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

JOAN SPERO

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Q: Today is Wednesday, September 28th and we are beginning our interview with Under Secretary Joan Spero and we always begin with the same questions, where were you born and raised?

SPERO: I am a Midwesterner. I was born in Davenport, Iowa, and lived there until I was 15 when my family moved to Milwaukee, Wisconsin.

Q: Just take a moment to say what was Davenport like for you growing up there?

SPERO: Well, it was a long time ago so I'll try to remember. It was a relatively small town. Actually, it was a series of towns called the quad cities: Davenport, Rock Island, Moline and Bettendorf. At some point, my family lived in all of those cities except Moline. We moved as children were born and we needed more bedrooms. It was a very pleasant life. I live in New York City now, and I have grandchildren who live in San Francisco. I see how children are programmed with after-school and weekend activities. There was none of that. We went to public school and afterwards, we played with our friends or did our homework. In the summer, I went to the "Y' camp for a week or two and other than that, we entertained ourselves. So it was a slower, and I think, very pleasant life.

Q: Okay. Your family was your parents and how many brothers and sisters?

SPERO: I had my parents and three younger brothers. In the same city were my mother's parents, my grandparents, whom I was very close to. For a fair amount of that time, my mother's brother and his wife and his children lived there and for a shorter period of time, her sister and her children. So we were a very close family. It may be worth adding that we are a Jewish family.

Q: Interesting to be found in Davenport.

SPERO: Exactly. I don't think this oral history is interested in how my grandparents ended up in the Midwest, but I was always the only Jewish child in my class and so that differentiated me a little bit from this other Midwest environment.

Q: Interesting. Was there any Jewish community in that area?

SPERO: Oh, definitely. There was a small Jewish community with three synagogues, an orthodox, a conservative, and a reform. We actually had a separate social circle of the Jewish kids in Davenport. The school social life had one track and in effect, the Jewish kids who were more or less excluded from that, had their own separate track. So for me that felt normal. There were Jewish organizations, the AZA (Aleph Zadik Aleph) for the boys and the BBG (B'nai B'rith Girls). We had our own activities and conferences. Children came sometimes from all over Iowa because there were not that many Jews living in one single town. So it was a historical period but I don't think it's like that anymore.

Q: And then the move to Milwaukee was occasioned by just that the family size grew and there were more opportunities there? Or?

SPERO: My dad had a big opportunity. He was in the scrap metal business and had been recruited by the head of one of the businesses in Milwaukee to be the president, to run the show, and so we moved.

Q: Wow, wonderful. All right so, here you are in high school on moving to a new city, a much bigger city. What was that like?

SPERO: It's never easy to move. Even when we moved from, let's say, Rock Island to Davenport or Davenport to Bettendorf, if you're a child, you have a new school, you have whole new surroundings and it's an adjustment. Milwaukee was an adjustment. But I think one of the things that all those moves taught me was how to adjust to new situations. After a while my brothers and I felt right at home in Milwaukee and continued on with our lives.

Q: You completed high school in Milwaukee?

SPERO: Yes.

Q: In high school, were you involved with particular classes or activities that began to shape where you would be later in life?

SPERO: Definitely. There were two teachers who influenced me a lot. One was a man named Earl Bakalars who taught a course called "International Studies" or "International Relations," I forget the name of the course. I took it and I was hooked. I recall the course was about relations between the United States and various countries and regions, the Europeans and the Soviet Union and Latin America, and I was fascinated by all of that. So that I think is what originally hooked me.

I also had a French teacher. When I was in Iowa, I had been studying Latin because that's what all the smart kids did and I was really far more interested in studying a living language. France fascinated me so I took French and my teacher was Miss Eliopolis. She really got me excited about the French language. These two teachers had a major influence on my growing interest in international affairs.

Q: Wonderful. All right, now as you approached the end of high school, you're thinking of college or work or both?

SPERO: I was always planning to go to college. For a variety of reasons, I chose to go to the University of Wisconsin in my home state of Wisconsin. I had a fabulous education there. But when I got to the University of Wisconsin, it was too much like Milwaukee for me and…

Q: And it's in Madison?

SPERO: It's in Madison, exactly. So I got this idea in my head that I was going to spend my junior year abroad. And, of course, having studied French, the idea was that I was going to spend my junior year in France and I did. Wisconsin had a program of its own for studies in Aix-en-Provence in the south of France but I didn't want to go to the south of France; I wanted to go to Paris. So I went on something called the Sweetbriar program.

Studying abroad was actually a very unusual thing to do in these days. It was 1964-65. You went to Europe on a ship. You took a big trunk. Mine was about the size of this desk here and you stayed for the year. You didn't email back or you didn't phone back. If you wanted to make a phone call, you had to go to the post office and book a time and it cost a fortune. I think I spoke to my family only two or three times that year. I was living with a French family, studying in a French university. So, I was really immersed in the culture. It was a life-changing experience.

Q: Oh, yeah. I had a very brief, similar experience for summer and even a summer made a huge difference.

SPERO: Where did you go?

Q: Dijon. And there was an interfaith. Every summer they have a course for international students in French and you stay with a French family and if only it could have lasted longer. Because, you are right.

SPERO: You should have spent the whole year.

Q: Oh, yeah, absolutely. But it was life-changing. The amount of French you pick up so quickly just by living in a French environment is remarkable.

SPERO: I think there is something else that I came away with. Not only did it make me thirsty for more international exposure and travel and service and all of that but it also helped me understand myself better. When you're living in a foreign culture, you see how the world works differently, particularly since I was talking a lot of politics and taking political science-type courses. I began to see how I saw the world slightly differently than the French saw the world. And so I think I begin to understand myself a little bit.

Q: Interesting. And, of course, it also draws upon every resource because you are now in a different culture, different language, different habits, different ways of doing things and you have to adapt and most of what I find with students who come back from an overseas experience is that they are much more mature. They understand how to manage situations much, much better.

SPERO: Well, with me, it was a great building of my self-confidence. I was from the Midwest; I had never traveled alone except for a fishing trip with my family once to Canada. I had never traveled outside the United States. My parents put me on a plane in Milwaukee. I landed in New York and had to find my way to the Roosevelt Hotel in Manhattan where we were all meeting and preparing for the trip and then taking the ship. So there was a lot to adapt to for me.

Q: Oh yeah, I imagine. All right, so the time you spent as a junior in France provided you with a lot of benefits, not simply just the education that you got, obviously, but also had you now begun thinking about professional fields of interest?

SPERO: Definitely. I decided that I wanted to go into the Foreign Service.

Q: Ah, okay.

SPERO: You have to remember that opportunity for women in the early sixties and mid-sixties were not great. So you have to understand the environment in which I was operating. It was a time of great turbulence. There was the Vietnam War. There was the civil rights movement. There was the women's liberation movement. All of that was swirling around me, and it made me think that I could have a career. My first thought, it seemed obvious to me, was the Foreign Service. If I skip ahead a bit, when I was in graduate school, I took the Foreign Service exam and I passed. Then I learned they took women in the Foreign Service but that women had to leave if they got married. A lawsuit eventually settled that discrimination, I think in 1974. But during this period of college, I still thought Foreign Service, that's for me.

Q: All right. Now, as you're approaching the conclusion of university, and you've taken… Well, you take the foreign service exam later. What are you thinking about for post-college? Master's degree? Doctorate? Or work? Or how were you imagining what you'll be doing?

SPERO: I definitely wanted to get a master's degree. I had done an interdisciplinary undergraduate degree called international relations that covered political science, economics and history. I wanted to do that kind of study in graduate school. There were a number of choices, and I decided to go to Columbia in New York to do what was then called the masters of international affairs in the School of International Affairs. It's now called the School of International and Public Affairs. I thought that after doing those two years, I would apply for the Foreign Service.

