The Association for Diplomatic Studies and Training
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Agriculture Series

AMBASSADOR SUZANNE HALE

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INTERVIEW

Q: Today is December 3, 2021 and we are in Hendersonville, North Carolina, in the beautiful residence of Hunter and Suzanne Hale. Amb. Retired. Suzanne Hale was Ambassador to Micronesia and in addition served as Acting Administrator of the Foreign Agricultural Service for a period. So Suzanne, thank you for agreeing to this interview.

HALE: Thank you for coming all the way to North Carolina to do it.

Q: Suzanne, could you please tell us a bit about your background, your childhood, your family origins, where your family came from, and your childhood and education?

HALE: I grew up in the suburbs of Buffalo. My family were German-Americans. On my father's side they had lived in Buffalo for 5 to 7 generations. My mother's family were mostly German-Americans who had settled in the Midwest. My family was in the food business, which was a good background for FAS. My grandfather on my father's side owned a chocolate factory and my grandparents on my mother's side were in the restaurant business. When I was growing up my parents owned a small restaurant. However, they also had a Christmas tree farm, and so I spent a lot of time out in the country. When I first applied for a job with FAS, they said that they needed people with an agricultural background, and I tried to explain that Christmas trees were farm products. They laughed at me and said, "Christmas trees!" (laughs)

Q: This is an agency that later created a Forest Products Division.

HALE: Yes, and the Department of Agriculture does now recognize Christmas trees as an agricultural product.

Q: Well, I think you had a few more accomplishments than that over your career, though, Suzanne, than getting the Foreign Agricultural Service to recognize Christmas trees as an agricultural product. Could you talk about your education?

HALE: Yeah, I think the thing that had the biggest impact in choosing a career at USDA was a report I had to do in fifth grade. We walked into the classroom and the teacher had the names of 30 prominent Americans on the blackboard. She read off the names one at a time, and asked the

class who wanted to write a biography about each person. She read George Washington, and everybody's hand went up. She got to Clara Barton and all the little girls' hands went up. She never picked me, so I got mad and stopped putting my hand up. And so, at the end there was only one name on the blackboard and one person without someone to write about, me. That name was George Washington Carver. I'd never heard of George Washington Carver. I wasn't very interested in science and didn't know much about African Americans. However, I had no choice, so I went out and read his biography. I was just fascinated by the fact that he'd been a slave and how hard he worked in the laundry to put himself through school to get a PhD. I went out and read two more kids' biographies about him. Then I had my mother take me to the downtown library to get a 300-page long adult biography. My favorite part of every book was always at the end when they talked about how Dr. Carver invented things like peanut butter and how that had really helped the lives of poor farmers in the South by increasing demand for products like peanuts and sweet potatoes. That was my introduction to Agricultural Economics.

When I got to Washington in 1977 for my husband's job at the Justice Department, I tried to figure out what I could do with a Master's degree in international affairs. In the old days there was no Internet, just a 4-inch-thick *US Government Organization Manual* that provided a brief description of the mission of every agency in the Federal Government. I read through all the foreign affairs agencies until I came to the Foreign Agricultural Service. I saw that they did market development and that helped farmers. I thought, that is just like George Washington Carver, that's the place for me.

Q: But before that, before you came to Washington, you went to college and in particular you ended up as one of the Foreign Agricultural Service's most prominent Japanists. Could you talk a little bit about how that came about, the track academically that led you to that?

HALE: When I was a senior in high school I went to an international Girl Scout camp in the Philippines and I really got interested in Asia. At that time there weren't many schools that had interdisciplinary programs in international affairs, but Beloit College in Wisconsin did. They had a lot of opportunities for foreign study, and an interesting internship program. So I went to Beloit and majored in international affairs. I spent a year at the International Christian University in Japan and then spent a semester working for a little chemical company in Korea. I then went on to Columbia's School of International Affairs because they had a very strong Asian studies program.

Q: Where did you learn Japanese?

HALE: Well, mostly at school. I was able to graduate from college a semester early so I spent eight months in Japan, teaching in a high school in Kanazawa, which was a sister city of my hometown of Buffalo. I lived with a Japanese family, and no one spoke English, so I was using Japanese all the time, every day, and that really did a lot to improve my language skills. I also learned a lot about Japanese food culture that was helpful to me in my career with FAS. For example, kitchens in Japan were extremely small and having very fresh food was important. The mother of the family I lived with therefore bought small quantities of food and made a separate trip to the store for each meal.

Q: So then in 1978 you came to the Foreign Agricultural Service. You were hired and at that time in the mid- to late 70s the Foreign Agricultural Service was just starting to hire professional women. There were not that many in the agency. Could you talk about that aspect a little bit, what it was like being one of the, not among the first, but among that wave of professional women coming into FAS?

