, and realized this was a big opportunity even though Mauritania had not been at the top of my list of preferences, so I accepted. In the same week that I got reconfirmed to go to Fiji, I got an offer to go to a senior assignment in Mauritania.

TIMOTHY DEAL
Deputy Representative to OECD
Paris (1985-1988)

Timothy Deal was born in St. Louis, Missouri and graduated from the University of California at Berkeley. After serving in the US Army, he joined the Foreign Service in 1965. His career has included positions in Honduras, Poland, England and France. Mr. Deal was interviewed by Raymond Ewing in 2004.

Q: So then you went as Deputy U.S. representative to the OECD in Paris in the summer of '85.

DEAL: Correct.

Q: And Ed Streator was the U.S. representative, the Ambassador.

DEAL: Yes.

Q: Now there have traditionally been two deputies in that mission.

DEAL: There was such an arrangement in the past, but by the time I arrived there was only one Deputy. There was a senior Treasury officer in the mission, and at times past, the Treasury person had been the DCM.

Q: Now Ed Streator had already been there a year when you arrived?

DEAL: Right. In 1984 and 1985, my first year at post, we tried to put in place the reforms recommended in the roadmap.

Q: So, some of those things had already gotten started?

DEAL: Ed had brought an official from the Labor Department on a detail to deal with the structural reforms including budget and program priorities. So, yes, much had already been done by the time of my arrival. I spent the vast majority of my time there on management issues, running the mission, and dealing with my counterparts in the other G-7 countries. We had an informal consultative network among the G-7 countries at the OECD. Probably the most difficult job I had was overseeing our relationship with COCOM [Coordinating Committee for Multilateral Export Controls], which was also located in Paris. That was the organization that dealt with Western export controls to the Soviet Union and Eastern Europe. Relations with the Secretary General, who was an Italian, were especially prickly because of the hard-line stance the U.S. had adopted on the export control issue at the behest of the Defense Department. While I could not do much about the policy, I did try to make our working relations with the Secretary General and other COCOM countries as smooth as possible given the high priority the Administration had attached to the export control question.

Q: How did COCOM come to be the responsibility of the U.S. Mission to the OECD?

DEAL: I don't the origin of this setup. Certainly, COCOM could have been the responsibility of the Embassy Paris, but, in fact, it fell to the U.S. Ambassador to the OECD. American officers at COCOM were listed as members of the U.S. Mission to the OECD, even though they didn't work there.

Q: How about the Paris club? Did that come under the OECD?

DEAL: No, I certainly saw a lot of people from State and other agencies dealing with the Paris Club debt issues, but we had no responsibility for them.

Q: And that's true of UNESCO [United Nations Educational, Scientific and Cultural Organization] too?

DEAL: Yes. It was an entirely separate mission, which closed its doors in 1985 because of the U.S. withdrawal from UNESCO.

Q: How about relations between the OECD mission and the Embassy Paris; did you have to spend much time on that?

DEAL: I did because the Embassy provided all our administrative support. So on matters of housing, assignments of personnel, finance, etc. we had to work very closely with the Administrative Section of the Embassy and the DCM there as well. We had a very good, cordial relationship. It would be easy in certain situations to end up as a second-class citizen, but that was never the case with Embassy Paris. We got all the support we needed.

Q: One of the other traditional functions of the OECD is related to the coordination of developed country positions in trade negotiations and other international economic issues. You mentioned you were part of a group of G-7 country representatives that would work together. Did you get into trade negotiations during much of that period?

DEAL: Well, the OECD is one of those international organizations where the real players come from capitals, not the mission to the organization. Much of the coordination and consultation that we had with other country representatives, including the G-7, primarily involved approaches being developed in capitals.

Q: Who was the Secretary General of the OECD when you were there?

DEAL: Jean-Claude Paye. He was a very senior French economic diplomat. He was distinguished, impressive, and intelligent. Among other things, he had been Chairman of the Paris Club and the equivalent of our Under Secretary for Economic Affairs in the French Foreign Ministry.

Q: And was there a senior American on the OECD secretariat as well?

DEAL: Yes, Jack Myerson. Traditionally there has been an American Deputy Secretary General at the OECD. We kept in contact and he was supportive of our reform initiatives. He was also helpful with the perennial budget problems that the U.S. has with international organizations.

Q: From 1973 to 1975, I was Economic Counselor in Switzerland in Bern, and at that time, there was something called the ECSS [the Executive Committee in Special Session] of the OECD, and it happened to be chaired at the time by a Swiss official. I remember meeting with him fairly often on issues related to that body; I don't know if that continued during your time there.

DEAL: It continued, and it had a fairly high profile at one time. But by the time I had arrived at the OECD, it had lost much of its importance. I believe that as the Economic

Summit process became more formalized with numerous preparatory meetings, G-7 Summit teams took up the work previously carried out by the ECSS.

Q: You mentioned before that much of what happens at the OECD involved people from capitals that come to the meetings and served on the committee. Did you feel at times that you were basically running a travel agency or hotel service for visitors, or could you and the Mission be involved in substance?

DEAL: It was difficult to take part in any meaningful substantive work. In general, I believe it is difficult to be a diplomatic mission to a think-tank or to have much of a role in the policy debates at home. To the extent you have good relations with the agencies in Washington, you can play a useful supporting role, and I think we did. We had good working relations in Paris with our counterparts in other missions at all levels. However, the real players came from capitals, and it was our primary responsibility to help them prepare for those meetings and support them while in Paris.

Q: Ok, anything else you want to say about your time there from '85 to '88? Was Ed Streater the Ambassador throughout that period?

DEAL: No, he was there for the first two years, and then Denis Lamb replaced him in my final year.

Q: Denis Lamb had similar background to you, right?

DEAL: Yes, he was an Economic Officer with extensive experience at the OECD.

Q: He certainly had been involved with it in Washington.

DEAL: Not only in Washington, he had also served on the staff of the U.S. Mission to the OECD.

Q: Ok, anything else you want to say about that time in Paris?

DEAL: Well, I should mention that we lived in a beautiful apartment overlooking the Bois de Boulogne. After leaving London, Jill took a position with Rogers and Wells, a law firm with which she was associated until 1992. Chris went off to the University of California at San Diego. Bart attended the American School in Paris. We had some good times in France, especially one summer vacation in *Provence*, but after three years I was ready to leave.

DENIS LAMB
Ambassador to OECD
Paris (1987-1990)

Ambassador Denis Lamb was born in Ohio 1937. He received his BS from Columbia University and MS from the Massachusetts Institute of Technology. Upon entering the Foreign Service in 1964, he was posted in Fort de France, Paris and Brussels. He was interviewed by Ray Ewing on September 19, 2005.

Q: Okay, where did you go from there and how did that come to happen?

LAMB: I become the permanent representative to the OECD, which carries ambassadorial rank. The route back to OECD was circuitous. With the support of Doug McMinn, Secretary Shultz put my name up to be the U.S. representative to what is now the European Union, an assignment I welcomed, although, to be honest, the day-to-day workings of trade policy can be pretty tedious. I wasn't thrilled with the prospect of returning to Brussels, but the assignment was a good fit. (And let's face it, the chances of a career officer being named ambassador to an important post in Europe were and are slim.)

At that time, having switched jobs with Jim Baker, former treasury secretary Don Regan was President Reagan's chief of staff. His assistant, whose title was secretary of the cabinet, was Alfred Kingon. Al, who had been publisher of Institutional Investor, came to work for Regan in the Treasury Department. Although he was mainly concerned with public affairs, Al would occasionally represent the Treasury on the Trade Policy Review Group, where I represented State. (Al was the White House official I contacted to try to get "fair trade" out of the text of the Reagan speech we discussed earlier). When my nomination papers crossed Al's desk, he decided he was going to go to Brussels. He actually called me and told me that he was going to claim the assignment. Thanks, Al. The timing was good for him because Don Regan eventually left his post as chief of staff (pushed out by Nancy Reagan), which would have left Kingon in a difficult situation. My consolation prize was that my name would go over as the candidate to be the permanent representative to the OECD. (I did not deal directly with Secretary Shultz on any of this but, as relayed to me by Doug McMinn, the secretary said that he could not do anything about the Brussels assignment, but that if I wanted to go to Paris he would see to it that the nomination went through.)

Q: This was '87, the year before the election.

LAMB: Right. It raised the question of what would happen after the election. If a Democrat won, I would probably be sent packing. If a Republican won, my chances of staying were better. But I put those concerns aside.

I did have another option. At Frank Carlucci's initiative, I was interviewed -- at arm's length so to speak -- for the top economic job on the National Security Council staff that Carlucci then headed. The interview by Ken Adelman, then head of the Arms Control and Disarmament Agency, had a pro forma quality; my sense was that I was being offered the job. I turned it down, probably due to the lure of acquiring an ambassadorial flag. Who knows, if I had accepted, you might be talking to one of the principals of the Carlyle

Group (Carlucci is chairman emeritus of Carlyle). On my yacht.

Terry Sanford chaired my Senate hearing. I was a member of a panel of three or four, so the attention of the senators was shifting back and forth; none of us received especially close scrutiny. Senator Lugar's questions to me focused on soybeans, which I knew something about. Everything was going well until Senator Sanford was about to close the proceedings. "Oh, by the way, Mr. Lamb," he said, "Senator Helms will have some written questions for you." As you know, the prospect of having to answer written questions is never welcome; questions from Jesse Helms could involve serious jeopardy. I had no idea what might have caught his interest or the interest of his staff.

Q: You waited by the mailbox?

LAMB: In trepidation. But no questions were forthcoming and the nomination proceeded quickly to the floor and passed. I was able to start preparing to move to Paris.

Q: And you did the ambassadorial seminar?

LAMB: Yes, I did. The seminar was very good. Two former ambassadors, Tony Motley and Shirley Temple Black, conducted it. We had a good mix of political and career people. The Foreign Service participants were part of the teaching process. We were helping our political appointee colleagues to acquire background that would help them do their jobs. Some were rather full of themselves, but most took good notes. I thought that having Tony and Shirley as co-chairs helped the political appointees to absorb the lessons on offer.

Q: Shirley Temple Black did the ambassadorial seminar, coming from San Francisco, pretty much throughout the Reagan Administration. She had been chief of mission to Ghana during the Nixon Administration; during the first Bush Administration she went to Prague. I've always thought it a little odd that this California movie industry president that we had (Reagan) never offered her anything other than the ambassadorial seminar, which I think she did well. I also went through it with her as a leader, respected her and felt like when I did go to Ghana later, that having known her was helpful to me.

LAMB: When she was in Prague we renewed our acquaintance at a chiefs of mission meeting in Oslo. She is a gracious lady.

Q: Well, why don't you talk a little bit about what the job as U.S. permanent representative to the OECD entails, both within the mission and as far as dealing with Washington and, I suppose, dealing with the other ambassadors. You knew what you were getting into in many ways, but how different was it this time?

LAMB: What do ambassadors do when policy makers have access to CNN, Fox News, the telephone, and email? One of my notions, which we have already touched upon, is that ambassadors help Washington coordinate itself. The agencies have overlapping interests that they have difficulty in reconciling. Ambassadors are well placed to identify

conflicts, whether actual or potential, and to take steps get them resolved. That can mean simply asking people to work out their differences. It can mean injecting a proposal of one's own that the bureaucracy in Washington is forced to address and in the process sort out its differences. It can involve informal contacts, telephone calls, personal relationships, putting up visitors at the residence and talking to them informally about emerging problems.

Similarly, within an embassy or mission, conflicts can appear in local variants. The ambassador has to be alert to those and to try to reconcile divergent views.

