

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

AMBASSADOR RICHARD T. CROWDER

Interviewed by: Allan Mustard
Initial interview date: May 25, 2012
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Background

Raised in Southern Virginia
Virginia Tech, 1960 – Undergraduate
Military Service – U.S. Army - Germany (two years)
Virginia Tech, 1962 – Masters in Agricultural Economics
Oklahoma State, 1966 -- PhD in Agricultural Economics

Government Service:

Washington, DC, U.S. Department of Agriculture (USDA) 1989-1992
Undersecretary for International Affairs and Commodity Programs

Washington, DC, U.S. Department of Agriculture (USDA) 2006-2007
United States Trade Representative (USTR) 2007-2008
Chief Agricultural Negotiator

Private Industry employment:

Houston, Texas, Exxon, 1966 (15 months)
Staff Economist

Chicago, Wilson and Company, 1968

Pillsbury (14 years)
Risk Management, Strategic Planning, Finance

Con Agra

Dekalb, Illinois, Dekalb Genetics/Monsanto (5 years)
Senior Vice President

Independent Consulting (3 years)

American Seed Trade Association 2002-2006
Chief Executive Officer

INTERVIEW

[Note: This interview was not edited by Ambassador Crowder.]

Q: Today is May 25th, 2012. We are in the townhouse of Dr. Richard T. Crowder and conducting an oral history interview with the former Undersecretary of Agriculture for International Affairs and Commodity Programs and former Chief Agricultural Negotiator in the Office of the U.S. Trade Representative. Dick, could you talk a little bit please about your personal history to start with, your background, where you came from, and how you kind of got to where you are?

CROWDER: Well, the background is relatively simple. But the changes along the highway were more frequent than most people have. I grew up on a farm in Southern Virginia, son of a tenant farmer, and was fortunate enough to get some scholarships and go to college, Virginia Tech, where I studied agriculture. My direct line going back in terms of history since 1679 were all farmers in Virginia. So in my direct line I was the first one to leave the farm, but I stayed with food and agriculture, except for two short stints elsewhere. One of those stints was in the Army, which was probably two of the best years I've ever spent. When I came out of the Army I had already completed my master's at Virginia Tech, following the bachelor's there in Agricultural Economics. And if somebody had told me when I came out of the Army I had to give up the master's degree or give up the two years of experience in the Army, I would have given up the master's. The two years in the Army were more enjoyable and more valuable in terms of personal growth, people growth, and so forth.

Following that, I went to Oklahoma State for a PhD in Agricultural Economics. I had no idea why. Maybe because going to school was easier than working.

Q: (chuckles)

CROWDER: I did not plan to teach. I wanted to go to work in the private sector; I knew that. The experience in the Army had created an interest in things outside the U.S. I received excellent training in both my undergraduate and graduate programs at Virginia Tech and at Oklahoma State. But one thing they omitted, they failed at that time, and I'm hoping that most of faculty now are doing a better job at this, and that's informing students of the opportunities that exist globally, rather than just domestically. And so the two years in the Army, where I served in Germany, generated this international interest and global interest which became part of my career later. I left Oklahoma State and went to work for Exxon for only 15 months. I was not fond of Houston and the oil business was different than agriculture. And I had an opportunity to go to work for Wilson and

Company, the meatpacker, in Chicago. After that it was 14 years with Pillsbury in a variety of functions: risk management, strategic planning, financial functions and so forth. Then in 1989, Pillsbury was sold to a British company, Grand Met (Grand Metropolitan P.L.C.). That year there was also a change of administrations in Washington. And I've always been driven a lot by curiosity and every door I go by, literally or figuratively, I wonder what's behind it. And I was a little bit interested in what's behind this government door. Not only that, but I'd always had an interest in public policy. So one day I got on a plane and came to Washington and talked to some people about possible options. And long story short, I ended up in the Agriculture Department with the position of Undersecretary for International Affairs and Commodity Programs, as you have said. That was an intense period, an exhilarating period, an exhausting period and exciting period, but I was ready to go back to the private sector when I left there.

Following that, I worked for ConAgra, a large food company in Illinois. Then after a couple years there I had an opportunity to go to work for DEKALB Genetics, a seed company that's responsible for all their operations outside the U.S., which was a terrific job. And then later on, after five years there, Monsanto bought DEKALB and, as is true with many acquisitions, and this is the right way it should be, a lot of the senior management left. Monsanto put their people in, which was perfectly fine and I think appropriate. When you buy a house, you don't keep it decorated the same way as the people you bought it from.

I was on my own then for about three years serving on some boards and doing a little bit of consulting, a lot of traveling. And then the next stage of my career was with the American Seed Trade Association as CEO (chief executive officer). I was there I think four years before I got a call from The White House that said, "We would like to have you come back to be the Chief Ag (Agricultural) Negotiator." I debated because I enjoyed, as you know from our experience of working together, what we did and what we accomplished while I was at USDA (United States Department of Agriculture). But I always felt a little bit like an organ had been transplanted into a body and the body was rejecting it while I was in public service. Because the private sector is just more my ideal.