HALE: It was a two-year struggle getting hired by FAS. However, that was more related to bureaucratic problems than my gender. We moved to Washington when my husband took a job in the Antitrust Division at the Justice Department. As soon as we arrived, I opened the US Government Organization Manual and decided that FAS was exactly what I wanted to do. I had always been interested in agriculture. As a kid I always wanted to visit my father's aunt's dairy farm rather than the amusement park. I was particularly interested in farm trade because I had been in Japan during the soybean embargo. Every day I'd go to the store and tofu prices would be a little bit higher and all of the housewives in the store were mad at America, and the shopkeepers were mad as well, and I would have to go in and buy my tofu through all these angry people. That made a big impression on me because it showed me that agricultural trade relations were an important part of broader international relationships. From that fifth-grade report on George Washington Carver, I also appreciated how important developing new markets is to farm income.

So I set up an interview at FAS. I talked to Kerry Reynolds, who was the Branch Chief in Trade Policy in charge of Japan trade relations. He checked with Personnel and told me that the Civil Service requirement for the position I wanted was 21 hours of economics and a master's degree. I had a master's degree in international affairs from Columbia but after reviewing my transcripts the Personnel Division said I needed to take two more classes in economics. Before I registered for the classes, I sent the list of classes I planned to take to both the Civil Service Commission and FAS Personnel and everybody said, yes that's just what you need. So, I went to the University of Maryland for an Ag Econ class and took another class at the USDA Graduate School. When I finished the classes, I went back to FAS and they said that they were very sorry, but they had changed the way they were interpreting the regulations, and although the regulations didn't say it, what they really meant was that I would need a master's degree in agricultural economics.

I don't give up easily, so I wrote a letter explaining what I'd been told, and what I had done with my classes, and saying that I was really surprised that this had happened to me, because friends and advisers thought I'd be a great resource for FAS in light of my strong background in Japan.

Finally, they came back and said, okay, if you're willing to take a lower salary, we could hire you as a GS-9 instead of as a GS-12. However, I would need to take the Civil Service exam and do well on it. I had already taken the Civil Service exam and done well on it. However, my certification had expired a few days before and it would need to be reinstated. It took several more months for the Civil Service Commission to retrieve my records. I knew FAS was what I really wanted, so I decided that even if I had to wait a bit, and start out at a lower grade with a lower salary, it would be worth it. .

By the time FAS finally got my records from the Civil Service Commission, there was a hiring freeze, and I was told that I would just have to wait until the hiring freeze was over. So, I waited several more months. Finally, I called Kerry and said I was going to take a job at the Department of Commerce instead. He called back the next day and said there was one person who could, maybe, make a decision to hire me even though there was a hiring freeze.

So, I went in for an interview with Turner Oyloe. As I sat down he looked through my resume, and he said, “Why the hell should we hire you, you don't know a damned thing about agriculture?”

I confidently replied “But my parents grew Christmas trees.”

“Christmas trees?” he yelled, “I bet you don't even know many pounds there are in a bushel of soybeans, do you!”

I said, “No, but I have a dictionary, and it seems like that's the kind of thing I could look up.” So for an hour the interview went on like that and at the end of it he said, “Okay, kid, I think this'll work. I think we can hire you.”

A few days later Personnel called me back and reported that they had requested my papers from the Civil Service Commission so they could hire me, but my papers had been sent over to another mysterious agency. They said the other agency was interested in hiring me but they could not identify it. So, I had to wait another month or two until the Civil Service Commission could retrieve my papers and forward them to FAS. The process took about two years. It was worth it in the end. I've always appreciated FAS because of the effort it took to get there on both of our parts.

I really didn't feel that I was treated any differently because I was a woman. In my experience people who expect problems have problems, and people who don't expect problems, don't have problems. I can only remember one time in my whole career that I felt a little bit annoyed for being treated differently because I was a woman. FAS in those days had its own Toastmasters Club and it was great. It was just FAS people and the idea was to develop public speaking skills. It was also a good forum for discussing agricultural issues.

Each week the president would assign topics for short extemporaneous talks. All of the men got interesting topics about farm policy. Then he would ask me something like, "I read in the fashion pages today that the layered look is very popular. Could you tell us a little bit about the layered look?" (laughs) And I had no idea what he was talking about so I stammered. Because I stammered, he kept asking me dumber and dumber questions every week and I stammered more. (laughs) And all I really wanted to talk about was farm policy.

But other than that, I have found FAS, and just the whole agricultural industry, to be a great place to work.