An ambassador assigned to an international organization continuously interacts with the permanent staff. The OECD has about 2,000 people on its payroll. While the secretariat is pledged to support the committee structure and serve the member governments, the not so surprising reality is that it can have an agenda of its own. It needs to be motivated, guided, and occasionally curbed, reprimanded, and otherwise brought under control. I found in looking back over how the U.S. has been represented at the OECD that ambassadors tended either to seek to intimidate the secretariat or to seduce it. In either case, the objective is to bend the institution to your will. Well, temperamentally, I'm a conciliator and a motivator. That meant that I preferred seduction to intimidation. I wanted to work with the Secretariat. This entailed a minor course correction. My immediate predecessor leaned in the other direction. Ambassador Edward Streater arrived at the OECD in a way analogous to my own. He should have gone to NATO, but that assignment did not materialize.

Q: He'd been for many years the number two in London.

LAMB: Yes, and he headed the military-political office (RPM) in the European bureau before that. He was expert in security matters and intimately familiar with NATO. At OECD he thought the best way forward for the U.S. under his leadership was to promote change by aggressively seeking to hive off activities we did not like and moving resources to those we thought should be beefed up. Surveying the scene when I arrived, I thought that the results achieved to date had been modest, but had caused a certain amount of turmoil. I decided to turn the whole thing around 180 degrees and try a different approach. Ed's and my goals weren't all that different. It was a matter of style.

Q: And were you encouraged in that direction by the powers that be in Washington or was this pretty much something you could do on your own?

LAMB: I had the latitude to make the adjustment. The key, as I saw it, was to bring the mission staff along and to have them back me in my approach.

Q: And who was the secretary general at the time?

LAMB: As I mentioned earlier, the secretary general was Jean-Claude Paye. Prior to being elected secretary general, he had been the senior permanent official at the French foreign ministry, the Quai d'Orsay. One of my predecessors, Abe Katz, had almost

single-handedly engineered Paye's election by convincing U.S. officials that it would be advantageous to have a French figure, to put it crudely, inside the tent p----- out, than outside the tent p----- in. Although Jean-Claude was an experienced, adroit French diplomat, he shared the conceit of many French officials that their role in life was to speak truth to power, i.e., to get under the skin of the United States. I had encountered him at the Quai on CoCom issues when I was in the Department. I found him difficult to deal with at the time because French interests were best served by opposing us rather than seeking accommodation. Still, I thought that Abe Katz was right to back Paye. I thought that he would strive to be evenhanded as secretary general. Paye and Ed Streator did not get along. Perhaps there was too much history there, although I can't be sure. It having been said that "you can catch more flies with honey than with vinegar," I decided to go on a charm offensive. Ultimately, it worked, but Jean-Claude and I got off to a rocky start.

Here's what happened. One of my tasks was to host a regular dinner for the senior members of the of the economic policy committee, chaired by the chairman of the U.S. Council of Economic Advisors. In addition to the members, Jean-Claude and the head of OECD's economics department attended the dinner. Well, we got the seating wrong -- I went along with the seating plan prepared by the social secretary that I had inherited. Paye was not seated to my right, where he belonged. I blundered and Jean-Claude was frosted. It took a couple of weeks to overcome that, beginning with an abject apology on my part, but eventually we got beyond the incident.

Q: You had nowhere to go but up, presumably.

LAMB: But we did progress from that low point, thankfully. One of the things I did for Jean-Claude was to help him conduct meetings of the Council more efficiently by refraining from speaking unless I had something important to say, a discipline not always exercised by my colleagues. It is not necessary that the United States representative speak to every point and, *mirabile dictu*, it turns out that if you only speak when you have something to say, you are more likely to be listened to. So that worked out. There were other ways that I could be helpful and, in that way, foster the relationship.

Q: I assume there were a number of American nationals in the Secretariat. Was there a senior American of influence?

LAMB: At the time, the OECD had three deputy secretaries general. Today there are four. From the creation of the organization, the senior deputy was always an American national. In the early days that post was held by a serving Foreign Service officer. When I arrived, the American deputy was Jack Myerson. Jack had taken the job on the stipulation that he be allowed to retire from the Service; that had financial advantages for him, but it loosened State's control. When it came time to consider renewing Jack's term I told him that I wanted to bring in a new deputy, someone with recent international economic policy experience in State. It was handled well and Jack, although he was willing to extend, was quite happy. But I made a serious tactical mistake. As part of my "charm offensive," and because it appealed to me as good personnel policy, I asked the

Department to put up three candidates and let Jean-Claude chose one of them. This prolonged the process. To boot, the matter was in the hands of Under Secretary Allen Wallis. Lacking a bureaucratic sensibility, he did not bring the matter to closure on a timely basis. As a result, when Secretary of the Treasury Baker was in Paris for some OECD event, he took Jean-Claude aside and put forward his own candidate, Robert Cornell, a deputy assistant secretary in his department. Paye selected Bob. Although Bob turned out to be a perfectly fine deputy secretary general, I regretted our inability to fill the post with a deserving FSO. When Bob retired after six years, the job returned to State Department control.

As to the presence of Americans in senior secretariat positions, the U.S. is under-represented in relation to its contribution to the budget (if that is a useful gauge). We staffed about seven percent of the top posts. The reason is that, whereas an OECD posting adds luster to the resumes of economists from most OECD countries, in the U.S. an OECD assignment is often viewed as a detour on the path to advancement. But we did our best, with the help of the Department, to publicize job openings and find U.S. candidates to fill them.

Q: Well, I was going to ask you a little bit about the structure of the mission itself at the time you were the permanent representative, perhaps compared with what it was earlier and who was your deputy and how all that worked. Was he from Treasury Department?

LAMB: No. By the time I arrived, the deputy chief of mission was an FSO. The Treasury official in charge of the economic and finance section, John Lange, was designated deputy chief for economics and finance, but he did not have a role in the overall management of the mission. Tim Deal was the DCM I inherited from Ambassador Streator. He served with me for a year and helped me with the transition from the Streator approach to the Lamb approach, while avoiding obvious signs of discontinuity. He did a wonderful job for me.

Tim was succeeded by Dick Hecklinger, whom I recruited, and who was with me for the remainder of my tour. (Later Dick served as U.S. ambassador in Bangkok. Following that, he succeeded Sally Shelton as the U.S. deputy secretary general at the OECD.) I relied on Dick to keep in touch with thinking in Washington on matters the mission was dealing with, as well as on broader geopolitical considerations as the cold war was winding down. When Washington opened for business at about 3 pm Paris time, Dick would get on the phone and gather the intelligence that was so helpful to the mission in charting its course in a changing environment.

Q: The United States Mission to the OECD was still located in the OECD building?

LAMB: Yes.

Q: And you would have Marines on your floor or security procedures?

LAMB: We had secure access to the mission and Marines provided security. It was an

honor to return their salutes. But the troops were later removed on the advice of a team of State inspectors. The inspectors told me that the purpose of Marines is not to protect people but to protect classified information, and that the mission did not have enough classified documents in its files to warrant a Marine presence. So the Marines were withdrawn and replaced by local hire guards. Although I protested the decision at the time, the new arrangements were perfectly satisfactory.

Q: Was the work of the Council the main area that you spent time on, whereas the economic policy committee, the development advisory committee, some of the other activities, were largely staffed, led if you will, by people from Washington?

LAMB: I did work with delegates to committees, but this did not ordinarily involve heavy lifting. There was one exception. The president's science adviser, Bill Graham, led the U.S. delegation to the Committee on Science and Technology Policy. Bill wanted to negotiate a framework agreement that would encourage and establish ground rules for intergovernmental cooperation on large science projects. To help him accomplish this goal, I got into the trenches, sat with him in committee, and helped him reach agreement on a document that met his needs.

In the Council, I handled the routine matters such as approving budgets and negotiating communiqué language, but I also advanced several initiatives. I went to Paris with three goals in mind. I was following the advice of Warren Christopher who, you will recall, had advised one of my predecessors, Herb Salzman, to limit his reach in the job.

One of these goals was to bring South Korea in as an OECD member. There were a number of reasons for this. One of them was that the organization needed better geographic balance. Despite the presence of the U.S., Canada, Australia, and New Zealand, it remained too heavily weighted towards Europe. Second, we believed that membership would help consolidate democracy in Korea. (In 1987 President Chun left office in the face of student unrest and international pressure in the build up to the 1988 Seoul Olympic Games. A sixth constitution was passed on October 12, 1987 and Roh Tae-Woo succeeded Chun in the first direct presidential elections held since 1971. Once in office, Roh instituted further political reforms and launched a bold anti-corruption campaign.) Also, we felt that OECD membership would contribute to the liberalization of the Korean economy. At the time, Korea maintained controls on inward direct investment. If it adopted the OECD Convention, Korea would have to abide by OECD's obligatory Code of Liberalization of Capital Movements, which would require it to lift controls. Finally, although this was only a distant cloud on the horizon, the idea of establishing an "Asian-OECD" was in the air. We wanted to foreclose this possibility.

Contacts between OECD and South Korea increased after my late-80s initiative, but formal accession negotiations did not begin until 1995. Korea was somewhat wary of the liberalization it would have to undertake to become a member (even though it was understood that liberalization could be phased in), and it was reluctant to give up its status as a developing country. (Some OECD members, including the U.S., were adamant that Korea abandon its membership in the G-77, a pressure group active in the UN

system.) Korea joined the OECD in late 1996.

A second goal was to secure an agreement among OECD countries to promote and protect foreign direct investment. In addition to the capital movements code that I mentioned a moment ago, OECD countries adhered to a voluntary “national treatment” instrument that committed them to treat foreign-owned enterprises no less favorably than domestic enterprises in like situations. With Washington’s backing, I proposed in Council that we transform this voluntary undertaking into a binding agreement. (I should note that my objective was both to make the world safer for U.S. investors and to counter, admittedly in a modest way, pressures for investment protectionism in our own country. Although the purchases by Japanese investors of iconic U.S. real estate -- Rockefeller Center and Pebble Beach -- did not take place until 1989 and 1992 respectively, concern over Japanese investment was already building.

Although the Council said “no” to the initiative, it didn’t die. Discussions ensued in the relevant OECD committee. By 1995 (yes, as we observe yet again, the wheels do grind slowly), agreement was reached to begin negotiations on a “free-standing” treaty, i.e., an undertaking not embedded in the OECD, governing foreign investment. Within the U.S. government, this involved settling a dispute between Treasury, which championed its approach of negotiating bilateral investment treaties (“bits”), and other agencies that preferred a more comprehensive approach.

The prospective treaty was dubbed the Multilateral Agreement on Investment, or MAI. The approach followed the traditional OECD model of working out the details of a policy issue within the OECD before opening the process to other countries in the World Trade Organization. Unfortunately, the effort came to naught in 1997. The MAI encountered opposition from the EC Commission, which favored negotiating in the WTO; from developing countries opposed to relinquishing control over inward investment; and from opponents of globalization. France -- where anti-globalization forces, united under the banner of the organization ATTAC -- held sway, administered the death knell. In October 1997, France withdrew from the negotiations, insuring their collapse. In the wake of the debacle, one had to wonder whether the effort had been necessary. Developing countries continued to seek foreign investors and in the vast majority of cases treated them well. Doing so, after all, was necessary to attract additional investment.

The third thing I set out to do was to promote economic reform in Eastern Europe. The Warsaw Pact countries were slipping out from under the control of the Soviet Union and it was important to demonstrate that the West was going to assist them. It was also important, frankly, that the OECD demonstrate its relevance in a changing political landscape. The idea I came up with, aided by Dick Hecklinger and others in the mission, was that OECD should establish an East-West Center to advise on how best to make the transition from centrally-planned to market economies. I came back to Washington, talked to people in the Department, including Bob Zoellick, and on the NSC staff, including Bob Blackwill, and secured their support. I didn’t think we needed much money -- a million dollars would do. We would leverage the million into four million by raising a proportionate amount from the other OECD members. As to the source of the

funds, there was a bill moving in the Senate, sponsored by Joe Lieberman, which appropriated money for Eastern Europe that I thought we could tap.