But anyway, in terms of opportunity and what was going on at that time with the Doha Round, with Colombia, Panama, Peru free trade agreements, I said, "OK, this is an opportunity." So I accepted and was there for a couple of years. And then left without knowing what I was going to do and, and currently I'm an adjunct professor at Virginia Tech teaching strategy and negotiations. I'm enjoying that, serving on some corporate boards, some nonprofit boards, and doing a little bit of traveling. Busier than I expected to be; not necessarily than I want to be. So that's probably too long of a description, but that's how I got to the discussion you and I having this morning.

Q: That's great, Dick. I would like to go back and talk about the period when you were the Undersecretary. I want to interject an anecdote that Dick Lyng told me about how you were hired.

CROWDER: It'd be interested to see what he says about what I recall.

Q: Well, as you recall, one of the things we did was that Loan Executive Program in the former Soviet Union. And you had put your -- you'd asked Secretary Lyng at that point to come back and lead a delegation. So we were traveling around the former Soviet Union and at one point over dinner he said, "Well, I have to tell you how I was responsible for the hiring of Dick Crowder, because Lyng was going out as Secretary and Secretary Yeutter was just coming in. So he said, "We were looking at various candidates and all of a sudden here was this bright young man who had been a Senior Executive with Pillsbury and had run Burger King and a bunch of other things." And he said, "This kind of talent just doesn't come along very often," and he told Dr. Yeutter that he should hire you.

And Dr. Yeutter said, "I'm too busy right now. I have too many other things on my plate. You take care of it and you hire him."

So Secretary Lyng hired you as Undersecretary and then left, and the rest was history. You came on board as Undersecretary. And I'm curious to know if that jives with your recollection of events.

CROWDER: The first part does. The hiring part does not.

I knew that what was called in Pillsbury the "Senior Management Committee," most of those people would leave. And again, I repeat, rightfully so. No bitterness on my part at all. In fact, when I first met with the HR (human relations) person from Grand Met, he was talking about what I was doing and responsibilities and so forth, and I was talking about the exit program. And the British have a wonderful way of stating things. And he says, "Dick, I get the impression that you're trying to properly structure the appropriate method to exit the company." Which means to leave.

And I said, "I think it's appropriate to -- you know, that some of us leave and you take it over. But I'm willing to help in the transition."

So one morning, literally, my younger son and I would go -- drive to work and school together. So we were getting ready to go to school and I said, "Wait a minute, Matthew." And I went back upstairs and got a grommet bag and put some clothes in it."

And my wife says, "Where are you going?"

And I said, "To Washington."

And she said, "What?"

And I said, "To see if there are any jobs."

So I called Bill Leshner, who had worked for Secretary Lyng, and said I'd be interested, would now be a good time to come down, and he said yes. And I did and we set up some

meetings. Well, he set up some meetings, and one of them was with Secretary Lyng. And he told me, he said, "It may not go very long and -- but it'll be at least a courtesy call."

Well, the long story short is that the meeting went for an hour and a half. We sat down and we talked. And we talked and talked and talked about lots of things. And he asked me, he says, "Have you seen Clayton Yeutter yet?"

And I said, "No."

And he says, "Well, you can -- should see him."

And I said, "OK."

And he said, "Can you stay until tomorrow?"

And I said, "Yeah," so I stayed over. And I met Clayton the next day. And then Clayton asked me had I been to The White House yet, and I said, "No," so they sent me to the White House. Then I went back to Minneapolis. And then he called me back for a second round. It happened just that quickly. So, yes, Secretary Lyng I met probably the first or second meeting I had and he set the next meeting up with Clayton. We met the next day and it was a very short hire. So I recall Secretary Lyng very, very fondly.

Q: Mm-hmm. That's a great story and it's a great success story because, for the record, you were remembered with great fondness in USDA as one of the best we had. Going back to your tenure as the Undersecretary, my recollection was that there were really two very large issues that you worked, and maybe another ancillary issue that was associated with them. The first issue, of course, was the Uruguay Round. And you were very heavily involved in that. So if you could talk about your experiences there and how the policies were formulated, what the policies were, and what some of the engines were driving them. The others were of course what we were doing in Eastern Europe and what became the former Soviet Union. It was still the Soviet Union when you were Undersecretary for the first part. And then a corollary to that was the amount of corn surplus that we had. And that was one of the things that was your responsibility as Undersecretary, to do something about those corn surpluses. And that kind of fit into what we were doing in the former Soviet Union. So could you kind of touch on all of that please, Dick?

CROWDER: That's quite an assignment.

Q: Well, you have a PhD from Oklahoma State. It should be child's play for you, Dick.