There were a few minor irritations with the Embassy when we went overseas. For example, my husband, who is an attorney, decided to get a regular work visa when we went to Japan rather

than a diplomatic visa so that he could work once we got there. However, the Embassy wouldn't let him use the commissary because he didn't have a Diplomatic visa. That meant he couldn't even buy a bottle of milk for the kids.

Q: Where did you start out in FAS?

HALE: I started in trade policy, working on Japan, which was terrific. In clearing cables, I got to go around the whole agency and got to meet the people working on all of the key issues related to Japan. I also got to know folks at other agencies working on Japan. So when I went overseas I had worked with all of the key people working on Japan and knew whom to call for what, and whom not to call.

Q: What were the issues?

HALE: Beef and citrus have always been key issues, because they were products that we knew had good potential for in Japan, but Japan had import quotas that limited trade. There was also a whole range of products where we knew tariff cuts would facilitate trade. And then of course just trying to understand Japanese agricultural policy. There was increasing interest in opening the rice market, which is very sensitive in Japan.

Q: So how does one negotiate with the Japanese? You were at that point in a relatively junior support role but you were observing people who had been conducting negotiations for years. What were some of the lessons that you learned, things that you observed over the course of the negotiations for market access?

HALE: We really had a strong team of negotiators. A lot of the detailed negotiations were handled by the directors of our commodity divisions. The directors of our Livestock Division and our Horticultural and Tropical Products Division really knew their stuff. So when they got into a negotiation, if the Japanese offered even a minor change, they instantly knew how that would affect the US industry. Their understanding of things like the seasonality of crops, shipping schedules, which cuts of beef were most profitable for the US industry, and which cuts had potential for Japan was really important. They were good negotiators because they were really knowledgeable about what they were talking about, and that was very helpful.

Q: Who led the negotiations in those days?

HALE: Well, of course USTR at one level was in charge, but I think that in those days the Directors of the Commodity Divisions at FAS played a much, much larger role than today.

Q: Would you say that USTR's role was more nominal as the nominal chief of negotiation, so to speak, but that the technical experts were the ones who actually led the negotiations?

HALE: It depended on the issue. Ambassador Strauss was a phenomenal negotiator. The issues were really complicated and took time to go through, and so I think that there was just good teamwork. People worked together. We needed people at a high level, like Ambassador Strauss,

and we needed people at the technical level, it was sometimes beyond technical, at a more detailed level to succeed. I think that people worked together and it worked well.

Q: Do you have any particular anecdotes or stories from that period that you remember that kind of illustrate some points?

HALE: (laughs) The Japanese didn't know what to do with a woman on the team. At one point, the head of the Japanese team joked that he was having a hard time with the discussions because he kept being distracted by my legs. I responded that that was part of our negotiating strategy, and we went back to talking about peanut quotas. At one point our whole team were women. We had Sue Schwab, who later became USTR, and Suzie Early, who was in charge of the agricultural section at USTR, and me. I can't remember what the issue was. But they always called us the "Three Suzies Team". It was surprising to them, but Japan is a very hierarchical society and they treated us accordingly. It depended on what was on your business card. If you had the right title on your business card, they treated you seriously. It was different for them.

Q: You could sense the cognitive dissonance.

HALE: I don't know that it was cognitive dissonance but they were surprised.

Q: Well, after a few years of that in 1981 you were posted overseas and went to Tokyo so can you talk about your first Tokyo posting?

HALE: Yes. I was assigned to work on feed grains and oilseeds, and I was a little bit uneasy about that because I had never worked in the grain division. My boss said the reason that he gave me that assignment was because I was a woman and that the Agricultural Assistants in that position worked a lot with the trading companies, and the trading companies were a little bit more cosmopolitan than other sectors. I don't think that working with other sectors really would've been a problem, because again it’s what's on your name card that’s important in Japan.

Before I went overseas, I had dinner with the first woman lawyer in Japan. She'd been on the Japanese Fair Trade Commission and had a very successful career. I asked if she had any advice for me going to the Embassy as a woman? She said, no, you'll find it easier to work there than it is in America because people there look at your name card and they just treat you accordingly. I very much found that to be true.

Q: Who was your boss in Tokyo?

HALE: Dudley Williams was my first boss. I was there for a long time, so I also worked with Bill Davis, and then Bryant Wadsworth.

I think one of the real advantages of going to a big post like Tokyo is having good bosses. I really learned a lot from them. In looking at people's careers at FAS I often wonder if people who start their careers in large, important posts tend to be more successful because the Agency sends good people to big posts for their first tour, or because going to a big post ensures a good first

boss who you can learn a lot from. It's probably a combination of the two. I was really, really fortunate with the bosses that I had.