To make a long story short, I got it done. Jean-Claude took some convincing. For some reason, he thought a “center” might drift out of his control. He welcomed the money, but wanted to disperse it throughout the organization. I wanted the visibility that a center offered. I prevailed, although the center remained a small entity and the programs conducted on the behalf of Eastern Europe were decentralized, as Paye (and I, for that matter) wished. The center, now renamed the Center for Cooperation with Non-Members, still exists. It conducts “outreach” to countries such as Brazil, China, as well as many others.

Q: And the million dollars, was that a one time only payment?

LAMB: Well, it was purposefully left a little vague. It was understood it wasn't one time only, but it was also understood that it wasn't part of our regular assessed contribution. Other countries dealt with their share of the cost based on their administrative structures. Most of them simply added it to their regular bill. I knew that our (annual) million would have to be worked into our regular contribution eventually and that doing so would be an enormous headache for Washington. I went ahead anyway, and I am glad that I did.

Q: 'Cause while you were there from '87 to '90 the Soviet Union would end, the Berlin Wall came down, Europe changed dramatically. Were there other aspects of all of that that affected, that impacted on the OECD or the OECD was able to influence?

LAMB: I've mentioned Secretary of State Baker's strategic vision, which centered on U.S. participation in important regional groupings. Taking that as a starting point, I tried to figure out a way to insert the OECD into his concept. Dick Hecklinger and I spent hours pondering how to fit the OECD -- a global organization with a limited membership -- into Baker's construct. To get a better sense of their thinking, I went to Washington and visited with Counselor Bob Zoellick, Under Secretary for Political Affairs Bob Kimmitt, and Jim Dobbins, who was then the principal deputy in EUR. I am sorry to say that the effort failed. There was no mention of the OECD in the series of speeches that scoped out the institutional scheme for post-cold war diplomacy.

Q: But I assume that some of the other permanent missions were not terribly active, maybe understaffed. You want to talk about some that were really good and effective?

LAMB: We've touched on the question earlier. Let me say here that the Japanese had the largest mission and they were very active. Many of the smaller missions made the most of limited resources and were quite effective. The French didn't have a permanent delegation of any size because they drew on their ministries to do the OECD work.

Q: Must be a little bit like the Organization of American States in Washington, where we do have a mission but there are lots of other people. Want to talk a little bit about, I want to go on to the political aspect, but maybe a little bit more about sort of attitudes towards

this international economic coordinating body on the part of the two Secretaries of State that you were especially involved with. George Shultz, an economist by background, probably enjoyed coming to Paris for OECD meetings. Jim Baker, who probably didn't have quite the same background.

LAMB: You know, it was just the opposite. Let me step back and say that I had a rare opportunity to watch Shultz and Baker interact in Washington. Baker hosted a regular breakfast meeting, once a week I believe, when both he and Shultz were in Washington. Their deputies (Darman and Wallis) sat in, as did National Security Adviser Frank Carlucci. Shultz usually brought along Doug McMinn. When McMinn was unavailable, I attended.

The meeting was very relaxed, with no agenda and no record made. It covered whatever happened to be on their minds. In his approach to international economic policy, Baker differed radically from Shultz. Baker was not passive. For example, take intervention (buying or selling dollars) in foreign currency markets. Shultz was philosophically and temperamentally opposed to intervention. Baker thought being seen to be managing things was an important part of his job. Remember the Plaza Accord of September 1985, in which the G-5 countries agreed to intervene to devalue the dollar. That's something that I can't imagine Shultz having anything to do with.

Baker supported the OECD because he liked to use international economic institutions and to be seen using them. He wanted to foster the notion that these institutions were monitoring and guiding the system under the tutelage of political leaders and acting to benefit citizens. (Baker attended several OECD meetings, both before and during my tour as ambassador.)

I have mentioned that Shultz came to the OECD in 1982 to nail down the resolution of the Soviet-European pipeline dispute. Abe Katz, our ambassador at the time, did a fantastic job of preparing the necessary decisions in negotiations in the Council. He worked out the parameters of the IEA study, which dealt with dependence on Soviet gas exports and the OECD study, which addressed the export credit angle. The end game, at the meeting Shultz attended, featured Ambassador Katz moving around the room showing language to other ministers of foreign affairs and nailing down the final agreement. It was an example of what a skilled player in that position can accomplish under pressure.

Q: Usually, though, the communiqués were worked out in advance.

LAMB: Yes, although there were always a few contentious points to be decided by ministers. Nowadays, the organization has replaced the communiqué with a brief chairman's statement. This is an improvement in some ways, although the lengthy communiqués provided guidance for the secretariat on what it should be doing in the interval between meetings. The organization may be relinquishing an important management tool.

Q: Why don't you talk a little bit about the International Energy Agency at the time that you were there as permanent representative. Were you responsible for U.S. participation, U.S. relationship with it?

LAMB: I did not have a formal role with respect to the IEA. Although many of my fellow ambassadors represented their countries on the IEA Governing Board, the U.S. was represented by a delegate from Washington

Q: From the Department of State?

LAMB: From the Department of State, yes.

Q: So on, you wouldn't go to meetings, would your mission, you, perhaps others on your staff, meet with the Secretariat, other delegations before meetings, Governing Board meetings?

LAMB: An energy officer on my staff dealt with the IEA secretariat. The deputy executive director of the IEA has always been an American from the State Department. During my tenure John Ferriter, who had served with me in mission in the 60s, held the position. If I needed to know anything about IEA matters, it was easy to pick up the phone and talk to John.

Q: Is the secretariat of the IEA co-located with that of the OECD?

LAMB: It occupies separate quarters in a building on the Left Bank and has its own meeting rooms there.

Q: But the, to the extent anybody was involved between meetings it would be the OECD mission, as opposed to the embassy?

LAMB: Correct. The embassy had no role.

Q: You want to say anything about the relationship with the embassy?

I was fortunate in my relations with the U.S ambassadors to France who served with me: Joe Rogers, who was in place when I arrived, and Walter Curley, who succeeded Joe. We met once a month, informally over drinks, in our respective residences, just to chat. Ambassadors can't be "one of the boys," so, aside from your deputy and your spouse, to whom you might confide your occasional doubts and misgivings, you are alone. Joe and Walter lived in the same bubble and we welcomed the chance to talk candidly about our problems and frustrations, both major and minor. Joe came to my rescue early on: the Arts in Embassies program that borrows American art for display in embassy residences had run into budget problems and could not ship paintings to hang on my walls. When I mentioned this to Joe, he offered to lend me a painting by Milton Avery that he had put in storage. It turned out to be a superb canvas, bordering on the abstract, in tones of grey. (As for the rest of the paintings we needed to cover the walls, Lee Huebner, publisher of

the International Herald Tribune, came to the rescue. He introduced us to a French artist, René Théobald, who loaned us a number of her semi-abstract oil paintings. When Helen and I left Paris, René gave us a reproduction of a watercolor depicting Notre Dame, which she inscribed “Hoping that Paris will always be in your heart.” Well, it is and so is René.)

My regular meetings with Joe and Walter were probably helpful in sending a signal to our administrative support that the mission should be well treated, which it was. As to what I could do for them, although they were well-served by the embassy economic section, I had more direct contact with the economic movers and shakers from Washington and other capitals and could pass along useful insights as well as good gossip. Both of my colleagues included me in high-level visits. To cite an example, when Vice President Bush came to Paris on one occasion, there were a couple of meals at the embassy to which I was invited. One was a small, informal lunch with three (including the VP) on the U.S. side, and three French ministers. I occupied very valuable real estate on that occasion and I was grateful to my host. The other meal, a larger dinner, was less important but I welcomed the invitation as a gesture of comity and support. This was the dinner where I had my conversation, recounted earlier, with the wife of the CEO of Airbus; General de Gaulle’s son, a retired admiral, was at the same table. He resembled his father.

Many congressional delegations visit Paris, but few seek out OECD. So I counted on the embassy and the ambassador, when necessary, to alert me to upcoming congressional visits. More often than not, I would go to the hotel where the delegation was staying and meet informally with whomever was interested in chatting. I remember one occasion when Newt Gingrich and a number of others had just returned from Eastern Europe. We had a good conversation on the evolving situation and I had an opportunity to make a pitch for OECD’s new east-west center. One other angle involving Congress. There is a NATO parliamentary group independent of NATO itself. It has an economic committee that meets annually in Brussels and then pays a visit to the OECD. There would be a meeting with the secretary general and some of the directors. That evening I would host the American participants -- a senator or two and several congressmen -- plus ambassadorial colleagues and members of the secretariat. The reception was always appreciated and produced some useful interchanges.

I should mention that the embassy’s regional security officer also serviced the mission. This was important because Paris was under siege by North African terrorists who had exploded a number of bombs. It was important that the mission receive the same protection that was afforded to embassy staff. As for myself, if I was not at home, where guards were posted, or at the office, I traveled with a plain-clothes police escort laid on by the French authorities. This was reassuring but confining. I led a scripted life; the police had to know in advance when I would leave the house or the office, where I was going, and for how long. Although onerous in many respects, traveling with the cops had its up side. For example, the family never waited in line for movie or museum tickets. One of my escorts would go to the box office, pick up the tickets and escort us in. If we went to the countryside, we paid for our protectors’ meals, unless the restaurant

proprietor picked up the check, and many did. If we made a trip out of town by train, we would be met by a local police escort.

Now, you would think that the security threat would call for a discreet mode of transport. For a while we motored around Paris in an armored BMW that did not call attention to itself. Later, though, the BMW was replaced by a Cadillac that drew stares.

Q: Did you come back to Washington pretty regularly during the time you were there, about three years?

LAMB: Fairly regularly, yes. The secretary general visited Washington at least twice a year and I would accompany him. After joining him in his meetings with administration officials, the Fed chairman, and others, I would tack on a few days and make the rounds of my contacts. Since Washington is something of a revolving door, it was important to me to “put a face to the name” of those I was dealing with, and to let them get to know me. As I mentioned, I also visited Washington on at least two occasions to promote my OECD agenda.

Q: In those days there wasn't a third mission in Paris as there is now with UNESCO.

LAMB: There was not, no.

Q: I'd like to talk a little bit more about the political dimension of the OECD. I find very interesting the role you played with regard to Korea's membership, participation. I've often thought and I may be influenced by my assignment to Tokyo from '59 to '61, that in many ways after the recovery of Europe and the takeoff of the European Community, which really was an indication that the OEEC and the Marshall Plan had been a success, that one of its main political dimensions of the OECD was linking Japan to the rest of the industrial world and then later Australia, New Zealand, and Finland became members. You want to talk at all about that, as you saw it, when you were there as ambassador or by that time it was so accepted.

LAMB: Those countries were well integrated into the organization by the time I served as ambassador. Although the OECD did not find a place in the front rank of post-cold war international organizations, it acquired another political role, as symbolized by Korean entry, the subsequent entry of Hungary, Poland, the Czech Republic, and Slovakia, and expanded outreach to non-members. In a nutshell, its role became (and was becoming while I was there) one of integrating like-minded, democratic countries into the fold. There are two constraints. One is the number of countries ready to embrace free markets and open political systems. The other is the OECD's method of work, which is based on bringing national officials together around the table. The table can only get so big before the “magic of the OECD” ceases to appeal or to work. The OECD has yet to solve the problem of how to expand while retaining its distinctive character.

One indication of how Japan values OECD membership was its decision to host a meeting of the Council in Tokyo to mark the 25th anniversary of its accession. The

ambassadors and their wives, the secretary general and his wife, and members of the secretariat were treated to a trip to Tokyo (and Kyoto and the island of Kyushu, which was the birthplace of the then Japanese ambassador) at Japanese government expense. Perhaps the most revealing moment of the trip came when our group attended a reception at the home of a provincial governor in the city of Fukuoka on Kyushu. The governor was a dynamic young man -- with whom we had conferred in his office -- touted as a rising figure in the ruling Liberal Democratic Party. As we strolled up the long driveway to his house, lined with the tombs of his ancestors, the Japanese ambassador explained that the governor came from a long line of hereditary rulers of the island.