CROWDER: No, that's tougher than the questions I give my students. *(laughs)* Actually, there were four things I worked on. And you should send your kids to college to major in timing, because both times I was in Washington the timing could not have been better. There were really some key issues that we were working on. When I was at USDA there were four things policy-wise that were big and important, as far as I'm concerned. One,

as you mentioned, was the Uruguay Round. And at that time, there was no Trade Ambassador -- no Ag Ambassador. As Chief Ag Negotiator at USTR (United States Trade Representative) it fell on me in the Secretary's Office in coordination with them. The second was the beginning of NAFTA (North American Free Trade Agreement). We began the launch of NAFTA at that time. The third, as you mentioned, was the break-up of the former Soviet Union and what was going on there. And the fourth was the 1990 Farm Bill, which I managed for the administration from policy development all the way through to passage in the Congress. So it was a heavy load, an exciting time. One thing I recall is the great resource of career people in USDA, USTR and other places in the government that were willing to help with this and were essential to any success that we had.

I'm going to be brief on each of these. Of course the Uruguay Round was unique at that time in that it was the first time that agriculture was included in what was then the GATT (General Agreement on Tariffs and Trade) Negotiations, now the World Trade Organization. And therefore, there were some fundamental things that had to be agreed to that had not been agreed to before. One was tariffication, converting the old non-tariff barriers into tariffs. Two, was the export subsidies, export credits, the state trading enterprises, the whole export competition part of trade. And then third was domestic support, the discipline domestic support. It was difficult at that time -- the most difficult thing was to get the parties to agree to these concepts. I mean, for example, tariffication. There was a great reluctance of some to agree to tariffication.

Q: Mainly the European Union or?

CROWDER: European Union was one, but they were more flexible. You have to give Guy Legras, who was my counterpart and Ray MacSharry, who was the Agriculture Minister there, great credit for the progress they had made in the common agriculture policy in terms of reforming it and making it possible for some of these things to happen. But Japan was particularly reluctant to agree to tariffication, because of the rice issue and the whole food security issue they had. And as a result of this reluctance, as a result of this being the first time -- and there were no reference points -- most negotiations you're in you have reference points.

Q: Mm-hmm.

CROWDER: There was no reference point on tariffication. There was no reference point on export competition in agriculture. There was a reference point in terms of export subsidies in the non-agriculture product area. There was no reference point in domestic support. So you were trying to establish some light posts or reference points to get this done. It had gone on for quite some time and then we had a ministerial meeting in Brussels in I think it was December, 1990. And the talks broke down at that point. People said they broke down, but I don't think they ever broke down, because shortly thereafter Guy Legras and I were talking with each other. One of the things in terms of negotiating strategy and trying to get things moving was that negotiators were reluctant to make commitments, particularly in a huge public forum. So one of the things we did after that

that was helpful is we had a series of non-meetings on a bilateral basis and on a multi-lateral basis.

Q: Non-meetings.

CROWDER: Non-meetings. No notes, no, no reports, no nothing. Shortly after, in maybe January '91, I met Legras at a hotel in London. I was passing through to somewhere else and he flew up and we talked. And then we met with the Canadians, Legras, the Japanese, and the Australians as part of the Karen's Group and said, "OK, here they are."

And it was in one of those meetings that the issue of tariffication was done. One of the countries -- and I don't need to say whom -- one of the countries said, "I can't agree to tariffication."

And another one said, "Well, if I can agree to it, you can agree to it." And the one that said, "If I can agree to it, then you can agree to it," had never agreed to it before. And that was how the tariffication deadlock was broken. Everybody knew it was going to come, but it was there -- but there were notes of it, and the rules of the game were established. We made some progress. Then we expanded. Those things kept going. We didn't keep the Secretariat informed of specific meeting items, but we did inform the Secretariat that we were in discussion and hopefully we were making some progress. Long story short is that we ended up with tariffication, we ended up with some disciplines on export subsidies -- we ended up with disciplines on domestic support, we ended up with sanitary and phytosanitary agreement for the first time, and that was huge. This whole issue of the precautionary principle was just huge. I can remember at 2:00 in the morning one weekend, the precautionary principle, really intense debates. The European Union was really pushing us. But it ended up not being in the language. And even today it would be a mistake to incorporate the precautionary principle. The, the whole impact on food security, the whole impact on trade, the movement of goods, disruptions would just be horrendous.

I never closed the deal because in June of '92, I went home to our younger son's high school graduation. I had planned to be in Washington two years, because he was a sophomore when I came to Washington for that. And I said, "I'll be home in two years and I'll be home for your senior year in high school." Well, I go back in '92 and guess what? I go back to his graduation. And that weekend all the graduation exercises were good. We played a couple games of softball together on the church softball team, and it was just a wonderful weekend. And I thought, "My gosh, in September this young man's going off to college." I recalled when I went to college, you come back home, but it's not the same. I mean there's an independence that develops and so forth. The relationships are still close, but they're not the same. So I said, "I'm going home to spend the summer." So I came back and told Secretary Madigan that I was leaving. And in two or three weeks I was gone and left it with Joe and Bob Zoellick and the rest of them to close up and they did it and did it well.

Q: OK. So that was the Uruguay Round.

CROWDER: That was the Uruguay Round.

Q: OK, then NAFTA.