Q: So you did the Feed Grains Council, feed grains portfolio for a while, doing presumably both the analysis and the marketing, but could you talk about later on as you were posted...as you said, you were posted there for a long time. You were in Tokyo for seven or eight years. Could you talk about how your job shifted over that time? You didn't do the same work for the entire period.

HALE: No. I was there probably for about four years doing commodity analysis, working with cooperators, and I really enjoyed that. The cooperator program that we have, it was just phenomenal. Do you want me to explain about the cooperator program?

Q: If there's something specific to Japan that would be fine, because in general the cooperator program is a known quantity, but if there was something specific to your time in Japan, yes.

HALE: At the Embassy, I was responsible for marketing and analysis for feed grains, soybeans and tobacco. Handling both marketing and analysis for these commodities worked well because my monitoring of trends in Japanese consumption, production and trade helped me evaluate the effectiveness of existing marketing programs and helped me spot new opportunities that I could share with cooperators.

We worked together very, very closely with the cooperators and I think that allowed us to do things that we couldn't do in government. For example, they had more money to bring people back to the States or to do dinners and technical training. When there were technical issues, they had real experts they could bring in. The wheat industry, for example, would bring out a team every fall to work with the flour millers and explain exactly what the crop was going to be like. They explained what the protein content was going to be and what problems might turn up because of the weather. That built trust and confidence in the U.S. among flour millers. That is the kind of thing that the embassy would never have had the resources to do, but it was really important in keeping our market share there.

FAS funding for cooperator programs was allocated each year on the basis of annual marketing plans. At the Embassy, we had to review the marketing plans for all local cooperators and then provide guidance to Washington marketing staff on whether the proposed activities should be approved or not. I quickly learned that it worked best to consult closely with the cooperator offices as they developed their plans rather than after they were submitted. That way their plans reflected the best thinking of both our office and the cooperator offices, and we could then recommend full funding.

When I first arrived at post in 1981, we were very carefully monitoring every expenditure of FAS funds by cooperators. Every several weeks we received a stack of invoices 2-3 inches high from each major cooperator, and we then had to go through them to make sure that money was being spent in accordance with FAS regulations before FAS funds could be released to pay the bills. The idea was to catch potential problems before FAS money was released so that there would be clean audits if there were ever a Congressional inquiry. It was very tedious, and most

expenditures were straight forward expenses for things like rent and consultants for technical seminars. The most common problem was spending more than the local embassy limit for representational dinners with Japanese customers. However, occasionally there were challenges that tested our diplomatic skills such as a cooperator's wife who demanded new custom-made drapes when the old ones were still serviceable. Eventually, it was recognized that FAS was spending way too much staff time on minutia and the system was improved. Instead of reviewing expenses in the field before FAS funds were expended, the cooperators were allowed to spend the money and then FAS auditors looked over the expenses and asked for reimbursements for any expenditures that were not consistent with FAS regulations.

Japan was our largest market for farm products in the 1980's and occasionally there were new cooperators that wanted to enter the market. One day Ron Anderson, an enthusiastic hay exporter from Washington state, stopped by our office for advice. I had doubts about the economic feasibility of shipping a low value product like hay across the Pacific, but I politely gave him an overview of the market and sent him on to see the dairy specialist at the Feed Grains Council. The Feed Grains Council quickly recognized that access to better quality forage would greatly improve the efficiency of local dairy production which would reduce the cost of dairy products, and thereby increase demand for U.S. corn, soybeans and hay. Ron went back home to found the Hay Association and got a small marketing plan approved by FAS. It turned out that because of the trade imbalance between Asia and the United States, freight rates for shipping containers going back to Japan were extremely low. Gradually the Hay Council's marketing programs grew. To minimize administrative costs in Japan I encouraged the Hay Council to contract with the Feed Grains Council to handle their marketing programs. The program worked better than anyone expected and today the United States exports a half billion dollars a year worth of hay to Japan, with exports of another half billion dollars a year to China.

The technical assistance programs were really important. Even in Japan, if the veterinarians of the Grains Council saw a problem, they would bring in technical experts from the States to do seminars. Or if they saw an opportunity where a new technology in the States would improve animal health or the productivity of Japanese feed mills, they would bring out experts. The new technology would then often be quickly adopted in Japan. This kept the livestock industry efficient, which kept prices of livestock products lower than they otherwise would have been. This in turn, increased consumption of meat, eggs and dairy products, which led to increased demand for U.S. feed grains and oilseeds. Animal products weren't traditionally part of the Japanese diet so even in the 1980's technical support for the Japanese livestock industry was important.

Q: And then in 1985 you became the first Agricultural Trade Officer in Japan.