Q: Turkey?

LAMB: Turkey is in the OECD which, along with its membership in NATO, links it to the West. Will it become a member of the EU? Regrettably, although negotiations have begun, the omens are not good. Turkey would be a difficult fit under any circumstances, but the problems faced by many EU countries in integrating large Muslim minorities are going to make them especially wary of bringing in a very large Muslim country.

I've left the Middle East out of our discussion so far, but a very good tool for reaching out to countries in the region that embrace political and economic reform would be a reformed, modernized, rationalized OECD.

Q: Well, let's see, you were there for the election of George H.W. Bush and as you said the new secretary of state was Jim Baker, coming from the Treasury Department. Was there a question about your staying on at that transition or did you get your normal three years?

LAMB: After the election some of the new president's supporters, major contributors among them, were agitating to replace me. The information came from friends in the Department as well as press reports. I made some calls to people I knew in the Baker State Department in which I expressed my interest in serving out my full term and mentioned some of the initiatives underway that I thought could be brought to fruition if I remained in place. I also traveled to Washington in early 1989 to brief the incoming secretaries of the treasury (Nicholas Brady) and commerce (Robert Mosbacher), the USTR (Carla Hills), and the head of the council of economic advisers (Michael Boskin) on what the OECD could do for them.

Time passed, but I eventually received word from Under Secretary for Political Affairs Kimmitt (with whom I had tangled on Libya sanctions when he was at Treasury) that I would be kept in place.

Q: Okay, anything else you want to say about your time there? I think we've pretty well covered it.

LAMB: Ambassadors receive letters from the president telling them what their duties and responsibilities are as the president's representative in a country or to an international

organization.

Q: And what their authority is.

LAMB: And what their authority is and where it doesn't run, i.e., to active military commands. At the time, I had a navy captain working for me. He was the Pentagon's man in Paris on the CoCom delegation. He was getting back channel instructions from Defense that were at odds with the formal instructions we received in cables signed by the secretary of state. So I called the captain to my office, told him that he was acting contrary to my wishes, and asked him to read the presidential letter in my presence. Now military officers are, as they must be, very sensitive to the chain of command. When he absorbed the fact that the chain ran from the president to me to him, it brought tears of remorse to his eyes. He corrected his conduct immediately. I always wondered what one did with that letter and was pleased to have found a use for it.

Q: Yes, I don't think I ever pulled mine out, used chapter and verse although it was helpful sometimes, at least to remind people of the authority. You also noted that the OECD has become less political; we talked about that but now OECD ambassadors are political appointees. Should countries have ambassadors to the OECD at all anymore? You've talked I think a little bit about that. There had not been a political appointee as OECD representative before your time or had there been?

LAMB: There had been two. Bill Turner was ambassador when I was the desk officer. Herb Salzman succeeded Bill in the late Seventies.

Q: But with strong economic policy credentials, perhaps.

LAMB: Bill was a management consultant and Herb was a turnaround artist in the business world. His wife was a Broadway producer. Both were talented and both did a good job. There's no reason why political appointees cannot do well. However, the added value that political appointees can sometimes bring to the job -- proximity to the White House -- does not count for much at OECD.

Q: Who was your successor?

LAMB: My successor was Alan Larson.

Q: Career officer?

LAMB: Yes, Alan was a career officer. David Aaron, who had been a Foreign Service officer in his youth, succeeded him. He later went to work for Fritz Mondale and, as noted earlier, became Brzezinski's deputy on the national security council staff in the Carter administration. David was succeeded by Amy Bondurant, a lawyer with a congressional staff background. George W. Bush appointed Jeanne Philips, a leading political fundraiser from Texas. The current ambassador, Connie Morella, a former congresswoman from Maryland's DC suburbs, replaced her.

Q: Anything else you want to say about your time in Paris at the OECD?

LAMB: Perhaps a brief word on official entertaining would be in order. At the posts where I served as a senior officer, Brussels and Paris, my workday and workweek were shorter than they had been in Washington, but many evenings were taken up with social obligations. A certain discipline was observed, however. Social events were scheduled Monday through Thursday; Friday nights and weekends were your own. In addition, no entertaining was done during the Christmas, Easter, and spring school holidays. In Paris, as in Brussels, Helen and I lived above the store in a quite comfortable suite of rooms. (Herb Salzman and his wife, Rita, had used their own money to install kitchenettes on the second and third floors of the residence. They had to quarter in a hotel while the work was done. The kitchenettes made the house much more livable for both our guests and us. Herb also funded a \$5,000 annual award for “excellence in international economic performance” by a mid-grade FSO.)

We had two guest rooms and one or both were usually occupied by official visitors (except during the holidays and in August, when the OECD curtailed its meeting schedule). With help of Irene Corron, the social secretary she and I recruited, Helen managed the staff of five and planned and oversaw the execution of the events we hosted. All I had to do was show up and be ready to deliver a toast. I much preferred to do working lunches, but a certain number of dinners and cocktail parties had to be laid on. Because the OECD “circle” of ambassadors and senior members of the secretariat was limited, we reached out to the wider Paris community to liven up official functions.

Occasionally we ventured out into the wider world. I remember receiving an invitation from the mayor of Paris, Jacques Chirac, to attend a ceremony at which he would give the key to the city to Frank Sinatra. (Sinatra, Liza Minnelli, and Sammy Davis were in town for a concert.) When the “Caddie” pulled up under the portico of the Hotel de Ville, a flustered protocol officer, who addressed me as “Monsieur le chargé,” greeted Helen and me. I told him that I was not the embassy chargé, but he persisted. (I was told later that the real chargé had boycotted the event because he was not offered free tickets to the concert. I have no idea whether this was true.) We were escorted into a small reception room. I was presented to the mayor as “Le chargé d’affaires de l’ambassade des Etats-Unis.” Chirac introduced us to Frank, Liza, and Sammy. As it happened, I had been in Tokyo a week or two before and had seen the three of them perform in concert on television in my hotel room. So we had something to talk about. The brief encounter went smoothly. Then it was time to move to a larger room where the keys would be handed over. As we were trudging down a long hallway, I felt a hand on my shoulder. I looked around and heard a voice say, “Hi, I’m Greg Peck.” Made my day. My new friend “Greg” and I chatted amiably as Chirac droned on during the ceremony.

WILLIAM A. WEINGARTEN
Minister for Economic Affairs, OECD

Paris (1992-1996)

Mr. Weingarten was born in New York in 1936. He received his BA from Colgate University and his MSFS from Georgetown University. He served in the U.S. Army overseas from 1958-1961. His postings after entering the Foreign Service in 1962 included Paris, My Tho, Belgrade, Brussels, Canberra and Ottawa. He was interviewed by Charles Stuart Kennedy on July 29, 1999.

Q: *Well, then, in '92, whither?*

WEINGARTEN: Paris.

Q: *And you were in Paris from when to when?*

WEINGARTEN: '92 to '96.

Q: *What were you up to?*

WEINGARTEN: I was the minister counselor for economic affairs at the OECD mission. I had selected that post or for some years, kept an eye on it, because I had promised my wife back in 1968 and told her that I'd take her back to Paris some day to live, and I hadn't been able to do that, and this was the time to do it.

Q: *What was the OECD at that time? I mean, what was its coverage? I mean, what was it?*

WEINGARTEN: Well, at the time, it was an organization that includes all of the major Western industrial democracies plus Japan, New Zealand, and Australia, and it was pretty much a sleepy organization until about '91-92, and it was kind of a terminal place to go. Nobody ever gets promoted out of the OECD. It's kind of a pre-retirement tour for a lot of people. But then, it was also the place in the '70s and '80s, where if you had a really intractable international problem that you couldn't make progress on politically, you'd shunt it off to the OECD, have it looked at, have it staffed, and have it studied and talk about it there. That takes it out of the spotlight.

Q: *OECD stands for what?*

WEINGARTEN: Organization for Economic Cooperation and Development. It's the outgrowth of the old OEEC, which was the operating system for the Marshall Plan. And so over the years, for example, the International Energy Agency was created within the OECD structure to address the energy problem in the 1970s. And then in '92, with the dissolution of the Soviet Union, all of these Eastern European countries, Czechoslovakia, Hungary, Bulgaria and so on, all wanted links with the West. For example, the preferred one was NATO. They wanted NATO, but NATO had a clause that commits every member to defend every other member, which was not something we were anxious to do

with respect, say, to Poland. The other organization they angled to get into was the European Union, but the European Union has very high barriers to entry, and economically these countries weren't ready for that. But they wanted some form of link with the West that would keep them happy and would fend off the day when we would have to consider them for NATO or the European Union, so the OECD came into the fore. So we wound up bringing in Poland, Hungary, the Czech Republic, and then we added Korea during the time I was there. And we had to, in effect, interview each of these countries very, very carefully because the OECD is not an organization without entry barriers of its own. You have to have convertible currencies; you have to have free capital movements - so on and so forth. So we did a lot of work in examining these countries.

Q: I take it when you say "we" you're talking about the other members, too.

WEINGARTEN: Yes, the other members. The other thing that's interesting about the OECD is that all of the ideas, all of the motivations for the organization all come from the United States. It's really quite extraordinary. The U.S. is basically the only country that proposes new things for the OECD to consider. Nobody else does.

Q: I would have thought that would have sort of a stultifying effect on the rest of the group.

WEINGARTEN: It does, and we never intended it that way, but they did not use the OECD or did not see the OECD as an instrument that could further their national policies, and we did. And so we used it. And then finally, I think it got to be a habit. They just sort of sat back and let the Americans take the lead.

Q: I would have thought the French would have... you know, it's in Paris, and the French don't like the United States leading anything. I would have thought they would have been a -

WEINGARTEN: Well, sometimes they would be the ones that would say, "No, no, you can't do this" or "you shouldn't do that" or "you should do it this way." But they never had ideas of their own, nor did the Europeans as a group were 16 of the 27 members. But the French were very critical of some of the U.S. proposals, and could get them modified if they made a convincing persuasive case, but they never really projected... One time they sort of floated the idea that maybe the OECD should extend its reach into North Africa, but they never pushed it very strongly. It never seemed to be more than just an idea thrown up but not pushed very hard.

Q: What was the OECD doing? I mean, what was its operation?

WEINGARTEN: Oh, they had a vast variety of things. It ranged all the way from setting standards for fruits and vegetables to international aviation standards. We did aviation. AID standards, untying aid, reporting aid transactions. It was an international energy agency; it was a forum for trade debates, sometimes very technical, sometimes policy level. And then one of the things that was done while I was there was to extend a hand to

these newly independent countries of Eastern Europe and give them assistance in the form of advice on how to set up a central bank, how to set up statistical systems that enabled you to measure how your economy was doing.

Q: It sounds like there are a lot of other organizations. The European Union is setting up fruits and vegetable standards - whether cucumbers can be curved or not - and you have the ICAO dealing with aviation - you know, I mean, each country is going out and doing its own aid program and all - it sounds like you were doing things, but any other countries were just doing what they or other organizations were doing their thing.

WEINGARTEN: Well, in a sense yes, but the OECD had this coordination function. All of the members would keep each other in the picture on what they were doing in these various fields, and one of the important things that the OECD had was kind of a peer-pressure aspect. As you review somebody's economy - and another part of their activity was to do an annual review of each economy, and they'd provide advice or guidance - and we, for example, in the U.S. economy, we would always try to send over somebody very senior from the Treasury Department who would get a lot of questions about U.S. deficit or about other aspects that weren't so hot in our economy. Sometimes they'd get very angry at being questioned like this.

Q: From what you're saying, though, you're saying it's sort of a sleepy thing, but it sounds like a rather key organization within the industrial world.

WEINGARTEN: Yes, it is, and it's probably not recognized as such by all that many people. It is a key economic organization, and you're right, it could be a very sleepy place at times.