I chose Columbia because it had a very good program, because it had a good reputation, and because it was in New York. I thought New York would be like Paris which, as I say, proves that I was from Milwaukee. New York had the excitement of a big city, but it wasn't Paris.

Q: Yes. It has its own energy and its own character but it is not exactly the same as Paris. Was there anything else in the college experience that you want to highlight that also had an impact on you in terms of subsequent professional growth?

SPERO: I chose this interdisciplinary major because I always was interested in economics and politics, not just in economics, and not just in political science. The theme of international political economy resonates throughout my career. In the history department at UW at that time, there were a number of faculty members who really were economic historians or saw history through an economic lens. One of the most well-known was a man named William Appleman Williams who taught a two-semester course on American foreign policy. I think without realizing it, I imbibed the economic interpretation of history. I think all of those forces merged and influenced me to be interested in those two issues. Not to separate them, actually, to see them as the same.

Q: And, at the same time, were you beginning to form your view of the U.S. and the world, the appropriate kinds of activities or kinds of ways that the United States needed to act or the kind of international order that was the best kind to work toward. In other words, your overall view of international relations?

SPERO: That's a good question. I would say that growing up in the 1950s and going to college in the 1960s, the image that I had at the time was of a bipolar world. The 1950s was the time of McCarthyism. In the early 1960s during my first year of college, there was the Cuban missile crisis and we all thought we were going to be dead. So the message I was getting was that this was a bipolar world. When I went to France, I think my views became more nuanced because at that time de Gaulle was threatening to pull out of NATO (North Atlantic Treaty Organization). Britain was not in the EU (European Union) and I began to refine my view as best I can remember, to see the world as more nuanced. But, still to see the United States as the greatest world power.

The turbulence of the 1960s also led me to ask questions about the assassination of President Kennedy. The President's assassination occurred when I was in college. The Warren Commission report had just been issued when I went to France. It found that Lee Harvey Oswald assassinated President Kennedy and that he did it on his own. I arrived in France where people were challenging those findings. Why do you believe your government? Why do you believe the Warren Commission? Well, Earl Warren is head of the Supreme Court. So what?

The Vietnam War was in its early days in the United States. Opposition to the war had not heated up as a domestic issue so much, but when I got to France, the French, at least the French newspapers that I read and television, told a different story about the

American role in Vietnam. So I began to question some of those issues. My thinking became a lot more nuanced, and I saw the world as a lot more complicated.

Q: Exactly, that's what I wondered. Because, you know, depending on where you went to school at that time, I think there were groups of professors who were much more traditionalists in their view, much more looking at the Soviet Union and Soviet bloc as monolithic. No differences, no nuances and reinforced that view with students whereas there were others who exposed students to much more diversity and reminded them that there were ethnic differences below the surface and even post-war competitions that had been submerged but were still there and so on.

SPERO: Proxy wars and conflicts like that.

Q: Sure and all of that. All right, well now you're in Columbia in the graduate school. What is going to be the major topic now that you focus on?

SPERO: The name of the School of International Affairs tells you that we studied international affairs. We took an interdisciplinary set of courses in American foreign policy, international relations and economics. I don't think we had majors per se, but Columbia had a number of different institutes that were geographically based: the Institute on Western Europe, the Russian Institute, the Institute of War and Peace, the Latin American Institute.

I chose to be in the Western European Institute, again influenced by my French experience. I was also very interested in European economic integration. The European Community had started in the fifties, was expanding and was considered an exciting experiment in international relations. So I took courses on the Common Market again looking at the economics and the politics of it.

Q: Now when you were looking at the economics of it, there was, of course, the more humanities-oriented economics and the more econometric side. Did you do both or did you focus on one or the other? In other words, did you get more into the mathematical aspects of it?

SPERO: No. When I was at Columbia in mid to late-sixties, the mathematical side was only just emerging. We did have math, but it was not econometrics in the way economics is now. It was much more policy-oriented. We did study trade theory but we also studied trade policy.

Q: Okay, all right, now did you do a master's thesis?

SPERO: No, there was no master's thesis in the School of International Affairs because it was a professional school. We were not preparing for teaching or being an academic. Interestingly enough, most of the students planned to go into the government. The school then was very small; I think there were 100 in each class. Now, it's much bigger. Now I think there are 4,000 students overall. Most students were planning to go to the Foreign

Service or to the Defense Department. Some of them went to the Agency. A few went into international finance because it was just at a time when American banks were beginning to expand overseas. So the banks were interested in hiring people who had international experience and foreign languages. Banks felt they could teach them banking.

Q: Very interesting. All right. So now as you approach the end of graduate school, where are you going next?

SPERO: I didn't go where I thought I was going to go. At first I thought I would do the Foreign Service, but as I said earlier the discrimination against women just didn't seem right. I didn't have any plans with any particular man to get married then, but it didn't seem right. So I never even went for the interview. Then I looked into the banks because the banks that were becoming international were in New York. I wanted to stay in New York if possible. Then I learned they did hire women but they didn't send women overseas. I wanted to go abroad. So, I did what came kind of naturally, I stayed in school. That's why I went on for the Ph.D. at Columbia. It wasn't because I was passionate about becoming an academic; it was because I ran up against, frankly, brick walls, and decided, okay, let me continue in this direction.

Q: Even in the graduate schools and so on in New York City and in Columbia, did you run up against people telling you, oh, you know, you're a woman and really the kind of area that you're working in is really principally male-oriented and you should be thinking more about becoming a stewardess?

SPERO: That's what society was saying.

Q: Yeah, I'm joking but in other words, were you being discouraged?

SPERO: I wasn't discouraged about academia --yet-- because I had two mentors who were male. I remained close to both of them until they died. They were very supportive. One in particular was supportive of my work on international economic policy. So I don't remember being discouraged. I was in the political science department because that's where I could pursue political-economy interest. I think fully a third of the Ph.D. candidates in Columbia's polisci department were women. I remember once asking one of the faculty members: a third of the students are women, why aren't there women on the faculty? His response was, "Well, you know, women do kind of precise work; they don't really do groundbreaking work" and I thought, okay, he was a political theorist, okay.

So, I continued and didn't feel discouraged. In fact, I was supported by, as I said, several mentors and advisors. I had fellowships so in that way I was encouraged to continue. I stayed on at Columbia, got my Ph.D. and started teaching there. I taught Introduction to International Relations. One student was George Stephanopoulos and he showed up later in the Clinton Administration. One of my mentors, Warner R. Schilling, encouraged me to do a course on international political economy. I put it together and got permission

from the committee on instruction to teach a new course in 1974. I walked in on the first day of the course to find 200 students. There was a huge demand. This was the time of the oil crisis and all the turbulence in the world economies and the result of that. So it was a very popular course.

Q: So you get your Ph.D. in what year?

SPERO: ’73 I think.

Q: Okay, and, of course, ’73 is the first big oil shock. Wow, yeah. What did you write your Ph.D. on?

SPERO: Because of my French interest, I wrote it on French relations with Francophone Africa. It was really about how dominance and dependence, which was a very popular theory at the time. I didn’t necessarily support that theory, but I demonstrated how the French continued to influence their colonies even after they were politically independent and sovereign. A lot of France’s influence was based on French investment and on the fact that the former colonies were members of the Franc zone, meaning they all used the French currency. So, again, my dissertation was interdisciplinary.

Q: All right, and now you’ve also begun teaching. It’s 1973 and now do you see yourself then remaining in the academy? Remaining a professor or are you beginning to have ambitions beyond teaching?