HALE: That's right, yes.

Q: Can you talk about making the transition, from being an Agricultural Officer, an Attaché, to being ATO? That of course was after the Agricultural Trade Act was passed. Could you talk about that and the impact of the Agricultural Trade Act and then what it was like being an ATO in Japan?

HALE: I think it's important to take a step back and look at what was really happening with Japanese dietary patterns. The Japanese diet was traditionally pretty much vegetarian: a lot of fish, soy products. That was starting to change by the 1980's and women were just beginning to be interested in convenience foods. Food distribution patterns were changing, and supermarkets were beginning to replace mom-and-pop butchers and produce shops. There were a lot of restaurants opening up, including chain restaurants, and they were looking for lower-cost foods. The society was aging, and older people were looking for healthy products. Younger people had more money and were going out to eat more, and so restaurants were looking for trendy new products.

So, when we looked at the trade statistics, we saw that our exports of bulk commodities were plateauing. Japan was our largest market at that point, so what was going on in Japan was really important to U.S. agriculture. Things like cotton, which had been huge, were actually decreasing as the textile industry was moving to other places.

Exports of high-value products, however, were increasing. So, we really wanted to get ahead of that growth. When we looked at the US economy, exports of high-value products, and by that I mean things like produce, processed and partially processed food ingredients, and meats, we saw that exports of high-value products would create more jobs in the States, and decided to go for it.

So, we opened an Agricultural Trade Office. We had a million-dollar budget, which was a lot of money at that time. We rented space, put in a big demonstration kitchen with freezers, fryers, and just everything that people would need to introduce their products. We used that to do cooking demonstrations. Private companies could use it. This was important because an exporter with something like frozen French fries could not carry around them in a briefcase to show importers. So having a place where people could prepare foods and invite potential customers to come in and taste them was really important. After we opened the trade office, we looked at our visitor log. I can't remember the period, six months or a year, and we had five times as many visitors after we moved out of the Embassy as we did while we were at the Embassy. This was in the days before security at embassies was like it is now. However, even then it was intimidating for people to go to the US Embassy and the Trade Office was a much more comfortable place for businesspeople to be.

We collocated cooperators in the same building and so that cut costs a little bit because they could share conference rooms. The original concept of the ATO's, as I understand it, was partly that collocating would save money. They always used to talk about how if you had all the cooperators together, you could provide "one-stop shopping". That just never made any sense for Japan because the importers were so specialized, and the US exporters were also specialized. Somebody who was interested in buying hay just wasn't going to be attracted to an array of cooperators that offered one stop shopping.

But having that demonstration kitchen and that facility was really useful. Even private companies, like Campbell's Soup and Ore-Ida Potatoes, used it. It was used a lot.

Q: Did you do trade shows?

HALE: Yes.

Q: So could you talk about trade shows and both some of the nuts and bolts and maybe some of the interesting things that happened at trade shows but then also talk a little bit about what you saw as the impact of trade shows?

HALE: We had been doing trade shows off and on in Japan since the ‘60s. When I was in Japan as a student in 1968, I just happened to read that there was an American Food Show. So, I went to the first trade show that FAS ever had in Japan. The shows were really important for US exporters of food products because they could come to Japan, spend a week, and get a good sense of whether their products were gonna make it in the Japanese market or not. It was an economical way for them to see if their products met Japanese import requirements, and then introduce their products and try to find a distributor. They could walk around the food show, see what the competition was, and they'd leave with a sense of whether people were interested in their products or not. A lot of them did find distributors and were able to break into the market.

We always had an educational component for our shows because we felt that US exporters really needed to understand Japanese business practices and the Japanese distribution system.

Q: So, education for the exporters, not for the importers?

HALE: For the US exporters, and so we would invite them to come a day or two early. Sometimes we had field trips, and we would take them out to Japanese supermarkets so they could see how things were packaged. Package sizes In Japan were much smaller and packaging was much more elaborate. I can remember some of the big US companies saying, “Wow, I learned a lot. I'm gonna take this back to the States.” The Japanese food industry's pretty innovative. So, I think that trade shows are a very effective way of introducing new ideas going both ways across the Pacific.

In 1988, after the trade round, and after the beef and citrus market was opened there was a lot of US interest in Japan. So rather than waiting for the normal big Japanese food show, we organized our own food show and brought a hundred companies out. We had just a huge show.

Once companies had distributors, we also worked with the distributors to expand their sales. We did, I think, three or four agent shows a year for those distributors so that they could take their products out to smaller cities around Japan and introduce them to local supermarkets and restaurants and build their distribution system.