Q: But it sounds like a... The types of decisions and all that would be coming out of here all sound controversial as all hell, that would set standards or how to distribute aid and all that would all seem to be very political.

WEINGARTEN: Oh, yes. It was all politicized, but to the extent possible, it had some of the political sting that these issues could have if debated openly, pitting one country against the other. In the OECD, you could debate these things, set standards, and inform each other of what you were doing and do it sort of out of the limelight.

Q: Well, what would happen when you'd set these standards? Would countries go along with them?

WEINGARTEN: Yes, basically, it's a financial organization. It sets financial standards for capital movements and so on, so that's a big part of the operation.

Q: Who was the ambassador there?

WEINGARTEN: The first ambassador was Alan Larson, who was a Foreign Service officer and is now assistant secretary for economic affairs and may become the

undersecretary for economic affairs in the Department. He was there the first year, and he was the one who hired me. I knew him pretty well. I'd worked for him before, and so I went and saw him and asked to be considered for this job. And I had a lot of push from Washington because I had done this thankless food policy job and enjoyed it. So I got that job. That was Al's third year, and then he was replaced by David Aaron, who's now the undersecretary for international affairs at Commerce. And so he was there the three years, the last three years I was there. I did a four-year tour there.

Q: What were the major issues that you were in?

WEINGARTEN: The major issue that I was involved in was the opening of Central and Eastern Europe, and I did pretty much anything that anybody wanted done or the ambassador wanted done. I became a speechwriter, wrote a lot of speeches for him. And it was kind of funny because he's a professional writer. He writes potboiler mysteries. And I wrote speeches for him. Basically, it was a nice assignment. It was not a particularly testing one. I didn't really work flat-out. But I sure lived flat-out in Paris. It's really a nice place.

Q: Well, what about the new countries coming out of the former Soviet Union and the Soviet Bloc? The criteria to get in, you must have had to cut a lot of corners in order to get them in because they were - I mean they were coming out of this authoritarian system.

WEINGARTEN: Yes, well, you did have to bend the rules. There were some rules, though, that were critical to the organization, and one of those was the convertibility of the currency, the free capital movements. You had to have that; pretty much everything else could be negotiated. And what those countries got out of it, was they would undergo the same kind of reviews that the others did and point out to them some of the policy mistakes or any shortfalls they were making and problems they were causing for themselves. I benefited them. It does sort of knit you into the Western world. And it's still very sought after.

Q: Did you find that your delegation and other Western delegations were acting as sort of tutors?

WEINGARTEN: Yes, basically, that's it. They basically asked to be tutored, and we were happy to do it.

Q: What about dealing with the Europeans?

WEINGARTEN: We dealt with them... one of the things that made it easy to work in the OECD was that all of the representatives to it were either located in the same building or in the immediate vicinity, so it was really easy to stay in touch with these folks. So we had good relations with everyone.

AMY LAURA BONDURANT
Ambassador to OECD
Paris (1997-2001)

Ambassador Bondurant was born in Tennessee and raised in Kentucky. She was educated at the University of Kentucky and American University Law School. For a number of years she served on Capitol Hill as Legislative Assistant to Senator Wendell Ford of Kentucky, after which she joined a Washington, D.C. law firm, where she worked for ten years. In 1997 Mrs. Bondurant was named US Ambassador to the Organization for Economic Cooperation and Development in Paris and served there until 2001. Ambassador Bondurant was interviewed by Charles Stuart Kennedy in 2005.

BONDURANT: I had worked with the campaigns on policy issues over the years, and in the second Clinton term, the personnel staff told me they were seeking female ambassadors who had professional backgrounds, and they asked if I had any interest. They were doing outreach for that. I think that is how my journey started. The OECD seemed to be a very good fit because so many of the issues before it were based on the very issues on which I had spent a career working.

The OECD, as an organization, is multilateral. It is run very similarly to the way the U.S. Senate operates in that it requires complete agreement of all country representatives before an issue can be accepted by the organization. In the Senate, over 95 percent of the legislation that is passed must be agreed to unanimously -- passed by "unanimous consent" -- because it is so hard to get floor time for an issue to be debated and voted upon. The OECD was a good fit because I had both the process expertise of working to gain consensus and the substantive experience with many of the issues.

Q: OK, could you explain what the OECD is, how it developed, and what it was at the time you went there.

BONDURANT: OECD stands for the Organization for Economic Cooperation and Development. When I was Ambassador, there were 29 members; it now comprises 34 advanced free market and democratic economies in North America, the Pacific Rim, and Europe including all members of the EU.

Q: European Union.

BONDURANT: Yes, and at that time, several EU candidates. The U.S. looks to the OECD as a forum to help to develop a policy consensus on global issues, such as combating bribery in international trade, electronic commerce, environmental protection, energy security, or money laundering. The OECD also develops common policies or recommendations for the Group of Eight.

Q: The Group of Eight being the eight most affluent countries in the world.

BONDURANT: The Group of Eight includes the U.S., the U.K., France, Germany, Japan, Canada, Italy, and Russia. The process of the OECD is analysis, surveillance, peer review, and sometimes development of common policies and formal rules. In surveillance of new members' economic policies, there are important commitments to removing barriers to trade and investment as a condition of membership, so it promotes multi-lateral nondiscriminatory trade and investment liberalization which hopefully supports global economic growth and is an enabling environment for U.S. businesses.

Q: Then how did you say the OECD was viewed by people in the U.S. government at the time you went there?

BONDURANT: I remember one person who did not have actual experience with the organization told me, "Oh, it does nothing. We shouldn't be a member. We are paying 25 percent of the \$240 million budget. We ought to be cutting the budget." There was a real movement to reform the United Nations and cut the budgets of our multilateral organizations, including the OECD. The leader of this effort in the Senate was Jesse Helms (R-NC), the far right conservative Republican. He and some others on the right believed that American participation in the multilateral organizations was mostly a waste of taxpayer money.

A more prevalent view, fortunately, was that the OECD was a useful organization because it was the only place in which we could go and meet with our counterparts from the other 28 free market democracies in individual committees. Thus hundreds of committees composed of senior agency officials met with their counterparts in the other governments and decided what work would be most helpful to do together. The OECD is the only forum for doing that.

So those were the two competing perspectives in the U.S. The more experience the U.S. policy maker had with the organization, the more positive about the organization he or she seemed to be.

Q: Who had been the ambassador there before you?

BONDURANT: David Aaron, who became Under Secretary of Commerce for International Trade when he left the position.

Q: Before had you run across OECD, had it been in your portfolio of involvement?

BONDURANT: No. I had no previous involvement with the OECD. It is really an executive branch organization, where the US government agencies are the most heavily involved. I represented clients as a lawyer before the agencies, and my government service had been in the Senate, which has much less interaction with the OECD, so I had not been involved with the OECD directly. But my issue portfolio and work both from my days in the Senate and in the law firm had prepared me incredibly well for many of the issues that came before the OECD which necessitated my involvement. I found that

basically most of my professional experience was relevant to my OECD work because I knew generally about the issues that arose substantively; I knew how to deal internally with our own government agencies who were intensively involved at the OECD; and I knew how to operate in a multilateral world that needed consensus to make things happen based on my experience in the US Senate. Further, my years of travel and friendships with government representatives in the Middle East and Europe, due in great part to my husband's international law practice, meant that I felt very comfortable immediately with my international counterparts.

Q: Did you have any problem getting confirmed?

BONDURANT: No, not at all.

Q: I wouldn't think so, but I mean these were...

BONDURANT: I had strong support. Senator Hollings from South Carolina, the former chair of the Senate Commerce Committee, and Senator Ford from Kentucky, the former Senate Democratic whip and Chair of the Consumer Subcommittee of the Senate Commerce Committee, with whom I had worked both came and spoke at my confirmation hearing. I did not have a problem.

Q: So you served there from when to when?

BONDURANT: I served there from 1997 to 2001. I was extended by President Bush for six months.

Q: Where is it located?

BONDURANT: It is located in the heart of Paris in the 16th arrondissement, close to the Bois de Boulogne, the large park in central Paris where the French royalty used to hunt. It is located in an old Rothschild chateau, in a beautiful setting near the park. There is also the OECD mission itself. My mission had around 46 staff. We were located in an adjoining building that housed mostly OECD secretariat staff plus four country delegations like ours.

Q: What was your staff like?

BONDURANT: My staff represented twenty-two agencies. As one of my first jobs, I did something that had not been done by my predecessors. I went to Washington and met with representatives of the twenty-two agencies to make sure I understood what their OECD priorities were. I had people representing all these agencies at the OECD whose job was to staff me, but importantly to staff the U.S. agency senior people when they came to the OECD to meet their counterparts, and to assist their agencies back in the United States on a daily basis.

Q: Did you have a deputy chief of mission?

BONDURANT: I did.

Q: Did you select him or her?

BONDURANT: I kept my predecessor's deputy chief of mission, Dick Morford, who was just excellent. I then selected Richard Behrend halfway through my term, when Dick rotated to another position. Richard was recommended to me by another of my predecessors, the Under Secretary of State for International Affairs, Al Larson.

Q: How did you find your embassy operations? I mean I think they would be difficult because you would have twenty-two agencies saying you have got to do this or do that.

BONDURANT: Well, I think I was happy that I had the legal and Senate experience because I do feel like I walked into that job more prepared than any job I had before it. I knew the agencies well, and the work involved most of the non-defense agencies. I knew a lot about conflict resolution from working in the Senate, and a big part of being a multilateral ambassador involves understanding that. My staff and I worked with the different agencies and their leadership to try to resolve conflicts so that the U.S. government was speaking with one voice. Obviously an ambassador can't speak until there is one U.S. position. The State Department led that effort, and I did need to intervene from time to time.

After achieving a U.S. position, the next challenge for the ambassador is to try and get all the other countries around the table to agree with the U.S. position because an issue cannot become a priority issue to be funded and worked on by the OECD professional staff unless all countries agree.

Q: I would think that a lot of these agencies are not agencies that the State Department normally has much of a relationship with.

BONDURANT: At the OECD there is a long history of working together. It was incredible how well our inter-agency process worked. I was the only ambassador to have a unified position put forward on almost every issue at the council of ambassadors meeting every two weeks. We had an interagency meeting that worked like a well-oiled machine. I was very proud of the U.S. government and how it worked.

The position of OECD ambassador is unique within our government. I think it is probably the only position in the U.S. government where one gets to see how all of the non-defense parts of the U.S. government operate, with the exception of the Secretary of the Cabinet. I spoke with Goody Marshall, who was President Clinton's Cabinet Secretary when I was at the OECD. He and I had both been counsels for Senator Gore on the Consumer Subcommittee of the Senator Commerce Committee. We marveled at how similar the perspective is. One gets to see all the agencies, their different perspectives on an issue, and how the agencies interact as issues boil up. In my position, I saw the US agency positions as issues were discussed, the final US position achieved, and then, in

addition, the positions of each of the OECD member governments on these issues of the day.

Q: OK, let's talk about how the OECD operates. What do you do?

BONDURANT: First I am going to tell you quickly about the issues that were a priority and a little bit about the political dynamics when I was there, and then I will talk about my responsibilities, if that is ok.

Q: Yes.

BONDURANT: Looking back over the years that I was there, just from an overview, the issues had a lot to do with globalization. They had a lot to do with the international technology revolution, which was in the headlines at that time. It had a lot to do with modernizing public services and institutions, and tackling international corruption and good governance.

During the second Bush administration, the U.S. was not held in as highly regarded internationally on issues such as good governance as we were when I was in office. When I was there, we were at perhaps at our economic apex, and our economy was thriving. We were the model for the world. We were respected as a country, though there was a level of resentment too. We were still viewed as a country that could be selfless in its actions.