SPERO: I remained very much interested in the policy world. I was less interested in the theory part, either of economics or of political science, which was also starting to become quantitative at that time. I was very interested in policy but, to be honest, the academic life suited me well. I married in 1969. I had two small children and having the flexibility of the academic schedule was very convenient for me. It was publish or perish but it is not nine to five and you have the summers off. So it fit my personal work-life balance at the time and I saw myself staying in academia. I became the first woman assistant professor in my department. Then in 1979, I became the first woman who was ever nominated for tenure in the department.

Q: And this department is international relations?

SPERO: No, it’s political science. I was the first woman nominated for tenure. I had checked all the right boxes. I had belonged to the right committees. I had published two books. I had advised Ph.D. candidates, and I thought it was a sure thing that I was going to get tenure. The process at Columbia, and at other universities, is that your department recommends and the university decides. In those days, Columbia set up what was called an ad hoc committee composed of people from other departments and, sometimes, from other universities, to review the recommendation. That committee turned down my proposed tenure.

Q: Really? Are they required to tell you why?

SPERO: No. And I don't know who was on it.

Q: Oh, wow. It's like they put on this secret cap and gown and…

SPERO: I was terribly shocked and so were a lot of people. I could have stayed at Columbia for a while, while looking for another academic job, but that rejection really pushed me out of academia. I made a call to a friend, Ed Morse, who had been at Princeton, the Council on Foreign Relations and was then at the State Department as Deputy Assistant Secretary for Energy. Because of my policy interest, I had gotten involved with the Council on Foreign Relations.

Q: And it's important to note here, the Council on Foreign Relations, at least at that time, was a much more academically-oriented organization and the journal was published basically academic length and academic style articles. It changed subsequently but at that time it was regarded as a very high-level academic institution.

SPERO: It was not just academic. I agree, in general, with what you're saying, but it was composed of people like John J. McCoy and Cyrus Vance and people who had been in government and were the internationalists. It was basically the foreign policy elite. They did do academic studies, for sure, and that's where Henry Kissinger wrote his book about nuclear war as a Council Fellow. *Foreign Affairs* magazine was indeed publishing long, sometimes-indigestible articles. But, in fact, members were people who went back and forth between government and law, business, and academia. Those were the kind of people I liked to be around.

The Council had set up a junior membership called term membership for people 35 and under. The idea was to see how their careers progressed. If they became involved in international activities and did well, then they could apply for life membership. I became a term member and one of very few women. I would go to the teas that they had right before the talks or meetings and I would just stand there and wait for somebody to talk to me. I remember very often someone would come up and say, "Hello, are you a member of the staff?" And I'd say, "No, I'm a member of the Council." It was a very different time.

So I called up this friend of mine, who was at the State Department, and this was now 1979 and this happened at the end of 1979. A lot of people… Am I going on too long about this?

Q: No, no, no, perfect.

SPERO: Many people I knew including some of my professors had gone into the Carter administration. Zbigniew Brzezinski was national security advisor and Marshall Shulman was the senior Russia person in the State Department. Another academic friend was at the Defense Department. So, I called my friend, Ed Morse, and he said, "Well, how would you like to be an Ambassador to the U.N.?" And I said, "This is no time for jokes." Ed

told me that they were looking for someone to serve as ambassador from the US to the United Nations for economic and social affairs. The ambassador would be based at the US Mission to the UN in New York and would represent the US in ECOSOC (Economic and Social Committee) and the Second (economic) and Third (social) committees of the UN General Assembly.
Ed said, "I'm going to call Don McHenry", who was the senior ambassador and permanent representative of the United States to the UN. So, I went down and interviewed with Don McHenry. And he hired me.

Q: Wow.

SPERO: I went into the Foreign Service, but not the way I planned to get in. I left Columbia almost immediately.

Q: Wow, yeah, that's a wonderful way to get in because UN, you have a million issues and they are all policy-related and this is 1979 and you become ambassador.

SPERO: By then it was actually 1980. I was there at the very end of the Carter administration, through 1980 until the beginning of 1981 when Ronald Reagan took over.

Q: And at that time, well, and still, all ambassadors have to submit their resignation when a new president comes in and I imagine since it was a change of party, they wanted to put their own people there.

SPERO: They absolutely did. That was a tradition. For someone who is a professor at Columbia, up there on the upper west side of Manhattan to be thrown into the State Department and United Nations was incredible. I knew about the issues; I'd written about the issues, but I didn't know about negotiating. I didn't know about multilateral diplomacy. Fortunately, I had a wonderful mentor, Donald McHenry, who was the senior ambassador. At the time, there were five ambassadors to the UN and Don was just wonderful in coaching me and guiding me. So was his deputy William vanden Heuvel. A Foreign Service officer, Richard Petrie, had an office across from mine. Dick Petrie was in charge of political and Security Council issues and was also was very helpful. It was a wonderful experience and then I had to leave.

Q: But did it also give you sort of the next step? In other words, the connections that you made and the subjects that you became known to be able to handle in an international negotiating context, was that a stepping stone for where you were to go next?

SPERO: Yes. I had written a book on international political economy and one on international banking. I didn't want to go back to academia. I was very angry and very hurt still. So I said, well, what about international banking? Somebody put me in touch with, James D. Robinson, the CEO (Chief Executive Officer) of American Express, which had a small international bank. He liked my different experiences. I think if I had just been a Columbia professor who didn't get tenure, that would not have happened. So,

I was very fortunate and went to American Express where I had a wonderful career. Jim Robinson became an important mentor.

Q: Now, at American Express, did they have a training program that you went through or did they just say, okay, here is your portfolio, go?

SPERO: No, they didn't have a training program. I started in strategic planning, which can be just about anything. When I landed in strategic planning, it was at a time when many financial institutions were building big international operations through acquisitions. American Express was getting into that business in a big way. So, my timing was very fortunate because I knew about international financial policy; I knew how to operate abroad. I started in strategic planning and then became vice president for international affairs. Henry Kissinger, who was on the American Express board, sometimes introduced me as the foreign minister of American Express. I dealt with many governments. I was involved when we had regulatory issues, particularly in Japan.

Then I became the treasurer of American Express, believe it or not.

Q: Interesting. What does a treasurer of a bank do?

SPERO: That's exactly the question I asked. American Express wasn't just the bank. American Express had the card and the travelers check as well as an insurance business and a large securities and investment bank called Shearson Lehman. I was in the parent corporation. They were doing succession planning and the CFO, the chief financial officer, asked me to lunch one day and he said, "Well, we're doing succession planning and I need to list somebody as a successor for the treasurer and I'd like to have you do that." And I said, "What does the treasurer do?"

He said, "Don't worry. I'll be here and I'll coach you and I'll teach you if this ever comes about." Well, within probably a year or so, there was a crisis in the financial markets. It was 1989. Drexel-Burnham, a significant institution, collapsed. The markets tightened and the banks were no longer willing to lend to security firms. American Express had bought this very large security firm called Shearson and then they had bought another one called Lehman Brothers and plugged it in. All of a sudden, the bank lines dried up. So they sent the treasurer to one of the subsidiaries and I became the treasurer and just at a time when it seemed that the world was falling apart. I had a very steep learning curve.

Q: Now, just take a moment to set the context. The problem in the international economic world in 1989 was that they had overextended themselves in loans that were not performing or what had happened?

SPERO: Well, I have to go back and refresh on all the details but you may remember junk bonds. Michael Milken of Drexel Burnham, a securities firm, along with others, had created a large market for junk bonds that had high yields and high risk. There was a great appetite for these bonds for several years. An oil shock in 1979 and a subsequent recession led to a collapse in demand for junk bonds. Suddenly, these high-yield bonds

were no longer performing. Drexel was sitting on a pile of these bonds as were a number of institutions. The commercial banks had huge credit lines out to the securities firms like Drexel. In fact, the major source of financing for many of these security firms were the commercial banks, which at the time were separate from the securities firms under the Glass Stiegel Law. Those lines were drawn back and the securities firms didn't have any backup.