Then we would work with Japanese supermarkets and restaurant chains to give them a little bit of money for advertising so they could do American food fairs. We helped them find interesting new products for their different food fairs. They liked to do that partly because it was something different, something unusual that they could use to attract customers, and partly because the Embassy had import quotas that we could let them use. At that time, the quantity of beef that could be imported was restricted, but the Embassy controlled a little bit of the import quota, and we could give a little bit of the Embassy’s import quota to the supermarkets. This allowed them to get U.S. beef at much lower cost. The same was true for oranges.

Q: That's fascinating. I'd never heard of that. Going back to the point-of-purchase promotions that you were doing with supermarkets, had those already been going on or was that something that was innovated when the ATO opened?

HALE: They had been going on a little bit because of the way we used the Embassy import quota to support them. But they got much bigger and the reason for that was that Congress put together a new program called the Targeted Export Assistance program, which provided money for promoting high-value products. Initially when exports of high-value products started growing, the traditional bulk commodity cooperators were worried that their money was going to be taken away and used to promote high-value products. So the solution was to keep the old market development program that we had, which was working very well with bulk commodities. Then alongside it, Congress funded the new Targeted Export Assistance program, which provided funding for things like meat and produce.

Q: Packaged foods, too, packaged foods were just starting to take off about that time, really.

HALE: Right. At that point most of the TEA money coming to Japan was for things like grapefruit, wine, avocadoes, meat, poultry, and so anyway those cooperators had a lot of money. Rather than having them do individual promotions we encouraged them to do joint promotions that had a lot more impact. So the supermarket promotions got bigger and better.

Q: Anything else about your time on the first tour of duty in Tokyo you want to talk about? Do you want to talk at all about what it was like inside the Embassy, working with Ambassadors at that point? Working with the Japanese trade and government?

HALE: I think that what I said before about working at a big post being good training really applies for the Ambassadors that I worked with. Mike Mansfield was the Ambassador in Tokyo for just about the whole time I was there in the 80s. He was just phenomenal, a phenomenal man. And then I worked with Howard Baker when I was there in 2000. Both of them--just extraordinarily smart, well-informed and well plugged in to what was happening in Washington. One of the advantages was that they spoke with such authority. When they told the Japanese, "Congress will never buy this," people believed them, because Ambassador Mansfield and Ambassador Baker knew exactly what Congress would accept and what they wouldn't. I really enjoyed working with the Ambassadors that I worked with there. Actually, everyone I worked with at the Embassy was terrific. In the 1980's our relationship with Japan was seen as our most important bi-lateral relationship in the world. As a result, every agency in the U.S. government sent their best people to Japan. When I got to China in the late 1990's the situation was exactly the same. I found smart hard-working people from throughout the U.S. Government. They were people who saw the big picture as well as the interests of their own agencies. As a result, they were easy to work with.

One thing is that I spoke Japanese and Chinese, and that was really helpful in lots of ways. It helped me establish rapport with people and to scan the newspapers to see what was going on. But also, even when we did use an interpreter for formal things, I could catch mistakes. We had a fabulous translator in the Ag Affairs Office, an FSN, who was really skilled. But the folksy

idioms of visitors from rural America were always a challenge. At one point, at a key stage in our trade talks with Japan, our Under Secretary came to Tokyo. We had never really had much contact historically with the Japanese co-ops that run Japanese agriculture. I thought it was really important to start talking to them. So, we invited the Chairman of the big co-op to dinner.

The Chairman was explaining about how Japanese farms were small and poor and how Japan couldn't increase trade because it would put all the Japanese farmers out of business. The Under Secretary had a ranch and he wanted to make the point that American farmers sometimes lose money. He explained how he had put a lot of money into his herd, and then cattle prices fell, and he finished his story by saying "I really took a bath." The interpreter translated this as, "Then cattle prices fell and I got into the bathtub."

And I caught that, so I could gracefully explain what...

Q: Taking a bath means?

HALE: Clarify it. But otherwise, the whole point would have been missed, and so I think having officers with language skills is really important.

Q: You took a sabbatical.

HALE: Yeah. When we left Japan. My husband and I had both been really busy in Tokyo. We both worked 60 hours a week for years, so didn't even know our kids. When we told the kids we were coming back to the States, our son said, "Why don't we go around the world the other way this time rather than just flying across the Pacific?" We started thinking about it. We started thinking, if we're going to do that, we should take some time off. Initially we were hoping to take almost a year off and just travel. We were curious about what was going on in the rest of Asia. We spent a month in China, and then one in Indonesia, and then went on to Malaysia, Thailand, Nepal, Egypt, Turkey, Greece and France, back packing all the way, and getting lice twice.