I remember sitting at the OECD table with the 29 other countries and one of my Norwegian colleagues announced to the Council that the U.S. still had a white hat to wear, that any country that would do what the U.S. did in WWII and join the war effort when we didn't clearly have a direct economic or other interest at stake, was a country to admire. My colleague continued that the U.S. would continue to be regarded thus unless they did something to take that white hat off. No other ambassador disagreed. Although we were somewhat resented for being such a power and pushing our positions, we were at the height of our economic prosperity.

We appeared to be a model with respect to our free market. We had reduced our debt. We were not putting new programs in place unless we were paying for them. From an economic standpoint, we appeared to have our house in order. We were still considered to be a country that could act selflessly, uniquely so. Therefore, we were still regarded highly from that standpoint. It was a wonderful time to be at the OECD.

One of my initial responsibilities was to try to reform the organization. I had a background in that because I had worked on agency reform – the Federal Trade Commission and the Consumer Product Safety Commission -- and regulatory reform, as a Senate staffer. This was when we were working on Al Gore's initiative to re-invent government.

We had a program to downsize the OECD in response partially to Jesse Helms's initiatives regarding the United Nations but also because it needed to be done. We

established a benchmark for the reform of multilateral organizations. We were finally successful, from 1997 to 1999, in reducing the budget by ten percent. That may not seem like a lot, but in the OECD, any initiative has to be endorsed unanimously. The organization was at a total stalemate and literally days, weeks and months had been spent resisting the U.S. government's effort to decrease the budget by the time I arrived, and the other countries refused to agree with that. We were at a total logjam. We had staff demonstrations that stopped meetings. It was a very difficult situation, one that my two predecessors had also worked to change.

I had learned in negotiations in my Senate days that if one could change the discussion from a principle to a money matter there would more likely be agreement. So I began to talk about the amount of dollars involved in a 25 percent share versus the principle of reducing our share. It happened fast when we finally agreed to a small reduction in the amount paid. This agreement was the first to break the stalemate that had gone on for so long among all the multilateral institutions to which the U.S. belonged, so I could see that it was critical to get it approved quickly by our agencies. I called Jim Steinberg, Deputy National Security adviser at the White House to seek help from the President, and sure enough, Jim promptly talked to senior colleagues within the agencies. He called back to say that the position had been cleared as I had requested. As a practical matter, the OECD resolution of the issue paved the way for reductions of the U.S. share at the other multilaterals in short order after our agreement.

After many hours we put a program in place that did "right size" the organization, reducing it by 10 percent, and stabilizing the organization's financing through the creation of a new funded pension plan. Attaining that had also been very difficult. We scrutinized the programs to eliminate overlap, and we achieved a revision of the U.S. scale of financial support.

Q: What does that mean?

BONDURANT: The scale of support was the percentage that the U.S. paid of the organization's budget. We had paid twenty-five percent of the budget and the other countries fought against reducing that. It seems like we should be able to reduce it if we want, but this could only be done by unanimous consent. So we were able to get the other twenty-eight OECD countries to agree to a reduction in our scale of contributions as new members joined the organization. That led the way towards paying for reduction of the United Nations scale, which had been a very difficult issue, and like at the OECD, had really slowed down the ability to move forward on more important issues for a long time.

We succeeded in instituting new priorities, setting mechanisms in the annual budget process, and we chaired a task force to require review of the different policy committees. I reviewed the environmental policy committee. We implemented entire OECD financial controls during the budget presentation. We worked for more transparent budgets and more transparent controls. For the first time, the balance sheet and accounting practices were audited by an outside firm. All of those reforms were very important. I worked very hard for that.

Q: Well were you finding the UNESCO M'Bow syndrome which I understand had been a sort of bête noir of American thought I guess of this UN crew located in Paris of being sort of a cozy place for political powers of Amadou-Mahtar M'Bow and other things. Was that at all an issue. I mean who were involved in the group that was there?

BONDURANT: The Europeans fought this reform. As the OECD was located in Paris, there were a lot of staff positions held by Europeans. The staff at the OECD wanted no cuts, and they were a strong political force. There were well over 1000 employees. It was a very difficult time.

Q: I see shots sometimes of the European Union, I guess it is their offices in Strasbourg or something, very cozy. I mean nice long lunches and chauffeurs and well dressed doorman and the whole thing. Did you find it a pretty cozy club or was it a working organization?

BONDURANT: Oh, it was a hard working organization. It was not a cozy club; I did not find that. But I did find too many mid-level managers. I do think that our efforts were important to try to streamline. Those efforts have continued, and with a big international organization, those efforts should continue. One should not let up on the effort for efficiency because it is taxpayer money that we were spending and without oversight, it is all too easy for inefficiency to be created in any organization. The OECD is an important international organization in my view. The work is important, but one wants to make sure that it is being done efficiently and effectively for our taxpayers.

Q: How did you find the other ambassadors? Was it a mixed bag or pretty serious sort of people?

BONDURANT: Pretty serious people. The Europeans tended to be ambassadors posted at the OECD as their last post. They were highly regarded, and very thoughtful, and were usually older. The Asians tended to be up and coming stars. I loved that mixture. That created a good dynamic I think. I think the Asians were using that post to train their stars. The Europeans were using it to reward people. They had excellent experience and were really good ambassadors.

Q: Did you find that you were looked upon as the wicked witch of the west or something like that by the staff coming in?

BONDURANT: Oh, I think there was some skepticism about the U.S. ambassador and U.S. senior government officials from the OECD staff because the U.S. was trying to "right size" the agency. So I do think that was an issue. I tried to dispel that. I opened up my residence, for example, to all the American citizens who worked for the OECD itself, over 300 people, most of whom had never been in the residence.

I worked with the State Department curators and the Art in Embassies program to present a three-year exhibit of paintings by the first American female artists to study and work in France. It was fairly well regarded by individuals such as J. Carter Brown, the former

director of the National Gallery of Art, who visited us and the exhibit before it opened. First Lady Hillary Rodham Clinton wrote the introductory material explaining the exhibit. The OECD American staff in previous years had not been very involved with the U.S. delegation, so I invited them to come in and see that exhibit. I wanted to reach out to the OECD staff, a talented group of people.

Q: What were the major issues that you got involved in and how did they come out during your period?

BONDURANT: Other than “right sizing,” we had globalization and the international telecommunications (IT) revolution that were creating enormous economic change. What we tried to do is look at those dynamics and focus on the need to create institutions, insuring that they would be responsive and that citizens would receive the benefits and buffers to dampen the disruptive effect of globalization.

Let me give you some examples. The first day I arrived at the OECD, in November of 1997, I went with Secretary of State Madeleine Albright to sign the international Anti-Bribery Convention. That was an interesting experience, because we were practically mobbed by the press and really needed more security than we had present.

Let me interject that Madeleine Albright was very admired by the OECD member representatives, for her intellect, her positive attitude, and her strength and determination. She mentioned to me during this visit the fact that there were so many male ambassadors around the table, and we talked about the dynamics of interacting as women in a room full of male policy makers. She spoke of the challenges of being a woman in such a situation, even for her, when she attended White House national security meetings, for example. That affected me, that we occasionally shared this challenge, even though in very different arenas.

There was a lot of interest in Europe in the Anti-Bribery Convention, which came into force in February 1999. It required the twenty-nine OECD members and five other countries -- three quarters of the world’s trade -- to impose significant criminal penalties on those who bribe foreign government officials. For the first time, there would not be a criminal penalty on the recipient of the bribe, which is often the way that individual countries would try to stop bribery. Instead the penalty would be on the big international companies who bribed foreign government officials. We called them the suppliers.

When I was in office, twenty-nine countries had ratified the convention, and twenty-six had implementing legislation in place. We spent an enormous amount of time working on that implementing legislation. We had a review process where we monitored the national implementing legislation to ensure strong penalties for offenders.

We also reviewed the cases that each country brought once they had the legislation or a new implementing law. For example, our Justice Department representatives and I, along with the other country representatives would be around the table reviewing one country’s legislation and recent history of bringing enforcement cases against offenders. That is

how the OECD “peer review” process worked. Questions would arise such as, “Is this new law really effective? What is the penalty for the crime? How is the enforcement occurring? Is this country bringing cases? Are people being convicted? If one country was not performing adequately, the other countries would voice criticism around the table, and then the press would highlight the weakness in its system. This process was enormously effective.

Some say the OECD doesn’t have teeth. Well, it did. Governments did not want Transparency International -- a nonpartisan organization that measures perceived levels of public sector corruption in countries around the world -- telling the press that the OECD governments were saying around the table that the country being examined had brought no cases. That is an example of the way the OECD used its peer review process to encourage other countries to respond to OECD initiatives to which they had all agreed. I am using that as an example for the way that peer review is carried out across the board.

Q: I might point out that in reviewing American policy I have talked to many people over the years. This anti-bribery situation, the United States took a stand fairly early on at the end of the Carter administration.

BONDURANT: Yes, the Carter administration put forward legislation that became law to punish corrupt practices that occurred with respect to U.S. companies. I worked on that legislation as a Congressional staffer in the Senate. It was in my area of review as a legislative assistant, and I worked very hard on that.

Q: But the American diplomats talking about how the other countries scoffed at us and thought we were acting ‘holier than thou’ and of course this is never going to work. This is true of human rights. These were things that the United States played a very strong role in.

BONDURANT: In fact, after the passage of our anti-corruption laws during the Carter Administration, the situation had become anti-competitive for our companies, because we had anti-corruption laws for U.S. companies alone. U.S. companies complained that they wouldn’t bribe, but other companies based in other countries would, and others would win the contracts. Furthermore, bribery creates economic distortion in the marketplace, and results in higher prices for the ultimate consumer.

Q: That is true.

BONDURANT: It was very important for U.S. business and for us at the OECD to level the playing field by pushing through the Anti-Bribery Convention. I am very proud of the fact that, during the time I was there, we worked so hard to insure that that OECD Anti-Bribery Convention was effectively put in place, and a great deal of progress was made on its administration and enforcement in other countries.

I also worked on an initiative to encourage nonmember countries. Ed Gabriel, the U.S. Ambassador to Morocco...

Q: Whom I have interviewed.

BONDURANT: Ed came to me and said, “Morocco would like to join your convention.” So I undertook an initiative with our State Department and our Justice Department to see if there was a way to encourage countries who were expressing interest in participating but who were not ready to be full members. I went to Morocco and met with every member of the cabinet in that government with Ambassador Gabriel to talk about corruption. We came back to Paris and we tabled a draft called the Anti-Corruption Declaration at the OECD, as a vehicle in which non-member countries could align themselves more closely with the OECD effort where appropriate, as a step towards accession to the OECD convention.

We wanted to encourage non-member governments, but at the same time make sure that they did not join just to attract investment without having in place the structures necessary to abide by the provisions of the convention. Many countries wanted to join the OECD as members and to be part of these various conventions and the various initiatives because investors from around the world saw membership in the OECD as the “Good Housekeeping Seal of Economic Approval” for investors. Joining such a convention would be a strong signal to investors that countries had good economic policies, good regulatory regimes, and good court systems.

Another initiative we undertook was to develop the benchmark corporate governance principles. This occurred before the Enron scandal. I worked very hard on this and made this one of my priorities.

Q: Enron being a scandal of a company that basically bilked its investors.

BONDURANT: Yes, and this was in 1998. We were responding to the Asian financial crisis. Now, looking back, it does not seem like such a crisis given the scale of regulatory failures that led to the current global credit crisis, but then it was. There was a growing recognition that good corporate governance is not just good for companies, but it is also good for countries. Countries wanted to attract investment in their corporations and in their countries, so we developed these benchmark corporate governance principles. They were non-binding, endorsed by the OECD ministers in 1999, and addressed key aspects of corporate governance and transparency and accountability. The principles were endorsed by the G7 finance ministers at the Cologne economic summit in 1999. This was an important step for the OECD World Bank program that followed.