CROWDER: We didn't make a lot of progress on NAFTA. While I was here. It was really launched. We spent a lot of meetings on it, but it was mostly the framework, in terms of what was going to be happening in process and so forth. I remember one of the early meetings, we talked about whatever was going to be on the table. We wanted fair trade-offs, we wanted sanitary, phytosanitary, we didn't want non-tariff barriers to go over it and we wanted it to be a comprehensive agreement. That was important because that carried over even until the days that I was back here as the Chief Ag Negotiator because that's when NAFTA was fully implemented. And there was still some people, both on the Mexican side and on the U.S. side, that did not want all items to be included. They wanted to exclude some items even at the last day of implementation. So those principles that we set back then in terms of negotiations, but actually negotiations of the tariff schedules and so forth I was not heavily involved in that.

Q: Well, one question. When I was in Mexico, the Mexicans claimed credit for initiating it. They said NAFTA was their idea. Is that your recollection?

CROWDER: NAFTA was already an idea when I got in. I don't recall whose it was. It was on the table when I got here. The Canadian Free Trade Agreement had just been done and the idea of NAFTA -- I don't have a recollection of whose idea that was.

Q: OK.

CROWDER: I will say this: they were really tremendous in terms of the implementation at the end when it was fully implemented. There were a number of issues with sugar, with beans, with corn, with pork. In some cases we asked them to bring some private sector people up and we would have our private sector people and we'd put everybody in a room and say, "OK, why can't this be done?" And it was a whole different atmosphere then. One of the critical things in negotiations, particularly in the public policy side, is transparency. With Mexico, their representatives were very cooperative. I thought the implementation went well. You may have different opinions from --

Q: No. No, I mean my experience dealing with the Mexicans was that I had a better working relationship with Mexican officials than I've had with almost any other country in which I've served. And even when we disagreed they had a marvelous and have a marvelous ability to compartmentalize our disagreements and then seek new areas where we can agree. And I found working with the Mexicans to actually be very positive.

CROWDER: I found the same thing to be true in the private sector. I've worked with joint venture partners down there and good business people. Despite any difficulties in negotiation, either the Uruguay Round, NAFTA, or the Doha Round, I never had the experience of negotiating with a partner from any country that became personal.

Personalities were not important. The facts and the negotiations were important. And through all these, deep friendships were developed and lasting. Just last week, for example, Mr. Murakami from Japan, who was my counterpart in the Doha Round and is now ambassador to Chile, was going to be in Washington. And through the Japanese embassy, he contacted me and said, "Could you have lunch?" And I said, yes. It meant driving four and a half hours from Blacksburg up here for lunch and driving four and a half hours back, but the friendship was worth it and we had a, had a great two-hour lunch and then went back from there.

But then there are payoffs from that. Because while we were there, an embassy person said, "We're having someone come over that wants to talk about technology in U.S. agriculture compared to Japan and what's happening and so forth." Well, lo and behold there's a producer of food grade soybeans -- Japan's the biggest customer -- that's in Virginia that I worked with as part of my activities at Virginia Tech.

And I said, "Let me check with this person."

So the people that were doing this story are going to visit the farm in Virginia, are going to observe the harvest, they're going to observe planting, they're going to observe technology, and it's a customer-supplier. What I'm trying to say here is that the human side of this, in terms of friendships, the economic side or the commercial side and the policy side can all come together and just benefit a whole bunch of people.

Q: It's all intertwined.

CROWDER: It's all intertwined. It really is. And the networking. You cannot let intense negotiations become personal. When I go back to Paris its very seldom that I don't try to see Guy Legras. I don't know whether you've met him since you've been in India or not, but Rahul Kunwar was the Minister of Economics there that was my negotiator. We stay in touch, telephone call each year. Jean-Luc Demarty, there's a personal network, as well as a policy network, as well as a commercial network, and as you say, they're intertwined.

Q: That's fabulous, and that's a side of the negotiations that's not normally captured in the diplomatic histories. Maybe moving on, if you could talk briefly about the farm bill and the focus of your work when you worked on the 1990 farm bill. And of course we found that surprise in the farm bill in the Emerging Democracies Program that we hadn't expected to find, so -- among other things. So that was a funny story.

CROWDER: Well, I don't remember the exact story you're talking about, but the farm bill was interesting. And intense. And if you go back and look at my calendars those days you would see meeting after meeting after meeting after meeting with farm groups and people on the Hill and so forth. That farm bill, I think, was unique in a couple of ways. Maybe three ways. A) It was initiated by the administration. It was not dead on arrival when it was sent to Congress. And most important, there was some fundamental change, particularly on the domestic side that had not occurred before. And that was in the

planting flexibility. It used to be that you planted your base acreage, and you had base acreage of corn, that's what you planted. You had base acreage of beans, that's what you planted. You had base acreage of wheat, that's what you planted. And sitting in that office, where you were talking about set asides and this type of thing and trying to manage supply and demand, it's just not something that government ought to be doing. So we said, "OK, you can have the total base, but you can plant corn on wheat acres, you can plant soybeans on wheat acres, you can plant -- you have planting flexibility. Let the market decide." A lot of people pushed back on that because it had been a long time since people had a reference point, as I talked about in the negotiations. Because everybody knew -- all the wheat guys knew that all the corn guys were going to plant nothing but wheat and drive the wheat market right in the tank. All the corn guys knew they were going to plant the wheat on the acres. Everybody was scared of what everybody else was going to do and they hadn't had the market. So rather than being greedy and rather than drawing a line in the sand and saying we're not going to cross that line, we said OK, we will have a triple base. In other words, with part of your base you can have flexibility, on the other part of the base you cannot have. That opened the door for farmers who today decide what they want to plant on their whole farm. That opened the door. I was talking to someone two years ago, or maybe last year when cotton prices got so high and cotton acreage went up. And I said, "Now, suppose we still had the old cotton base and that was all you could plant, or when the corn market goes up and you can't switch back and forth?" That was a historic policy move as far as I'm concerned. So that was really good.