I really had a hard time explaining our plan to FAS. I sent a note back saying I was thinking of taking a year off. The Assistant Administrator called me at 3 o'clock in the morning. After I explained that I needed to turn on the lights, he said, "I got your letter. Should I pretend I never got it, or should I write a formal reply saying you can't do that." I said that he didn't need to do either because my letter had merely said that I was thinking about taking some time off.

So then I talked to different people to better understand the lay of the land in Washington, and whom to approach and how to approach them. Finally I got it approved. It was really good for FAS, because from my travels I could see the potential there was in China, and I eventually wound up going to China as Minister-counselor in 1997.

I could also see that there was potential for U.S. farm products in Southeast Asia, so when I got back to Washington, we started doing trade missions in that part of the world. I think that just about everywhere we went I would visit farms and spend some time in supermarkets. My poor kids! In Indonesia we visited a friend who had been the Dutch Agricultural Attaché in Tokyo and our families went out to dinner. We laughed as we heard his kids and our kids grumbling about

having to make farm visits. Then his kids asked, “Does your mother talk about products all the time too?” (laughs) Our kids said, “Yes, all they do is talk about products!” They had a good time talking to each other and complaining about their parents.

Q: Yep. So, you came back from the sabbatical and you were appointed Director of the AgExport Services Division at that point, right?

HALE: Initially I spent a year as the Deputy Director, and then the Director went overseas, and I became the Director.

Q: And that is what morphed eventually into the High Value Products Division, right?

HALE: Actually the other way around.

Q: Oh, OK.

HALE: High Value Products, first. That made sense to people in FAS who were making a distinction between the products we handled in our division and bulk commodities. But for people in the trade, the name just didn't click with them, and so we changed the name to the AgExport Services Division. We were a service-oriented group that supported farm exports, something that people could understand.

Q: The trade understood it, but a lot of people inside FAS did not understand it. There was a certain amount of conservatism. How does this fit into the commodity model of traditional FAS? Did you encounter any sort of pushback or lack of understanding of what exactly the division did?

HALE: To a certain extent, I think, but when people really started worrying about it was when...well, first we had some challenges that the model didn't fit. Traditionally FAS has worked with trade associations, and there were a couple of problems. One, we knew there were some industries that had good potential, like pecans, but they didn't have staff with international marketing experience. They just couldn't do anything internationally. Then there was a problem because other industries like, say, snack food, where they had branded products that competed with each other, and so they were hard to work with because they couldn't figure out a way to do promotions for snack foods where all their competitors were there competing.

So, what we did was to work instead with four regional associations of state departments of agriculture. Most of the states had staff who already did international marketing, some of whom were very good.

Q: That was like SUSTA, WUSATA?

HALE: Right, and so we would give them money, then they would manage it, they would do a marketing plan, that they would say, we're gonna do pecans. But then they had the international marketing staff from the states who worked with the industry to do promotions. The regional

trade groups then could manage the money. They could assure accountability. They could help people put together good programs that made sense and avoided failure.

Q: Was that how the state departments of agriculture ultimately got involved in export market promotion or had they been involved before?

HALE: Some of the states had been involved and regularly participated in our trade shows. It just depended on the interests of the particular commissioner. Some of them would come out to a trade show and bring two or three products with them. There was great variability, though, in their capabilities. Some were just spectacular. However, I remember, I won't mention which state, once I went up to state booth at a trade show. This was when I was in Japan. I always went around a show as exhibitors unpacked their products to see what they had. That way when Japanese importers and reporters came around I would know where to direct them. One time I found a state exhibitor who was sitting there half-asleep. I asked him about his products, and he said, "I dunno, what's it say there on the label?" And I mean, to come halfway around the world and he didn't even know what he'd brought with him. So, there was really great variability. Another guy was (laughs), again from a state I won't mention, pouring wine in his booth and a fly came out of the bottle. (laughs) But most of them were really, really excellent. They knew their products well, they knew their companies well, and they did a really great job.

The Regional Trade Groups, (Southern U.S. Trade Association, Western U. S. Trade Association, Mid-America International Agri-Trade Council, Eastern USA Food Export Council) were managed by boards made up of the state commissioners of agriculture in each region. In many cases these commissioners became strong advocates for international agricultural trade. They often had close ties with their Congressional and helped to broaden the base of political support for FAS marketing programs. We also worked closely with commissioners of agriculture to win congressional support for key trade policy initiatives such as NAFTA.