In 2000, we updated the guidelines for multi-national enterprises. I was proud of this. Our updated guidelines covered standards not only on labor and the environment but also on bribery, consumer interests, and taxation. These guidelines of corporate responsibility are developed with input from member countries and non-member governments in business, labor, the non-governmental organizations, consumer organizations, and other public interest organizations. We examined the implications of electronic commerce in areas such as taxation, consumer fraud, privacy and security; and the impact of E-commerce on

jobs, education and health. This e-commerce was a new thing. Nobody had looked at this before, so we were looking at it from the multi-national context. In December 1999, another priority was the e-commerce guideline: the multilateral consumer protection guidelines for electronic commerce, which tried to ensure the security and protection of online shopping. Those were the first international consumer protection guidelines. Through the OECD, we also worked to try to prevent overlapping taxation on electronic commerce.

Q: Yes. While we are on the subject, was there a problem at this time in Europe with the government run post, telephone and telegraph PTT, which usually is a pretty poor deliverer of services? People in Italy had to wait months before they get a telephone. Things were changing with the mobile telephone and all that. Did you sense that governments were kind of slow to respond to what was happening in technology?

BONDURANT: When I was there, there was an enormous amount of interest in trying to respond. We didn't deal with those issues that you mentioned at the OECD. In the e-commerce area, we were dealing with the consumer protection guidelines, for example, or taxation. I think governments were trying to be progressive. They saw the U.S. economy booming and were trying to open markets to model after us.

Q: Yeah and of course you have countries, like Finland, that were leading the way electronics. OK go ahead with that.

BONDURANT: Regulatory reform had been something that I had worked on for many years in the Senate and something that I worked on at the OECD. We also had an OECD regulatory reform peer review exercise as a priority. We were successful in helping to persuade several reluctant G7 counterparts to come on board to have their own governments reviewed by the countries around the table and by experts. We estimated that regulatory reforms could raise the GDPs of Japan, France, and Germany by five percent over the next decade.

Q: My god.

BONDURANT: We worked very hard and used a lot of diplomacy to try to get them to agree to it. You ask why we care? We wanted them to be more efficient and effective because in globalization a rising tide raises all ships. Clearly we are globally economically tied. Can there be any doubt about that?

Q: We are going through a very difficult time right now.

BONDURANT: We are living through the biggest economic crisis since the Great Depression right now. By the time I left the OECD in March of 2001, twenty country regulatory reforms had been completed.

Another initiative that I undertook as a priority was governance outreach. In May of 1999, we created eight OECD global forums -- trade, taxation, competition, governance,

investment, sustainable development, the knowledge economy, and agriculture -- to serve as OECD vehicles for outreach to non-member countries in areas of our strength. We offered to use our experts, if they were willing to receive us, to help them with their institutions to try and make their institutions more effective. The largest single country portion of OECD outreach was with Russia. We concentrated on preparing it to be a full participant in the international system.

Q: How effective did you feel it was?

BONDURANT: It was effective during the time I did it. We were working on strengthening tax administration and trying to help Russia strengthen its investment policies, competition policies, and corporate governance. At that time there were a number of reformers that were in key positions, and those people in the government came to the OECD and received the OECD. The support for such initiatives within the Russian government was probably confined to these reformers.

Q: Did you allow for observers? Did the Russians send someone in to sit in a back seat and watch how you operate?

BONDURANT: Yes, the Russians were at the OECD as I have mentioned. An initiative I undertook was to open our ministerial sessions to non-member countries. During my time at the OECD, we had every non-defense member of the U.S. cabinet come and meet with his or her counterpart at our ministerial sessions.

Q: This happened to be in Paris.

BONDURANT: Yes, in Paris. And with those sessions, we began to have outreach to important non-member countries like India and China. I really argued at our OECD council meetings for non-member country participants, who were very interested in participating.

Q: I was just thinking of how the French always seemed to have the reputation of being sort of contrarian on things. How did you find the French?

BONDURANT: The French ambassador, Joelle Bourgois, was one of my closest friends, and she was the only other woman on the Council of Ambassadors at one point. Joelle was excellent and brilliant. One ambassador once announced at the Council meeting that if one closed one's eyes, one would often think there were only women in the room debating because the French and American ambassadors debated in the forum of the OECD so often. If the U.S. said "black," the French said "white." Joelle admitted to me that the French government felt it was important for somebody to be the squeaky wheel because the U.S. was so very powerful. I didn't begrudge her that. I think I did get irritated about it occasionally, but I tried not to show it. Ultimately, we did work closely with France on a number of issues and I tried to find issues on which we could work together. We were involved together in two key activities with what was known as the Stability Pact. That was to try to help post-conflict Southeast Europe.

Q: We are really talking about the breakup of Yugoslavia.

BONDURANT: Yes. Within the context of the investment compact, the OECD focused on foreign direct investment policies, investment promotion strategies, support structures for small and medium enterprises, privatization, physical reform, taxes, competition law and accounting practices. We shared responsibility with the council of Europe in implementing the stability pact anti-corruption initiative. So from time to time, the OECD undertook those kinds of things.

Q: How about the Kyoto accords and all that? Did that fall in your province?

BONDURANT: We did work on environmental issues. There was an Environmental Committee. Our representative was the EPA, and they had environmental representative level Ministerial at the OECD. I undertook the review of the environmental side of the house at the OECD in the context of the overall OECD internal regulatory form. We worked very hard on the environmental area. The OECD performed analytical work supportive of the view that emissions trading is the most efficient method to reduce greenhouse gasses. In response to your question about Kyoto Protocol, the OECD countries did some of the background work, some of the pre-Kyoto work there, trying to achieve consensus on different initiatives.

Q: You might explain emissions trading.

BONDURANT: Emissions trading is the idea that companies gain credits in a national scheme by not having pollution emissions. They can use these to offset pollution in which they may later cause, and they can trade these credits with other companies in a national network.

Q: The idea I guess in essence is to bring in all emissions down by averaging out.

BONDURANT: Yes, thank you. That is more succinctly stated. That is the goal. The OECD worked on the analytical side of that.

Also, the OECD actively supported the fight against money laundering and financial crime through our support of the financial action task force. We made considerable progress in establishing a global anti-money laundering network, and persuading offshore financial centers to strengthen and prosecute financial crime. That became very important because right after I left office, the terrorist attacks of September 11 happened. The U.S. has relied on this network many times in the fight against global terrorism. I think that was a very important initiative led by our Treasury Department.

Q: The question was, were there any particular countries in the organization that were the burr under the saddle that caused all the ...

BONDURANT: Yes, there was often discrepancy because the organization worked by

total consensus, meaning that if one country disagreed, it could stop an initiative from going forward. Small countries could cause discrepancy just as easily as a large country because they had just as much power to stop something. The OECD is the only forum that individually represented each country in the European Union. In the U.S.- EU relationship, Europe speaks with one voice, but in the OECD they speak with individual voices. That was both positive and negative. In the context you describe, it could be negative because there were more countries that could speak negatively.

For example, if there were issues between Greece and Turkey, where the Greeks and the Turks have a historic enmity over Cyprus, you could find that in discussion the Greeks or the Turks would object. I know there were objections to Cyprus' participating in an OECD Ministerial meeting. One might also see countries blocking something because of some other foreign policy issue. It happened time and time again. Historic problems in foreign policy would play out at the OECD.

Q: This is part of the business like the Greeks with Macedonia or the Spanish with the Basques or something of this nature.

BONDURANT: Yes, and the issue of the Middle East and Israel.

Q: Yeah or I would say the United States and Israel.

BONDURANT: Yes, and the U.S. and Israel.

Q: Is there anything we should cover? You obviously came away from that job feeling that you really had helped.

BONDURANT: Well, I think I did. I think I helped. I think that while I was there, the U.S. was an enormously powerful force trying to help the rest of the world, and trying to help itself in various processes that would make for better functioning, make for better policies, make for more efficient regulations, so I am very proud. But it was not front page news.

Q: You must have met many interesting people while you were ambassador. Tell me a little about the people you interacted with, their personalities, and how they may have influenced you.

BONDURANT: I remember very well when Larry Summers, then Deputy Secretary of the Treasury, chaired financial Working Party meetings at the OECD of a small group of G8 senior officials. Since the U.S. was chairing, I was allowed to attend those meetings, and I was very impressed by the people there, such as Jean-Claude Trichet, the Governor of the French Central Bank, and Merv King, the Deputy Governor of the British Central Bank. From the U.S., we had Timothy Geithner, Under Secretary for International Affairs at the Treasury Department. Janet Yellin, the very able head of the Clinton White House Council of Economic Advisors, attended other Working Party meetings with her G8 counterparts. These remarkable people were all destined to become even more important

players on the global economic stage, but what really impressed me then was how well they worked together, in a collegial and mutually supportive way. It left a lasting impression on me, that our national economies have become truly interconnected and dependent on each other. The quality of these relationships allowed for a frank and constructive critique of the perceived missteps in each other's economic policies.

Toward the end of the Clinton administration, Secretary of Energy Bill Richardson came to the OECD as part of his crusade to convince member countries to lower oil prices. Oil prices were very high and U.S. consumers were really feeling the pinch. The Secretary asked me to put together a meeting of OECD ambassadors through our corollary energy group, which I did, at which he asked them to make his case to their own governments. This was not the usual role for the OECD, to convene simply to hear from a visiting cabinet meeting. But Secretary Richardson was creative in using his authority and this was an effective move.

Our Clinton cabinet secretaries often performed powerfully as chairmen of Ministerial level meetings. Donna Shalala, the Secretary of Health and Human Services, was a very dynamic leader when the 29 ministers met to compare their health care systems, meetings for which the OECD staff had done extensive research. I recall one day, though, when some information I had given her was just a little too insensitive to be discussed in open meetings with the Europeans. She had asked me about the history of the Secretariat building in which the meetings were being held, and I had told her that it was an old Rothschild chateau that had been the Nazi naval headquarters during the War. When she announced in the group session that she had just learned this interesting historical fact, no one said a thing: you could have heard a pen drop. This incident taught me to always err on the side of caution when discussing matters of European history in an open meeting. It is hard for Americans to realize the lingering pain that many Europeans still feel.

One person I particularly liked and admired was Secretary Don Johnson from Canada, who was the first non-European OECD secretary general. He was a lawyer, and had been attorney general of Canada. Perhaps our legal backgrounds helped to facilitate our friendship. I felt that he was very helpful to the U.S. in the main. Before other countries had begun to determine their positions regarding his reelection, I decided to talk with my predecessors Al Larson, David Aaron and Stu Eizenstat, about the election. We determined that the U.S. would support him for a second term and we proceeded with a successful strategy to recommend him to our mutual colleagues.

I was very fortunate to be part of the introductions of a number of our American leaders at different events in Paris, including for example, Ambassador Felix Rohatyn, First Lady Hillary Clinton, President Clinton, Secretary Albright, and Secretary Colin Powell. After Ambassador Rohatyn had left France, and before a new U.S. ambassador was named by the Bush administration, I was to introduce the new Secretary of State, Colin Powell, to the embassy staff, on his first official visit to France. It was such a fun introduction to make and the hundreds of staff members present responded with such fervor due to their high regard for him that it took Secretary Powell quite a while to quiet everyone down.

One event with President Clinton was especially memorable and gave me an insight into the perception others have of the OECD ambassadorial position. I was with the President at Ambassador Felix Rohatyn's residence with about 25 French CEOs. Felix was the U.S. ambassador to France. The President, in his usual fashion, had arrived late, and the group had been restless, but after his remarks, he seemed to charm all present. As he talked with each CEO individually, making his way through the room, I went into the next room to talk with White House staff who were traveling with him. One of them told me about a poll they had done on the plane ride over from Washington. The question was: What was the "best U.S. Ambassadorial position in the world?" All had voted, including the President, and the winning post, to my great surprise, was the OECD! They felt it was intellectually stimulating, as most of the important U.S. domestic policy issues were debated in an international context, but it didn't have the burden of the more mundane representational duties of a bilateral posting. And, not to be understated in importance to the outcome of the poll – the OECD is located in Paris!