One of the first things I did as treasurer was to visit many of the banks including the European banks, asking them to keep their lines open to Shearson. We then had to do a massive restructuring of Shearson. At that point, a third of Shearson was owned by Nippon Life, a Japanese life insurance company, a third by the public, and a third by American Express. American Express was on the way to divesting the rest of Shearson to the public, but we were forced to buy back all the public shares and to renegotiate our relationship with Nippon Life. In sum, the oil crisis and the junk bond crisis were the two major causes of the financial crisis of 1989.

Q: And also as Ronald Reagan comes into office, there's a mild recession and there had been the inflation that had existed before and he and Paul Volcker then let things run…

SPERO: Yes, squeezed it dry.

Q: So, yeah, it was a period of, as you say, restructuring, retrenchment. Wow, yeah.

SPERO: And failure of some institutions. It's funny; at one point I said to Jim Robinson, "I need somebody who's really smart and really good and really experienced to help counsel me. I need some outside advice." And he sent me to see Jim Wolfensohn, who became an advisor to American Express and, of course, later on became the head of the World Bank. So that's how I became treasurer and survived the financial crisis.

Then a position opened up as executive vice president. The person who had been in that position retired. The EVP covered corporate affairs and communication, all public affairs, government affairs, and managing the brand, the blue box of American Express, communications, internal and external. I became an executive vice president and was appointed to the senior management committee for the company, the first woman on the committee. That was my next, and actually, my last step at American Express.

Q: Now, just a side question and not to take you too far off but as you were moving up the corporate ladder here, how did you manage your work-life balance? Because I imagine the higher up you went, the more hours were expected and the more time devoted to the job and so on.

SPERO: I was very lucky in 1969 to meet and marry a wonderful man named Mike Spero. He was an attorney on the verge of making partner in his law firm and was working long hours. But from the beginning, he was always willing to play a 50-50 role. We didn't have to negotiate it; it was never a question. Our sons were born in 1972 and 1975 when I was an academic and had lots of flexibility in my schedule. When I got to a

point in my career where I had to do more traveling, my children were older and my husband, by then a partner in his firm, was available. Mike was extremely supportive and has always been extremely supportive of my career. Mike didn't just say good things, he was always there to help. I don't think I could have done it if I hadn't married the right man.

Q: Wonderful. Okay. It really varies with people how they manage it and it's become more of a question now because of the whole way the labor market has changed and the needs of people… How people are managing work-life.

SPERO: I'm not sure they are doing a good job at it; I think it's difficult.

Q: I agree with you. I think it has become much more difficult and that's simply part of the way the economy has gone but I think many people looking at those who have made it, you know, have a successful career also wonder how did they manage their work-life balance?

SPERO: Michael always says you both have to be willing to go 100 per cent of the way. I have to say also that we had enough money to hire a housekeeper. There are a lot of women, including single moms, who can't do that, and need daycare so I don't want to pretend that I have the answers for everybody. It was very helpful to me that a number of the parents, the women, in the school that my oldest son and then youngest son went to, were working women. So, it wasn't as though I was the odd man out because I could have been. Not that we were a support group but we all had issues; we were all always willing to help each other out. I had a mother-in-law two blocks away. If one of the kids was sick and I had to be someplace, she could come over. So I had a variety of support systems and it still wasn't easy.

Q: Yeah, I totally understand because even for you in New York with the opportunities, it has difficulties and then, of course, for people of lesser means, it becomes…

SPERO: It's tough; it's so tough.

Q: I saw it in the year that I was trying to become a high school teacher how students come from homes where both parents are working all the time and can't even come in for a school conferences. So, yeah, it's changed quite a bit. But, all right, you've gone on now to be the executive vice president and turning in that job, turning more toward activities that must have taken you out as a speaker, as a public figure.

SPERO: I don't know if I was a public figure but in that role I did many talks. Henry Kissinger was on the board of American Express, which is how I know him. Another member of our board was Vernon Jordan, a prominent Washington lawyer, former head of the Urban League and a leader in the civil rights movement. I got to know both of these public figures. Luck counts in meeting people who are interesting and who can then help you advance your career later. As I mentioned earlier, Henry Kissinger used to say that I was the foreign minister of American Express. I had to deal with various

governments and international organizations. For example, we had terrible difficulties getting the American Express card into the Japanese market. The big Japanese banks controlled the card business. The big banks were, in effect, a cartel, and they didn't want to let us in. So I had a lot of negotiations with the Ministry of Finance, the Ministry of Foreign Affairs, and the Keidanren, the Japanese Chamber of Commerce. I went to Japan quite often. That was an example of being out there and representing the company and acting as a sort of diplomat.

I also was recruited to join a corporate board of a company called Hercules, which doesn't exist anymore. They used to call it the other chemical company in Wilmington because when DuPont was divided up, part of it went to Hercules and part of it went to what we now call DuPont. That was a fascinating experience. I was the first woman on the Hercules board; it was when women just were starting to go on corporate boards. I continued to be involved with the Council on Foreign Relations.

In fact, when I was an academic, I had a Council on Foreign Relations fellowship. The idea of that fellowship was that if you were in government, you took off a year and went usually to the Council or someplace else to think. Because when you're in government service, you don't have a lot of time to think. If you were in academia, you were supposed to go into the government and get government experience. Since I had two little children and I was interested in finance, I suggested that I go to the Federal Reserve Bank of New York because I wanted to study international finance and what was going on in international financial markets. The Council was a little skeptical about that so they sent me down to see the president of the New York Fed, who happened to be Paul Volcker. I remember going to his office where he was sitting there with his cigar. He is a big man and he had his feet up on a chair and he said, "Why do you want to do this?" and I explained it to him and he said okay. So, I spent a year there. There are people that you run into along the way. You don't necessarily knock on their door, but you encounter them, you keep in touch with them. So I had developed a lot of networks.

That was why the Council was very important to me in my career and my development. And I met many people there. I was engaged in discussions, meetings, lectures on policy issues and so it was a very important part of my professional life.

Q: And the other nice thing about this particular experience for you is you weren't in Washington, so you weren't at the center of government and what is thought of as international relations. Certainly a lot of things go on in New York, but you were able to make New York work for you in the area that you wanted to remain in. And that, alone, is not a small thing.

SPERO: In New York, other things were going on. As you say, it was the principal area of finance and of the economy. So I was involved in all of that and I was in effect doing what I talked about in my book. I was living out international trade and international finance.

Q: Now, you remained the executive vice president until what year? In other words, what is the next step for you?

SPERO: When I was at Columbia, I was approached about going into government in Washington several times. Many of my colleagues had joined the Carter Administration, but I was unwilling to do that because I had little children and I was living in New York with a very nice husband. It was just never on the table. So the UN ambassadorship was perfect, not just in the timing of it, but that I could live at home and be in the Foreign Service and be a diplomat. It was like manna from heaven.

Bill Clinton, who was elected in 1992, said that he wanted to have more women in his administration. So his transition team was actively looking for capable women. I received a call one day from Peter Tarnoff who became Undersecretary for Political Affairs. He was a protégé of and very close to Warren Christopher who had been named as the future Secretary of State. I knew Peter because he had been the President of the Council on Foreign Relations. Peter said "Chris wants to talk to you because he really wants you as Undersecretary of State for Economic Affairs." I said, "No, Peter, I have a nice job and I have a nice home and Michael and our boys are here." He responded, "Well, think about it."

So I promptly went into Jim Robinson's office and I said, "I just want you to know that I got this call and here's what I said. Jim responded, "Joan, you don't stiff the future Secretary of State. You have to at least go down and talk to him."