Now, we did the same thing we did in the negotiation. That was involvement in transparencies. And I had a lot of people say, "Well, you got me involved, but you don't listen to me." Well, getting your inputs doesn't necessarily mean I'll always agree with you, but go back and look at the schedules from turkey producers to national grain and feed to Farm Bureau to all the Farmers Union, to all the farm organizations. We sat, we listened, and they had an opportunity to provide input. We worked closely through the Inter-Agency process. That was more difficult for me than getting it through Congress. I was in a republican administration, but the Inter-Agency process was more difficult for me than getting it through the Hill. Because at that time on the Hill the agricultural committees and agriculture -- it was not as partisan as it is now. We published what was known as *The Green Book* and which laid out where we were. And then there was a *Blue Book* addendum and then there were some things that we later on published as a *Red Book* that says we don't go there. And there were some lines drawn on the sand. But the bottom line is, we didn't get everything we wanted, but we got some fundamental change in the farm bill. And I was doing a lot of traveling, former Soviet Union, Uruguay Round and everything else in addition to this. And I just cannot give John Campbell, who was my domestic deputy enough credit for this. And the other thing that was very helpful -- again, I'll go back to the career employees -- they were just tremendous in this whole process. We were not operating in secrecy, but we were not publicizing what we had. And we had people working on wheat, we had people working on all the commodities. And until we published *The Green Book*, there were no leaks. We weren't trying to hide anything, but the final things were going to come up. It was interesting because you had the support of all those people and then, later on, when President Clinton was elected, some of those people that had been working with us on the farm bill became political

appointees in the Clinton administration. I had no idea what their political affiliation was; it didn't matter. Policy was important, performance was important, and that's the way it worked.

Q: If you could talk now maybe -- you talked just now about the amount of travel you were doing in Eastern Europe and the Soviet Union. You made one very important trip I know to Poland at one point accompanying Secretary Yeutter or maybe doing advanced work for Secretary Yeutter. And that kind of was about the time you created the Eastern Europe and Soviet Secretariat. If you could talk about that, how, how that all unfolded. And that would have been about 1989, about the time you came on board.

CROWDER: The trip to Poland was, I think, December of '89. That trip was led by the Agriculture Secretary Yeutter, and then Commerce Secretary Mosbacher, and Labor Secretary Elizabeth Dole. It was a mixture of private sector delegates and public sector people. I was just responsible for organizing the trip, and it went well. We were obviously concerned about the transition. We were concerned about how we could best help. And we wanted to look at that from both a public policy side and from a private sector side.

Q: Could you be very specific what transition you're talking about.

CROWDER: The break-up of the former Soviet Union. That process was underway. This was after the Berlin Wall had gone down in what, October of '89?

Q: It was in the fall and winter of '89.

CROWDER: '89.

Q: Yes.

CROWDER: That was the transition we were talking about. We wanted to help, the Europeans wanted to help. So I made trips after that back to Poland. I went to Bulgaria, to Hungary. I made a lot of trips to the former Soviet Union, particularly to Moscow. You want to make sure that there are no issues with respect to food availability. You want to make sure that you are doing all you can to help the economy grow. And to me agriculture is a place where you can get faster return -- as fast a return as you can in any other industry. Immediately after the Poland trip, Secretary Venoman, who was my Deputy, and I left Warsaw and went to Moscow. It was my first trip to Moscow. We were trying to a) make an assessment of what was going on and b) respond to requests we were getting in terms of credit, GSM credits and this type of thing. You were with me. You know more about this than I do. You may not have been on the first trip, but you were with me on some of the other trips.

Q: Some of the other trips.

CROWDER: In the end, this work was pretty significant. One of the most important was the policy and the relationship with President Gorbachev, who was very interested in agriculture. And I think you were on the trip with me where we went to Moscow, to Yekaterinburg, to Kazakhstan, to Uzbekistan, two stops there, to Armenia and then back. I had made separate trips to Ukraine. There were a whole series of trips that we went through. There are a number of stories about that that are important. I met with President Gorbachev and he asked me, "OK, Mr. Agriculture Guy, what's my food problem?"

And I asked him, "Do you want the long answer or the short answer?"

And he says, "I'll take the short answer to start with."

And I said, "Well, the short answer is between the time the food is produced and the time it's bought off the retail shelf, no one owns it so no one takes care of it."