My husband and I visited with President Clinton in the Oval Office in the final days of his administration. I was surprised that he was so well informed about what was going on at the OECD as he thanked me for facing down a two-week French filibuster of genetically modified foods. I had much of that time debating the OECD French ambassador, Joelle Bourgois, who was my very good friend outside the council chambers. The French were trying to prevent importation of these foods by arguing that they had not been proven safe. The U.S. position was that the French government was simply trying to protect its food industry from competition from American products. During the debate, French demonstrators dressed like giant chickens were outside the OECD secretariat, and they got a lot of press coverage.

Q: Let me ask a question I ask of people who were ambassadors during this period. From your point of view how did the whole horrible Monica Lewinski scandal affect your play out? It left a certain amount of derision. It allowed people to say well you know the Americans, the president has got feet of clay. I don't know if that is the right term, but how did it play out for you? Did you have a problem or was this source of a nuisance with your colleagues?

BONDURANT: I felt as an ambassador that when people would bring it up, and they often did, that it was incumbent on my part just not to comment, so I didn't. Some of my colleagues did either one way or the other, and I just didn't think that was right for me.

Q: Well it is not. You know it was a way of tweaking stuff, when we think we are fairly high and mighty.

BONDURANT: Some people tried to tweak it. I just refused to comment. That was a bit socially awkward. I would just say, "Look, it is on the front pages of all the papers every day. Everybody is reading about it. People can form their own judgments." I was very committed to the policies of the administration and tried to work to keep my head down and asked my staff to keep their heads down and work and not focus on all of those issues. I had a staff meeting when it first began to ask them to keep their heads down, to

keep working, to try to focus, just to move on because that is what we were there to do. I tried not to let it be a deterrent.

Q: Rightly so. What about when the Bush administration came in? Were there any signals that you were getting?

BONDURANT: I want to answer that, but before I do, I want to answer one other question about the press. I said that nothing we did was front page news, although I guess the anti-money laundering initiative was a front page story. I do recall being interviewed for the International Herald Tribune and there was a lot of coverage of that issue.

On the issue of the press generally, I shared the views of Ambassador Felix Rohatyn, the U.S. Ambassador to France when I was at the OECD. He was the person who was previously credited with resolving New York City's debt crisis in the 1970s. Felix was a pragmatic ambassador. In Paris, he and I met once a month, usually over lunch, to coordinate and discuss issues at our respective posts. One important thing that he and I felt needed strong attention was that the U.S. government and the Clinton administration were not focused enough on the importance of reaching out to the press to get our voice heard. The focus had been lost from the State Department's perspective, and their relationship with the U.S. press.

Q: Well public diplomacy is the...

BONDURANT: Yes, public diplomacy. My staff was skeptical on that issue. In fact the young, rising star who was the secretary of my delegation called me after I had left office to say, "You know, you were absolutely right about public diplomacy. We were skeptical, and in retrospect I am very embarrassed that we did not have more enthusiasm in working on public diplomacy with you." At my post, we did make sure that we had articles in newspapers and magazines and that we made speeches and tried to speak to different affected audiences including other governments in ways that would promote U.S. supported policies.

We started a mission newsletter to help with our internal communication with U.S. government interested parties. I think we had more of a program than previously at the U.S. Mission. I was able to find funds to hire a U.S. professional to spearhead this initiative. As ambassador, I tried to try to make sure that the U.S. goals were being better understood within the organization. I think that we started a process there, which I hope continues. Enough said. I just wanted to mention that.

Q: No, no, that is a very important point. If you don't get the press on your side, you don't get the support from the government because the governments read the press.

BONDURANT: Exactly.

Q: All right what sort of signals or did you...

BONDURANT: You asked about the Bush administration.

Q: Yeah.

BONDURANT: There was a question after the election as to whether any Clinton appointed ambassadors would stay until summer. It was then determined that those of us with children in school, and those whose continuity of service would be especially helpful, would stay on. So I was asked to stay for a number of months into the Bush administration.

I took many Bush administration senior officials to their first international OECD Ministerial meeting, which was in fact the first international meeting for the new administration. We had the Bush Secretaries of the Environment, Energy, Commerce, Education, and the U.S. Trade Representative visiting the OECD at the same time. The delegation was led by Don Evans, Secretary of Commerce, who had been a business partner of President Bush.

The Bush administration was being widely criticized at that point over its failure to support the Kyoto Protocol and over statements that the president had made about Korea. As a former political appointee, it was very interesting for me to sit around the table in the peer review process that happens at the OECD. Countries were reprimanding me because of the new administration's steps. As a career ambassador, or as a career employee, that would have been common experience. They were used to that. Now, I had become like a foreign service officer. I found that we worked like a spinning top. I had never had the degree of loyalty, camaraderie and efficiency at my staff like I had at that point.

I had been an ambassador for a number of years and I had worked very hard to build a strong relationship with my staff. I hope that I was a good manager. I relied on my staff, and I thought they were excellent. I had a lot of respect for them. In a sense it was a culmination of that, and it was my last Ministerial, but I recall that we had never had so much criticism in the international press and at the Ministerial session, and never had we operated so effectively for our cabinet secretaries. So that was an interesting culmination. I recall that my staff asked me a lot of questions about how to deal with the new administration. In a way it was kind of rewarding for me, and it made me feel good that they felt that they could rely on me.

Can I tell you here about a very amusing incident that came out of that meeting, or rather, the dinner that concluded the sessions? The banquet was held at an excellent and fabulously decorated restaurant in the style of Louis XVI, called Pre Catelan, in the middle of the Bois de Boulogne. After dinner, everyone left the restaurant at the same time in a line of black limousines, driving very slowly back through the park. Secretary Evans was in my limo, along with me and my very French, very serious driver. Suddenly, we came upon one of the "ladies of the night" for whom the park is quite well known late at night. We inched by her and all three of us pretended not to notice. The Secretary and I continued to discuss what we had accomplished at the meetings. Perhaps two minutes

later, we came upon a second prostitute, who was bare-chested. Again, we all pretended not to see her. Two minutes further down the road, we encountered a third woman, completely nude. This time, our very serious driver burst out laughing, and then so did the Secretary and I. That was definitely the end of our serious discussion, and it led to me giving an explanation of the history of the Bois and this dodgy side of Paris nightlife!

Q: Well, I think one of the things that comes out of conversations we have had is how with an ambassador or somebody who is working for an ambassador there are certain things of OECD advancing the cause. It is a little bit like pushing the football closer to the goal line. You will never get to the goal line, but you are moving things ahead for the next person after you. You were there when there was some significant yardage gained on the organization that was dealing with very important issues.

BONDURANT: As I look back at some of the difficulties in relationships with OECD member nations experienced in the Bush administration, I find that the role of multilateral organizations is more important than I even realized when I was an ambassador. We have to have countries talking in every effective forum that we possibly can. We must be participants and we must be active and engaged. We need the support of other countries on most every international initiative that we undertake. I believe strongly that the OECD and its mission are vitally important.

Q: They really are. Briefly, what have you been up to since?

BONDURANT: Before I talk about that, let me just say how much the OECD experience meant to me and my family. Paris was the source of many happy memories. I was deeply honored to have been the first woman to deliver the Memorial Day speech at the American cemetery high above the Normandy beaches in a pouring rain. I will never forget climbing to the top of Notre Dame Cathedral with my 85-year-old father and my son to see the gargoyles up close. I loved representing the United States at the 1998 World Cup Soccer finals with my friend, and head of the Environmental Protection Agency, Carol Browner, and our sons. I was so proud to stand in for First Lady Hillary Clinton as keynote speaker at a sumptuous performance and dinner with the first lady of France, Mrs. Chirac, at the Palace of Versailles. And what a thrill to witness the first occurrence of the “sparkling light effect” on the Eiffel Tower – which now occurs on the hour – during the 2000 Millennium fireworks celebration, along with OECD Secretary General Don Johnson, my family and close friends.

After leaving the OECD, I did not go back to practicing law. Instead I joined my husband’s financial and business advisory company, Bozman Partners. We also have done angel investing in small companies. I served on corporate boards, the largest and most well-known was Rolls Royce in England, the aerospace manufacturer, as an independent director. I did that for three years, and found it fascinating, but a little over a year ago I withdrew from all but non-profit boards in order to assist my ailing parents and to have more time to devote to my family.

Q: Obviously you were right at the end of a political campaign that seems to have started

in the early Roman period or so.

BONDURANT: I know.

Q: But anyway it appears that a substantial Democratic majority in Congress and with a Democratic president, Barack Obama. How do you feel about that and do you have any aspirations or interests?

BONDURANT: I have been working on this campaign for quite a long time. I was an original Hillary Clinton supporter. Now I am strongly backing the Obama/Biden ticket and I do think they will be elected. I think it will be a very important election. I am tremendously impressed with both of the candidates. I know Joe Biden (D-DE) from my days in the Senate. I also worked with him and his staff as OECD Ambassador when he was the Ranking Member of the Senate Foreign Relations Committee. I think that the election will be a positive thing. There will be really hard times. I am happy they will be elected, but I think that we are in for years of high unemployment.

Q: Yes it is going to be a very difficult time. But people say maybe it is time to straighten out the economy and get things a little better ordered.

BONDURANT: Well, all my life I have been in favor of efficient regulation, and I think that the Bush administration was too unwilling to enforce regulations. Certainly if you read the Washington Post today you will see comments about the fact that the administration was not strong enough in its regulation policies for some of the economic entities. I am sure there is blame to go around, but I do believe that regardless of the political party there will be an environment for making sure that we are doing the right kind of oversight. For example, it is essential to ensure that heavily speculative entities will be regulated in a way that they have not been in the past.

Q: Well Amy I want to thank you very much. This has been quite fascinating. I knew nothing about the OECD and also nothing about regulation and all this. I think this will be very good insight for our readers. Thank you.

BONDURANT: Thank you.

Q: Ok and this is an addendum to our interview with Amy Bondurant.

BONDURANT: I am reading the International Herald Tribune dated Wednesday October 15, yesterday. The headline reads: "U.S. Follows Lead of Europeans in Supporting Banks." I think this is the first time, dating back to the time that I served as ambassador, that I can remember seeing such a significant case of the U.S. following the lead of the Europeans. It is the first headline I have seen like that because before it has been Europeans who follow the lead of the U.S. Here we find out that Brown...

Q: This is Gordon Brown, the prime minister of England.

BONDURANT: Gordon Brown, prime minister of England, came up with a rescue plan to attack what he thought was the root cause of the global squeeze by injecting money directly into banks in return for the government taking ownership shares. Paulson didn't want to do that in the U.S., but we followed their lead.

Q: Paulson is the Secretary of the Treasury.

BONDURANT: Henry Paulson is Secretary of the Treasury. In my experience as OECD ambassador, I was in many situations where we all sat around the table and I noted that whenever the U.S. ambassador spoke or the U.S. minister at a table of ministers spoke, other countries around the table lined up for or against that position. In other words, we were the touchstone. Countries would wait for us to speak, and then they would then determine what their position was going to be. We have been such strong leaders. I now see this enormous economic tumult we face, and in this time of crisis, I see where we are following the lead of Europeans. I think that is significant.

Q: It is, and also in this time I have noticed two things. One is Spain and the other is Canada where they have much stronger regulations on their banking practices, they seem to be weathering the storm better.

BONDURANT: Interesting observation.

Q: Yeah you know, I mean regulation is a good thing if it is not overdone. I think the EU has gotten a little too heavy on the size of cucumbers and things like this, but still.

BONDURANT: Well, the EU has a problem getting its members to cooperate and they have to make so many concessions that might be inefficient economically, as a result of trying to bring all their members on board. Somehow, we seem to do it better in the United States.

End of reader