Q: I was wondering when someone would say that. Because you hear it everywhere from every potential… It's like Strobe Talbott being asked by Bill Clinton first to be the ambassador to Russia, to the Soviet Union and he said no. It's not the right job and not a few weeks later or a few months later, is asked, okay instead be assistant secretary for the newly-independent states. And oh yes, that keeps me in Washington. My family's there; all my connections, yes, that's a…

SPERO: So you've interviewed Strobe?

Q: Oh yes.

SPERO: Oh, good. I'm glad he has a story like mine. I like him a lot.

Q: Yes, it's very much so.

SPERO: He has a work-life balance.

Q: Yes, but also it's the thing where when the president asks you, you don't say no. Because, fortunately, they knew each other well enough if the president would ask him to do one other thing but many times if you say no, that's it.

SPERO: I didn't know that. That's very interesting. So, I talked to my husband and our sons. The oldest was in college and the youngest one was a junior in high school. All three of them said, you have to do this. I remember my oldest son saying, "Mom, there are a lot of people who can go down to Wall Street every day but not everybody can do this job. This is what you've been preparing for your whole life."

So, I went down to see Christopher Warren and told him I wasn't sure. He said, "I want you to meet somebody." One of the things I was concerned about quite frankly was whether the State Department would have a seat at the economic table. Strobe knew that the State Department would have a seat at the NIS table but the State Department was not always central to international economic policy a, and b, Bill Clinton was putting a big emphasis on international economics – "it's the economy, stupid." I was inspired by Clinton's vision of a new international economic order that we were going to build. If I couldn't be part of that, then I didn't want to go to the State Department. But Bill Clinton created the National Economic Council, the NEC, as a counterpart to the NSC (National Security Council) and had named Bob Rubin to be the head of the new NEC and Bob's deputy was to be Bowman Cutter. I didn't know Bo Cutter; I vaguely knew Bob Rubin.

Chris said, "You go over the White House to talk to them." So I went over there and they said, "This is really and truly going to be an interagency thing. We're going to bring in not only Treasury but State and Commerce" and Bob really persuaded me that the NEC was going to be something. He said, "I've been the head of Goldman Sachs. I came down here to do this job and make the NEC work" and I said okay. I accepted.

Q: Wow. And this is 1992 or '93?

SPERO: It must have been January '93 when they were doing the…

Q: Hiring, yes.

SPERO: I remember that at one point I was having a lunch in a private American Express executive dining room. This is bringing back all these memories I've forgotten. I forget who I was with but Jim Robinson, the CEO, was there and the phone rang and Jim picked it up and he said, "It's Vernon Jordan for you." Vernon was then the co-head of the transition and close to Bill Clinton. I knew Vernon because he was on the Amex board. Vernon said, "You might be getting a call from Washington." I think I was known because my work was known, because I knew people from the Council because I knew people who were close to Clinton. I did not ask for the job. They came to me.

Q: It's not so atypical in a transition to have a list and the list obviously, you had the connections to the various people who were in the administration so that you were on a list, not that surprising.

SPERO: That part doesn't surprise me and, again, Bill Clinton made it clear that he wanted more women in his administration. So I guess it's not surprising that my name popped up.

Q: Just an interesting aside, I'm reading "The Long Game" by…. It just came out by a guy named ____. I forget his first name but in his introduction, he says, "How will Barack Obama be seen by history" and then he lists recent presidents and how they've been seen by history and how history has sort of had conclusions about their administrations and what he says about Clinton is regardless of what other things you will say about him in international relations, I think most historians will say he understood the nature of globalization and the need to manage it as quickly as possible because the velocity of change had increased and he saw that. And, as a result, he began acting in a way that would, at least, get the U.S. prepared for these kind of changes.

SPERO: Absolutely. He saw it very, very clearly. This was a time when the wall had come down. The question was how were we going to deal with Russia, with the Eastern European countries. Even in the case of the Middle East, where I was deeply involved, part of our policy was economic, not just political but how could you bring investment and finance and cooperation on the economic front? Actually, the one who advanced it was Shimon Peres who just died. That was his great vision of building a Middle Eastern economy.

So, yes, Clinton saw it very clearly. This was the period of the end of history, right? We were all going to build a new international economic order and we were going to integrate, and did to a great extent, the Eastern European countries into the Western economic system. It was very exciting. Plus, the president wanted to use the G-7 (Group of Seven) economic summits, which became the G-8, to help build the new international economic order. I was one of the three Sherpas who prepared the president for these annual summits. So being a Sherpa was another access to policy making. In sum, I was convinced. Not only was I excited about the mission of Bill Clinton on the economic side, but I also felt that the State Department would have a seat at the economic table.

Q: Okay, let's take just one second. You had mentioned you were a Sherpa. Briefly, what does the Sherpa do? Because I think it's a very, sort of in-house, expression.

SPERO: The Sherpas are the ones who carry the heavy backpacks up the Himalayas while the important people walk up themselves. I assume climbing to the Himalayas is difficult whether you have a backpack or not. So Sherpas were the people who prepared the summits, who did the negotiations, who worked on the issues and who wrote the communiqués and did all of that work for the G-7. In fact, there were two sets of Sherpas; there were the economic Sherpas, because these started off as economic negotiations back in '71 I think it was. So there was a representative from Treasury, a representative from the White House, and a representative from State.

And then there were the political Sherpas who dealt with security issues and Peter Tarnoff, who was P, was the one who did that. I don't know when that group started.

Q: That's fine because the focus that you had was on the economic end in any case. And so, we're now actually into the beginning of your time at the State Department. So, just

pause for a moment here and enter the scene as the undersecretary for economic, business and agricultural affairs, what bureaus were you managing and what sort of interagency groups formed the basis of your portfolio.

SPERO: There was just one bureau that reported directly to me and that was EB, the Economic and Business Bureau. We also set up something called The Americas desk. When Christopher did his testimony for his confirmation hearings, he said he wanted to have a Russia desk, and a French desk and so on, but he also wanted an Americas desk. He wanted our embassies to be helping American businesses abroad. I recruited David Ruth whom I had worked with at American Express and then he recruited a Foreign Service officer who had a lot of economic experience. That was an office; it wasn't a bureau. Its mission was to try to help American business interests abroad.

In addition, most bureaus in the State Department, particularly the regional bureaus, have economic officers who had a dotted line to me. I worked very closely with them. In fact, I had a once-a-week meeting in my little conference room next to my office of all the economic officers to try to talk about what the issues were, what we needed to do. These are practices I brought from business. But the only bureau that reported to me was EB.

Q: But also, you did have a role with the National Economic Council.

SPERO: Yes. The NEC was composed of a principals group of cabinet officers and a deputies group at the undersecretary level. I was the state deputy and Bob Rubin's deputy was Bo Cutter. Whenever issues came up, whether it was trade policy towards Japan or whatever, Bo would convene the relevant members of the NEC deputies group. Sometimes, we needed to have somebody from Defense Department if it had to do with oil pipelines or other security-related issues. The deputies were really the decision-making group. Of course, I had to have approval for my policy positions from the State Department. I had my own staff that was very helpful in getting all the papers moved around and making sure I wouldn't go to a meeting and make up the policy. I would consult first with the State Department and make sure everybody was comfortable with a policy and then represent the State Department at the NEC meetings.

The deputies group was very active. I had wonderful colleagues. Charlene Barshefsky, who became the trade representative; she was Mickey Cantor's deputy at the time. Larry Summers who was the deputy at Treasury. Jeff Garten from commerce. We were like-minded; we were young. We thought that the world was changing and that we had an important and positive role to play in all of that.

Q: Wonderful. All right. So now, let's go on to the issues. As you enter office, there are always key issues that the undersecretaries are responsible for. So, let's begin with the ones that you saw would be things you'd be working on because obviously as time goes by, crises or other demands do take up your time. But as you entered the job, where are you going first?