He was quick to grasp things. And he said, "Do you mean all this extra fertilizer and technology and so forth I've been putting in some of it's been going to waste?"

And I said, "Yes."

And he said, "What do I do about it?" which was interesting.

And I said, "A couple of things."

And he said, "What are they?"

And I said, "First of all, you need to believe that value is created in the distribution system. Everything is production oriented. The value is created in production." I'll tell you a couple of stories on that in a minute. And I said, "Because value is created in the distribution system."

He says, "Well, how do I go about this? And how do I do it? What do I need to do?"

And I said, "A couple things," again. And I said, "One, you need to, as president need to acknowledge that value is created in distribution system. So people will think it's important." But I said, "To measure that value and to enhance the transaction, you need to create wholesale markets, let wholesale markets develop." Because when we were traveling one of the things I observed was not only the waste, but the barter system that was going on there. Their market system was very inefficient underneath it all. "And so you go back and say, 'Let me have a wholesale market,' and let it be encouraged -- and it's going to help the efficiency of the economy, it's going to help the allocation of resources, and this type of thing."

And on the trip that we made after that to Kazakhstan, the Minister of Agriculture said, "We've been looking forward to meeting you."

And I said, "Why?"

And they said, "Because we heard on Moscow radio after you left your meeting with President Gorbachev he changed the way he thought about agriculture policy." Now, if we did that, that was a contribution.

Q: Mm-hmm.

CROWDER: If we did that, that was a contribution. Later on, when we were in another meeting with him, with the Secretary, we were talking about some other things. And he wanted to get to the wholesale markets. He said, "Can we delay that and talk about these wholesale markets that Mr. Crowder and I talked about before?" He was truly interested. When we came back from that Armenia trip one of the things he said to me, "Why did you go to Armenia? They understand wholesale markets. We don't. You need to teach us about wholesale markets in terms of that."

There were significant things. Now, what did we find? We found this inefficiency, we found that the system does not work. Once we were in Yekaterinburg with Mr. Rossel, I think --

Q: Mm-hmm, Edward Rossel.

CROWDER: Edward Rossel was with us.

Q: He was the governor.

CROWDER: He was a governor and we went out and his Minister was with us. And we drove back past this one huge oat field. This was in September, October we were there. And the person, I think it was the local Minister of Agriculture, said, "Look at that huge oat field there." He said, "That's the difference between Armenian agriculture and U.S. agriculture."

And I said, "What do you mean?" That must have been a 200-acre, if not 200-hectare field of oats.

He says, "See those oats? The snow is going to get them or the frost is going to get 'em before I can harvest them. And in U.S. you'd have the climate for them -- so you could combine."

And I said, "Well, if I was concerned about that dairy farm we had just seen, I would cut these oats now for hay and feed them to the dairy cattle and I wouldn't lose 'em."

"Oh no, I can't do that," he said.

And I said, "Why?"

He says, "Because if I cut them for hay, I cannot subtract them for my quota. And if I let the frost get them or the snow get them, I can subtract them from my quota."

And I said, "Don't tell me about our weather being a part of the system. It's the difference between your agriculture and ours." I said, "It's the system. This is that whole rewards thing." When you're talking about the Secretariat, there were some really good things done. We worked closely with Poland on financing. Their Finance Minister, I was in the office one day with the Minister and dairy farmers came in. So we both exited through a back door. We worked in Bulgaria, in Armenia, and I remember the private sector. We came back and we needed some people there, and there was a former egg guy who worked for an egg company in Pennsylvania that we sent. Fred Solbrine, a classmate of mine at Oklahoma State was at Kansas State, went over to one of the countries to work on accounting management procedures and so forth. So it was some good things, as far as I'm concerned, that helped the transition.

And later on, in another career when I was at DEKALB we had a good seed operation in Hungary, and you could tell the differences in what had happened between those times.

Q: That's fascinating. And again, you're giving us insights we can't get anywhere else. A couple of things that I recall from that period I'd like you to comment on. One was that after -- we went after the coup attempt in Russia. The coup attempt was August 19th through 23rd of '91. There was a telephone conversation between President Bush and President Gorbachev, which resulted in us making those two missions, one that you led and one that Secretary Madigan led then in September and October of '91. And if you could talk maybe a bit about your recollection of how those two trips were put on and if you got any instruction from The White House or had any sense of what The White House wanted you to accomplish on those missions. And then the follow-up. I mean we had a tremendous amount of follow-up from those missions where we were trying to help the Soviets. And if you could talk about that.

CROWDER: My recollection, Alan, is that the two missions were before the coup. The reason that I say that I don't think so is that I was scheduled to go to Moscow the morning of the coup, and at 4:00 in the morning I got a call, the State Department says, "You're not going."

Q: Mm-hmm.

CROWDER: But then I did subsequently go back, and I met with Gorbachev myself to visit with him. And he talked about that extensively.

Q: That was after the coup though.

CROWDER: That was after the coup, but the other trips had been before because I had not established a relationship with him before that --

Q: Yeah, well you had trips over there before the coup. But then the big one where you and I traveled around --

CROWDER: That may have been '92.