SPERO: There were several big issues that were looming when I came to the Clinton Administration. The Bush administration had started, but not finished, the NAFTA (North American Free Trade Agreement) negotiations and the Uruguay Round negotiations that were launched in the Reagan Administration. One of the big questions was, where was the administration going to stand on free trade? Those issues were definitely on the top of the agenda.

In September 1993, the Oslo Accord between Israel and the Palestine Liberation Organization (PLO) was signed. That agreement, known also as the Declaration of Principles (DOP), started a chain of activity in the Middle East. Shimon Peres, then Israel's Foreign Minister, and the United States saw the economic side of the peace negotiations as critical to the success of the political agreements, not only economic negotiations with the Palestinians and the Israelis but also with the Jordanians and the Egyptians and eventually the North African countries. So the Middle East economic negotiations emerged in the first year as critical.

The other issue we had to deal with was what to do about the newly-independent states and about Russia. That was the subject of the first Sherpa meeting I attended. The Japanese were hosts that year and they held the first Sherpa meeting in Hong Kong for some reason. Yegor Gaidar, Yeltsin's deputy prime minister, came to the meetings. He talked to us about how we could relate and what they needed. They needed a lot of help. They especially needed money.

Another issue was Japan. Japan was our number one trade enemy at the time. It doesn't seem like that today because we talk about China but there were multiple concerns about Japanese imports, Japanese cars. I remember one person from the White House saying to me, you know, we won Michigan because the president said he would protect America's auto industry.

Q: Oh sure, no, no, no, absolutely.

SPERO: And then there were the day-to-day things, well, not exactly day to day but…

Q: Yeah, yeah. And everybody remembers too the period of time when Japan they couldn't say no, the fears of dumping, of currency manipulation and everything that was Japan in the early nineties is now China.

SPERO: Isn't it amazing? The Japanese started to be afraid of China long before we did too.

Q: Sure, because they had all kinds of direct trade with China and so they saw things coming.

SPERO: Also the Japanese are concerned about what they call the hollowing out of Japan, that much of the production of some of the major Japanese countries was being

moved to China. Companies were keeping the R&D (research and development) in Japan, but manufacturing in China.

There was a huge economic agenda that was really inseparable from the political agenda. How are you going to help Eastern Europe change its laws and bring it closer to the West and help it with its political stability? Our strategy was, first bring them into the OECD (Organization for Economic Cooperation and Development). In order to be a member of the OECD, a country needed to have certain processes, laws, and policies that were the technical underpinning of a liberal economy. The West provided a lot of technical assistance for government and legal restructuring. The thought was that countries would join the OECD which would help their reform. Then they would eventually, and many of them did, move into the European Union.

Q: That's very interesting that OECD was sort of the first door.

SPERO: That's the way I remember it.

Q: Because there is a great deal of expertise that is nested there and the people who work there in the secretariat have very long histories of looking at economies of talking about transparency, anti-corruption, all of the things that all of these new states needed to be able to do. Public contracting, clarity in inter…

SPERO: You name it.

Q: All that stuff.

SPERO: Not just the OECD staff, but also the other member countries sent people into these negotiations to help so I think it's an unappreciated, or under-appreciated role that the OECD played in the transition from a communist to a more liberal economy.

Q: Did you find at your level that the discussion of the emergence of the Eastern Europe countries and Russia was linked between NATO, the activities of NATO, and the association agreements with NATO and the economic side? Were they very closely linked or were they more or less separate tracks?

SPERO: My recollection is that they were linked in reality but that the OECD negotiations were very different. However, there was a real debate about NATO membership because there was concern which has now been manifest, that the more you brought the Eastern European countries into the EU and into NATO, the more you would be threatening the Russians. So, there was a very healthy debate about how you found that balance.

Q: And how did it come out in terms of where you were from the economic side? What were the key things that people were thinking?

SPERO: I remember three strands of policy. One was using the OECD and western technical assistance as a vehicle for helping them to modernize their economies. Another one, inherited from the Bush administration, was the Enterprise Funds. The Enterprise Funds were private equity funds that invested in small businesses in Eastern Europe. There was one for every country. Some of them worked and some of them didn't work. I think the one in Romania worked; I think the one in Poland didn't work.

Another track was foreign assistance. Assistance included help with privatization of state owned industry. Professor Jeffrey Sacks of Harvard was advising Poland and Russia about how to do privatization. People were seconded to work on many aspects of transformation – creating modern banking and financial systems, corporate law, etc. We were trying to provide as much intellectual support and as much financial support and political support as possible. It was a huge issue and I think we did pretty well; I'm not so sure the Russia privatization has done well.

Q: From the ground, what I can tell you is, at the time you were in the Department, I was in the U.S. delegation to the OSCE and since the OSCE included all of the former Soviet states, Russia as the successor state, and the U.S. and Canada, and, of course, all the Western European countries, the big concern was as you were working through all of these things in Washington and developing ideas of how they would, all these states, would form their economies is that it be done in a way that you could not reverse it. And that was key.

SPERO: Yes, that was part of the privatization policy. Do it fast; do it right away so they can't fall back.

Q: That is what came down to the ground level when I was there. Everything I did, be sure it is irreversible so that if worse comes to worse, something crazy happens, the communist party gets elected, they can't then just turn…

SPERO: They can't turn back the clock. Yes. That was the justification for the rapid privatization particularly in Russia, which ended up with the oligarchs and concentration of wealth and power. But maybe it might have been worse if we hadn't urged rapid privatization. Who knows?

Q: Who knows? Exactly, exactly. Well, okay, so that's looking at Eastern Europe but you also mentioned that as a result of the Oslo Accords, there were also many economic elements and that's something I have to admit, I did not know about and so that will be, I think, a fascinating thing to hear from you.

SPERO: I'll tell you about it and recommend talking to Toni Verstandig. She and I worked very closely on all of the economic side of the peace process and she will remember more than I will. Remember that the U.S. was not involved in the Oslo Accords.

The U.S. was deeply involved in the follow-up to Oslo. The Special Middle East Coordinator was Dennis Ross and he had a small team, which was Aaron Miller and Dan Kurtzer. They took the lead on the political and security issues. The Oslo Accords were an agreement to continue negotiations. The Americans got involved as the broker between the PLO, to become the PLA (Palestine Liberation Administration), and the Israelis. There was always a belief that there needed to be an economic component of the process because if you had a political piece and there was no economic development, no economic prosperity, there would be no support from the Palestinians. So, from the beginning, we worked on aid for the Palestinians. There was a major World Bank program for the Palestinians. I remember we had a meeting in Paris where the World Bank has its European office with the Israelis, the Palestinians, the programs that they wanted funded, what could be done by the World Bank, and what by other donors. Later, we convened a major conference in Washington in the big conference center in the State Department on the first floor with all the multilateral and national donors.

Q: Yes, the Loy Henderson Conference Room.

SPERO: We were trying to involve the Saudis, for example. The U.S. made a significant contribution, but American aid was tied up. It was for this project or that project. And to be quite honest, the Saudis were able to give the Palestinians what we called walking-around money which could be used more flexibly. So, there were a whole series of negotiations about aid to the Palestinians. So, that's one chapter.

Another chapter was trying to broaden economic contacts throughout the Middle East through Middle Eastern-North African summits. We got business, the governments, and local civic society organizations involved in the summits. The first one was in Casablanca in 1994. Then we had another one in Amman in 1995. It was right after the Amman Economic Summit that Rabin was assassinated. I was still in Amman, Jordan, when the assassination took place, which was the beginning of the end.

There was another one in Cairo in 1996. The MENA summits were the broad-gauged meetings for people to do deals, to do transactions, to build pipelines, to develop a variety of joint economic ventures. That was another level.

Finally, there was an effort by the United States to help some of the Middle Eastern economies liberalize. There was a dialogue between the U.S. and the Egyptians, which encouraged the Egyptians to try to streamline their bureaucracy, liberalize their laws, to try to do all kinds of things. Again, it was not exactly, but sort of like, the Eastern European model. Here are some ways to do things. Let's agree here. There was a dialogue at a very high level between Vice President Gore and Egypt’s President Hosni Mubarak. You'll come to us; we will provide your assistance to do that. It was a technique to try to get the Egyptians to negotiate toward greater liberalization. Some improvements took place.

The USTR negotiated a free trade agreement with Jordan. There were agreements to allow goods produced in the Palestinian territories to come into Israel as free trade. There

was a very complex set of policies that we pursued, all designed to provide an economic support for the peace process.

Q: Wow.

SPERO: All gone. All gone.

Q: All right, so now we've looked then at the project with Eastern Europe and Russia and a little bit with the Middle East but APEC and the Asian Pacific was also a major focus of yours.

SPERO: Yes. Before we part, we should talk about the Summit of the Americas.

Q: Okay.

SPERO: Once again, what the Clinton Administration was trying to do was to set up a new international economic order built on existing order. We already had NATO; we had close ties with the EU. We were set with Europe. In Latin America, we had the OAS (Organization of American States) although that was inadequate. There was nothing with Asia. There was no equivalent. So we came up with the idea of the Asia Pacific Economic Cooperation Forum or APEC. The first one was held on an island off of Vancouver, Canada. The idea was to try to bring countries together in a dialogue. There was no strict political outcome. Rather, it was an economic dialogue, trying to open channels of diplomacy and trying to replicate the kinds of dialogue, in a certain way, that we had with Europe.

There were deep ties with Europe dating back to the Marshall Plan. There was none of that, or very little of that, with Asia. So, that's why we launched these Asia Pacific Economic Summits. They led eventually to trade negotiations and eventually to the TPP. We also attended the Association of Southeast Nations Post-Ministerial Conference (ASEAN PMC). After the ASEANs met, Japan, the U.S., Russia, China, Australia, New Zealand, came for a post-ministerial meeting. There again we would have an agenda talking about economic exchanges, improvements in legislation, etc. Again, we tried to create a long-term structure, which would enable the world to, I suppose, move in a direction that was favorable to the U.S.

The other thing about Asia that I should mention was Vietnam because we did recognize Vietnam at this time. It was a huge political step for the president. I was with the secretary of state when we went to open the embassy in Hanoi.

Q: Wow.

SPERO: For someone who had lived through the 1960s, it was a very moving experience. What was interesting to me is that the Americans were emotional. At the airport when we landed in Hanoi, the Vietnamese handed over MIA remains. They were in small, little boxes; we drove by the spot where John McCain's plane crashed and passed the Hanoi

Hilton where McCain was a prisoner. All of the Americans were emotional. By contrast, the Vietnamese wanted to talk about business. They wanted trade. They wanted investment. I think part of it was that they won the war. They didn't have the emotional baggage about us that we had about them.

Q: Yeah, and I think that's right from the point of view of when I work on oral histories of other foreign service officers below your level who work at the embassy and talk to Vietnamese every day, very infrequent negative recollections come out.

SPERO: It's amazing.

Q: Yeah, it's rare and…

SPERO: And the embassy is in Hanoi, right? So, it's in North Vietnam or what used to be North Vietnam.

Q: Yeah, it is very much a country that seems to want to move on.

SPERO: Yes. And remember they said, we fought a war with you, we fought a war with China, but China has always been out there. So we were trying to build relations with Vietnam, the ASEANs and APEC. There was this one interesting thing and I don't know how far it went. On the political/security front, we established something called the ASEAN Regional Forum (ARF). I said, you've got to get a better acronym. I remember Winston Lord was working on that when he was assistant secretary for EAP. The goal was to begin to talk about some of the military conflicts that were taking place. It was a prelude to the concern we have today about the Spratly or the contested islands. The Chinese were not doing anything; they were not building things but there was this potential. So, we tried to create a forum. I wasn't directly involved; it was done by the political side of the house but it was an effort to try to open up the dialogue among the countries.

Another important step came when Vietnam joined ASEAN. ASEAN is a weak sister compared to the OECD or the EU, but it was another way to try to bring the countries together in a network of cooperation and dialogue.

Q: Right. And, in general, everybody in the political establishment in the U.S. agreed with this. You didn't have opposition from Congress about creating these organizations, about supporting greater integration and U.S. involvement in it.

SPERO: No, not that I recall. There were issues about Japan. The emphasis of Congress was on Japan. Japan was the big economic threat. Congress pressed us to use our trade legislation to block Japanese imports. We needed new trade negotiating authority to work on the Uruguay Round and NAFTA, which we did get, but Congress tightened up some provisions. The way I remember it, at least, there was much more concern about Japan. We set up a dialogue with the Japanese as well but there was a lot of beating up of the Japanese in those days by USTR (United States Trade Representative).

Q: Yeah, yeah, and, of course, in Congress there was…

SPERO: Terrible pressure. The question was how do you find that right balance.

Q: Were you involved at all with those contacts with Japan?

SPERO: Yes. The deputies, as we called ourselves, were in Japan a lot. First of all, the first year that I was there, Japan was the head of the G7 Summit. So there were many meetings in Japan. The strange thing was I knew a lot of these people from my American Express days because they were people I had dealt with as I tried to get American Express into Japan.

Q: Interesting.

SPERO: I think the Japanese looked to the State Department for a more reasonable approach as opposed to what they saw coming out of USTR or the U.S. Congress. We set up another dialogue with them; I forget what is was called, on areas where we could cooperate between the Gaimusho and the State Department. I'm trying to think if there was opposition to APEC. APEC wasn't doing that much. One of the meetings did conclude with a commitment to start free trade negotiations but it was just the beginning. The pressure I remember was on Japan.

Q: Okay, now you did want to turn to the Americas a bit before you conclude, the Summit of the Americas. I also wanted to ask you to comment if at the time you were there, NAFTA had become the thing it is in the current political discourse.

SPERO: Yes, there was a lot of hullabaloo about NAFTA and as I remember, I was in the car with Secretary Christopher at the APEC summit in Vancouver when Congress was voting on NAFTA. When we heard it passed, we went hallelujah.

I think it's important, although no one remembers this, NAFTA was intended by the Bush administration, and I completely agree, to have as much political significance as economic significance. The idea was to bind these three countries together and to help stabilize the Mexican government to promote democracy in Mexico. So it was intended as both political and economic. But, because of the Congress, and because of all the various industry pressures that we faced, there was a lot of opposition.

What we did was to reopen NAFTA when we came in. It was pretty much complete. We reopened it and included workers' rights and environmental issues in NAFTA; we embedded those in as a way to say, this is going to be a benefit to us beyond the economic. So, it was controversial and there were some things that we had to renegotiate. I remember there was an issue with trucking and Florida tomato growers.

Q: Oh yeah, trucking remained a difficult issue.

SPERO: With NAFTA, it wasn't that you signed it and now it's in place. There was a constant process of adjusting negotiations. Most of that was done by USTR. But the NEC was always consulted about how we were going to approach these issues. That's where State influenced those issues and American policy.

Q: I see, okay.

SPERO: I think NAFTA is a success. Look at the Mexican economy today. I've been there. They have terrible problems and they have terrible drug problems and there are inequities and there is corruption and all of that. On the other hand, it's a booming economy and to think we were able to help them make that happen. Now the flow of immigrants is from the U.S. back to Mexico.