Q: That was September of '91 right after the coup, it was right after Labor Day.

CROWDER: That trip I do recall. But that was not the Madigan trip.

Q: No, the Madigan trip was then about a week and a half after we got back from that. That stretched into October.

CROWDER: OK, OK. It may be. I don't recall specific instructions.

Q: OK. It was Labor Day Weekend. I saw President Bush come up on a press conference and say, "I'm sending Dick -- Undersecretary Richard Crowder -- back to," --

CROWDER: That was true. Labor Day Weekend of that year he did do that. But the last time I saw President Gorbachev I think was in December of '91.

Q: Mm-hmm.

CROWDER: Because after that ...

Q: He was out of office.

CROWDER: I think I made nine trips to the former Soviet Union that year.

The one good thing that I found about the President then was that he was not the micromanager and he trusted his people and he would say, "OK, this is the big thing: the stability issue, the transition issue, and so forth is, is what we want to do, and agriculture is a part of this.

Q: That's our President you're talking about.

CROWDER: That's our President. Condoleezza Rice at that time was head of the National Security Council. She and I spent a lot of time talking about these trips.

But in terms of specific instructions, no, I don't recall any of those.

Q: OK.

If you could maybe switch gears a little bit at this point and talk about your experiences as the Chief Agricultural Negotiator. Fast-forward a few years, you came back to government after having been out in the private sector. The world had changed in rather fundamental ways. We had the Internet, we had all kinds of new ways of doing business.

And you were thrust into the role of Chief Agricultural Negotiator after the Uruguay Round had been signed and we had a World Trade Organization. And how were things different and what were you doing?

CROWDER: Well, things were different for me in that I was more narrowly focused. You know, it wasn't NAFTA, it wasn't former Soviet Union, it wasn't a farm bill and a trade negotiation. It was trade negotiations. It was a good time to come back because there was the Doha Round, there was the Korea Free Trade Agreement, there was the Colombia Free Trade Agreement, Peru and Panama Free Trade Agreement. It was trade focused. Of course you get involved in domestic policy a little bit with the domestic support and so forth in the Doha Round.

My feeling is that Doha did not succeed as a result of a framework that was just overwhelming in itself. In the market access side, you had special products, you had sensitive products, you had all types of exemptions. It was a very complex framework that was very difficult. And you had some countries that just did not want to make changes. My opinion is that the Doha was not successful because the U.S. was not willing to compromise on domestic support, because I was willing to during the time I was the negotiator. What I was not willing to do was to establish a bifurcated market access system in terms of what one group of countries, namely the developed countries, would be subject to market forces. And on some commodities, not all commodities, but selected commodities, special products and sensitive products and so forth, other countries would in essence never be subject to market forces. I did not want to be part of something that institutionalized that. Because if it had ever gotten into the World Trade Organization it would stay there.

Q: Mm-hmm.

CROWDER: That would have stayed there. I proposed once to my colleagues that, OK, let's introduce on these special products and sensitive products some TRQ's (tariff-rate quota) that would grow over time. Give some market access. Keep the principle of some market access subject to the forces of the market. We never got there on that one. I left before it reached any type of conclusion. I was not surprised by the outcome. And as I sit here today and say, "Where is it going to go?" under this framework and given the world food situation today, there's really no incentive to push this. Because when food prices are high and as food demand grows, I think applied tariffs are going to come down to adjust to food demand. I think the food demand is so high and prices are going to stay high enough that domestic support's not going to be an issue for us. So again, if you don't have those tradeoffs to make, what's the incentive to institutionalize the fact that someone does not have to subject some of their items to the world markets. I just don't see it going anywhere. Panama and Korea took the most of my time. And Korea is just, in terms of agriculture, and I think in terms of total, just a terrific agreement.

I think Korea's the best job of negotiating I've ever done on anything, public sector or private sector. I think it makes sense to either side. It was creative in market access provisions. We made some adjustments. For example, seasonal production of oranges.

We've got a small TRQ that grows, but the tariffs never go to zero. But 80 to 90% -- so this gives them the protection they want, but 80 to 90% of our oranges are shipped out of season, and those tariffs go to zero. So it's a 50 million dollar deal, if I recall the numbers correctly, for our citrus industry. We were able to make tradeoffs within fruits, within vegetables, that were good. The beef deal was good, the food grade soybeans. As I calculated, at full implementation based on the level of trade we were doing with Korea, it's a 750 million dollar annuity for the U.S. agriculture in terms of tariff reductions going forward over time, 500 to 750, it depends on prices and so forth. So it's a huge deal.