Q: Absolutely. It's essential that Mexico be a stable country and it's got so many problems that if NAFTA helps stabilize it, good, because it is much worse to have major instability in Mexico than to have NAFTA and less stability.

SPERO: Absolutely. Unfortunately, that's the side of the story that doesn't get told.

Q: Yeah, yeah, it doesn't play well in a political, in a presidential contest and no one pays attention to that. Since we are running out of time, let's turn to the Summit of the Americas because you had been involved in that.

SPERO: Yes. Looking back, it may have been the least sexy of the various institutions we tried to create. State was very much involved. Again, the idea was to try to help reinforce democratic governments, open trade, all of those good things that we believed in and this new international economic order. The one issue that was not addressed, of course, was Cuba. We said the Summit of the Americas was the ABC summit, Anybody but Cuba. And I can't remember a specific outcome. We did end up doing a number of free trade agreements with Columbia and other countries and I think that the SOA helped set the stage. You have to remember where Latin America was in the eighties. Military governments, human rights abuses. Again, it was the idea of trying to support democratic, liberal governments in the region.

Q: And financial insecurity, instability.

SPERO: A lot of people say oh, the State Department does these dialogues and all that… I think there is an underpinning of support and understanding that leads to cooperation which is very much in our interest. I left the administration feeling we had put in place many of the building blocks of this new order; it wasn't perfect. We didn't solve all the problems but I think we were very hopeful and I'm very proud of what we did.

Q: Hmmm. And your departure then, you moved from the administration to, I've now forgotten.

SPERO: The foundation, the Doris Duke Charitable Foundation.

Q: Right, right. And you're still there today?

SPERO: Oh no. I left there after 12 years in 2008. Do you want to talk about that? I'm happy to…

Q: Oh, sure.

SPERO: I don't know if you want to stop with the State Department then.

Q: Well, no, I think just to kind of close out the interview because what happens is after you leave the State Department and you go on to the other jobs, at various points I think you also came back for some government activities, or some cooperative activities with administrations and so on.

SPERO: I went to the Doris Duke Charitable Foundation after I left government. I never thought that's what I would do. I always saw myself as a businessperson down there temporarily in Washington. I left after four years, not because I wasn't still having a great time and feeling like I was contributing, but I had a very nice husband back in New York and I thought that was enough. I was recruited to the Doris Duke Charitable Foundation, which was a start-up. Doris Duke had died and there was endless legal conflict over her will. There was a substantial amount of funding and there were five properties we had to deal with and I was to be the CEO, to work with a board to create a foundation out of all of this.

Q: Hmmm, wonderful.

SPERO: I was trying to decide whether I should do it because I had never been in the philanthropic world. A friend of mine said, "Let me get this straight. You don't have to make money. You don't have to raise money. You just get to give money away? And you're asking me if you should take this job?" So I thought, okay. If we go back to what I said before about moving from Davenport to Bettendorf and Bettendorf to Milwaukee and then taking off for France, I think I'm willing to sort of zigzag or take risks or try something new. My husband said, are you sure you want to do this? I said, I think it will be fun. So it was; it was fantastic.

I think what you were referring to there is the public-private cooperation, public-private partnerships, I think that was a question that you asked.

Q: Yes, yes.

SPERO: I think there's more and more of that. I think it's very appropriate in a number of fields.

Foundations have always been international although Duke was not that international. The Rockefeller Foundation funded Peking Medical School and on and on and Andrew

Carnegie funded outside the U.S. But this idea of public-private partnerships has become more in vogue now and I think the Gates Foundation has set the stage. There's the health arena where foundations work with governments and pharmaceutical companies. I think there are some very interesting ideas that are coming out of those partnerships. I don't think they are going to solve all the problems but I think it's a very promising area. I gathered that this new foundation that Mark Zuckerberg and his wife are setting up is also looking to public-private partnerships.

So, you see them in the health arena. There's a lot that's been done on Track II diplomacy. Carnegie early on funded the Pugwash conferences, which brought scientists both from Russia and from the U.S. together. I think that there is a kind of interesting model there that works in some cases and may not work in other cases. I don't know if that answers your questions.

Q: Sure. I guess the real question is, as the head of a philanthropy, do you seek them out, or how do they come about in general? Is it more the government or some undersecretary who says, you know, the Doris Duke Foundation has been involved in this for some time, maybe if we go to them we could get the money since we can't get it from Congress.

SPERO: I think it's the other way around. I may be biased, but I think the foundations have the flexibility to be innovative. They are accountable to their boards but they are not accountable to Congress. They're not accountable to other parts of the administration. As a result, they can help come up with ideas that they can then leverage. The Gates Foundation can work closely with the U.S. and other governments. One example is Gates' work with the Rwanda government and Merck, the pharmaceutical company on HIV-AIDS. The Rockefeller Foundation has been doing that now on what they call "resilience", for example, how are we going to help when global warming comes?

Q: Mitigation?

SPERO: Yes. My impression is that many ideas are coming from the foundations who are then seeking partnerships with governments and non-profits. It could also be non-profits who are seeking to leverage government money. I happen to sit now on the board of an organization called the International Center for Transitional Justice, ICTJ. It provides technical assistance for governments and civil society organizations in countries coming out of civil war, human rights abuses, military dictatorship, etc. Think of the Truth in Justice Commission in South Africa. People involved with that started ICTJ.

The Norwegian government and the Dutch government and others have funded ITCJ as well as private foundations. It was started with support from Ford and MacArthur and Atlantic Philanthropies. Many governments are partnering with foundation organizations. It's a stew.

Q: Okay. That is interesting because as I was leaving the foreign service in 2013, the undersecretary for public affairs was looking for more and more public-private partnerships in English teaching in developing programs for leadership training,

management training, training in finance for mid-level managers, not necessarily for the top. Because so many of these countries emerging from… they don't have the expertise. They don't have people who even know how to run a bank. And so they are looking at these niches of need and they're thinking well, are there charitable institutions or foundations interested in that kind of activity. Meridian House does this sort of thing as well.

SPERO: It's interesting to go back to Eastern Europe. There was something called the Senior Executive Service Corps composed of retired bankers, retired corporate executives, who would go to the Czech Republic or Hungary for a period of time and advise and work. That was another strand; I had forgotten about that until you mentioned it. That was another strand and I don't know who financed that. I don't know if the government or foundations or whatever financed that. And then there's the Fulbright Program.

Q: Well, of course.

SPERO: The Fulbright Program. Oh, I'm so sad that the Fulbright Program doesn't have the love of Congress it once did. I can't tell you how many of the people I met in other countries would say, "Oh, I was on the Fulbright Program and it really…"

Q: I'm glad you mentioned Fulbright because…

SPERO: I mean it still exists, but…

Q: But it's not getting the same level of funding.

SPERO: And they're looking for private funding too.

Q: Oh, okay.

SPERO: I think. Don't hold me to that, but I'm pretty sure that they are.

Q: That would be wonderful. And I'm glad you mentioned it because we, on the working level, know how valuable it is and that someone who is at the policy level to hear it, is just fantastic.

SPERO: I'll leave you with this last story, unless you've got more. When I was in the Clinton administration, I met one of the senior officials at the Argentine Central Bank, or, maybe it was the Ministry of Finance. And he heard that I was at ECOSOC and that the human rights commission came under ECOSOC and, of course, you remember Jimmy Carter really introduced human rights into the U.S. foreign policy agenda. And he said to me, "Thank you," he said, "If it hadn't been for Jimmy Carter, I wouldn't be alive today."

Q: Wow, remarkable. I think that is a good place to end.

SPERO: Okay.

Q: Wow, that's…

SPERO: You made me think about a lot of things I haven't thought about. In fact, I drank two bottles of water and lost my voice in the process.

End of interview