In terms of commerce between us and Colombia and Panama too, in terms of relationships, they're equally important as far as I'm concerned. And then of course we had Russian accession to the WTO. And we made some real progress on a number of things there: plant inspections for beef, pork, poultry, and a number of other items. I'm not that close to it now, but I think there's been some backtracking on some of that, but I think it's a good thing that Russia is going to become a member of the WTO; they could not get a free pass on anything. We spent a lot of time on beef, the BSE (bovine spongiform encephalopathy) issue. We spent some time with Japan, with China, with Taiwan. And, don't forget the help of the career employees that were there to help and to do the work and provided the support. And I was at USTR at the time, but what made it possible to get whatever small things we did get done, was a working relationship with USDA and particularly FAS (Federation of American Scientists) and the group of people there, that cooperation. The human side of the negotiations were as important as they were in the Uruguay Round. I feel good about the, the, the personal relationships, I feel good about the economic outcomes, I feel good about the policy outcomes. I think that given where we are with the World Trade Organization and where other people are with bilateral agreements, we really need to step up our efforts on bilateral agreements in the U.S., because other people are passing us by in terms of those.

Q: I want to touch on one thing for which you are quite well known or well respected, and that's your negotiating skills. And I remember at one point coming to you when I was going to be shoved out the door and told to go out and do my first real negotiations on anything. And I came to you and said, "Dr. Crowder, what's the secret to your negotiation skill?"

And you said, "You have to be willing to walk away from a deal if it's not a good deal. Because if you're willing to do anything to get a deal, you will do anything to get the deal. The other side will sense that and take advantage of it." Could you talk a little bit about your negotiations and if you have some particular anecdotes of really tough negotiations where something interesting happened?

CROWDER: Well, I probably gave you the wrong advice. Because the first piece of advice I should have given you was preparation.

Q: Mm-hmm.

CROWDER: In my class, I have a series of words or phrases that include the letter P in there. The first one is preparation, another one is patience, another one is persistence. And I can tell you a story about persistence. It was a ministerial meeting in Europe. It must have been '91. And Secretary Baker was there. And Jules Katz, Ambassador Katz, terrific individual. Really terrific individual. Can I tell you a story about him first?

Q: Sure.

CROWDER: I had just come to work out of Pillsbury and was Chief Financial Officer of the restaurant group that included Burger King, Steak & Ale, and so forth. And of course when you're in the private sector you're always doing store checks. You're in a grocery store, you look to see how much shelf space you got for our products and you're always looking at menus and so forth. Well, Jules was really a diplomat. And I had been for a walk that afternoon and I walked by a Wendy's in Geneva. I did not go in. So we were coming back from a meeting that afternoon and Jules says where did we want to go to dinner that night. And I said, "Well, we could go to Wendy's and I could do a store check."

Well, Jules was not in the mood to eat at a fast food restaurant (*laughs*). And he let me know. We went to a good restaurant -- and I had to go back to do the store check. Anyway, Ambassador Katz, Secretary Baker, Ambassador Hills, Secretary Madigan I guess it was myself and someone from Secretary Baker's staff. We were talking about how persistence works in a meeting. Getting ready for this meeting, and Secretary Baker called us up to his room. He wanted to know if next day should we push back, should we go home or should we stay and negotiate. Well, I was tired, I wanted to go home. So I said, "I think we should go home."

And he said, "Why?"

And I gave him two reasons. I've forgotten what those two were, but one was that we'd been here for weeks and had not gotten very far with the negotiations. And he jumped -- well, didn't jump on me, but he reminded me that he had been involved in negotiations with various countries over time. If he were to be giving up he wouldn't have gotten there and so this persistence thing was very important. And I could see the other people sitting around the bedroom kind of smirking and saying that they were glad they hadn't spoken up.

Q: Mm-hmm.

CROWDER: But then he says, "Your first two reasons are good enough, so we'll go home if we don't make some progress." So anyway, that's the persistence thing.

So anyway, so preparation, persistence, patience, put yourself in the other person's shoes, don't paint yourself or your opponent into a corner. That's an Eisenhower thing. Push back is another. Preparation is really the best -- and part of preparation is knowing what that push back is. You really do need to push back. One year in St. Petersburg, we pushed

back on the beef plant inspection deal. We pushed back and then both presidents wanted it agreed to and it wasn't done, but in October of that year we did get what we needed.

So, you do need to know when to push back. Not only when. You need to have the ability to do it and not get incrementalized into getting there. And you need to decide that point before you go into the negotiations. It's kind of like commodity trading. If you can't put a stop-loss in when you put the initial order on something you're in trouble. I asked my students this year, because I give them cases to negotiate themselves, actual cases that I've negotiated in the private sector and in the public sector. And I said, "Which of these is the most important?"

The vast majority said, "We should have been better prepared."

Q: Mm-hmm.

CROWDER: I tell them it's forgivable to be out negotiated, it's unforgivable to be unprepared.

Q: OK. Any last thoughts on your career first with USDA and then with USTR?

CROWDER: I'm really blessed, privileged, or whatever you want to say, to have been able to serve the country at three different occasions.

Two things that are important, really important career wise. Three things. You, you've got to be willing to accept change and do different things. But in addition to that, you're going to have people that not only mentor you, but will take chances with you. You're going to have people that will not only mentor you, but will take chances with you, give you opportunities that they step outside the box to give -- to give you the opportunity. And three, is any success you have, it's not driven by you but by the people that work with you.

Q: Thank you very much, Dick.

CROWDER: You're welcome. Pleasure.

End of interview