So, these regional trade groups put together branded programs where companies would apply for funds. The states would review their applications and forward them to us. We would give them money and then they could use those funds for approved marketing programs overseas. When I returned to Washington, we always checked those plans carefully. I remember, we had one company that was applying for a lot of money in a country where they claimed to have exports. However, our trade statistics showed that there were no U.S. exports for those commodities to that country, and so we suggested they not continue to fund those programs with this company. FAS auditors also did a good job of assuring accountability. They carefully reviewed cooperator expense reports to make sure that expenses were in accordance with FAS regulations. The auditors had a regular schedule for visiting cooperators but if we suspected a problem, we could ask them to do an audit.

That's the way we solved the problem of being able to support marketing programs for packaged foods. Eventually other trade groups like the Wine Institute developed branded programs of their own. These programs were focused on small companies.

Q: One of the questions I remember being asked in the 1980s was how do you do analysis of high-value products, because the traditional model of the production, supply, and distribution balance sheet used for bulk commodities just didn't fit.

HALE: Yeah, it didn't.

Q: So, how did you do analysis, and how did you determine where prospects were good or where a market was plateauing, that sort of thing?

HALE: Well, I think our posts started doing a new kind of reporting. After I got back to Washington we really encouraged them to do what we called the Alert Reports. If posts saw potential for a particular product like pecans, they would do a report that explained what was happening with that product in their market in terms of consumption patterns, domestic and international competition, pricing, and the distribution system. The reports always included a list of potential importers so exporters would be able to contact them after reading the report. Those reports were really helpful. For example, alerting the US industry that there was good potential for frozen potatoes, or for pecans, gave US exporters the information they needed to evaluate the market, see where their products might fit, and then try to get into it.

We also did, especially in Japan, some really long, detailed reports on different sectors of the food market, such as the retail sector and the food service sector. They explained how the distribution system worked, who the players were, what the markups were, etc. That was really important, because at that point in time the Japanese distribution system was changing. Traditionally everything had been bought in through trading companies, but the wholesalers were starting to get interested in importing directly. The food processors were also starting to import directly. Even some of the supermarket chains were starting to import directly. There were a lot more different kinds of potential customers than there had been in the past, so those reports about what was going on in the distribution system, I think, were really important. In our reporting we put a lot of analysis into what the opportunities were, how the system worked and how to exploit those opportunities.

Back in Washington, Mike Dwyer and other FAS analysts began a new global statistical series called BICO reports that tracked U.S. exports according to whether they were bulk commodities, high value products, or intermediate products. These data were important in documenting shifting trade patterns. They were widely used to support adjustments to FAS marketing programs, identify markets with growing potential, and to make changes in the placement of FAS field staff, especially ATO's.

Q: You were in that job till 1996.

HALE: That's right.

Q: That was really the period when we saw the major shift, where high-value products really became dominant in the export picture.

HALE: Yes.

Q: It was really in the 1990s. Up until then bulk commodities had been king, and that tipping point in the 90s when high-value products really surpassed bulk commodities, politically were there repercussions from that? Was there any sort of distress within the agency or did the agency simply take it in stride?

HALE: Changes at FAS attracted a great deal of Congressional scrutiny. At one point, when I was Director of the AgExport Services Division I was responsible for working with investigators from the Government Accountability Office who were preparing four different reports, one on ATO's, one on Trade Shows, one on the regional trade groups, and one on marketing high value products. FAS staff found GAO investigations to be annoying and time consuming because many members of the GAO teams were not well versed about trade issues. (While I was in Tokyo two young investigators once started an interview by asking me to explain the difference between a "ship" and a "boat"). However, the reports did encourage the Agency to have clearly defined goals with measurable results.

From what I saw, I thought that maintaining our traditional market development program alongside the new Targeted Export Assistance program was really good, because cooperators marketing traditional bulk commodities weren't struggling over the same pot of money with new groups marketing high value products.

Q: So it came down to money?

HALE: Yeah. The bulk commodities, you know, they had their program, they knew they had their program, so they weren't worried about somebody taking their money to promote grapefruit. So I think that having the two programs really worked well.

Gradually, you know, parts of the US industry started recognizing the benefits of exports of finished products. For example, the Soybean Council, especially some of the state soybean checkoff programs, started providing money directly to the Meat Export Federation and I think the Grains Council did as well. They realized that...

Q: Meat is a processed product of the grain and oilseed industry!

HALE: Exactly! And whether the corn was consumed by hogs in Japan or hogs in Iowa didn't really matter as long as there was a market for their corn, and so the programs were in some cases complementary. The idea was to let the foreign market decide whether they wanted meat or whether they wanted corn and, in most cases, they chose both, and it worked well.

Q: In '96 you went into Chinese language training.

HALE: Yes. I started in the middle of the year. It turned out to be wonderful because I couldn't take language training at FSI 'cause I started in March, and so I looked at the cost of FSI and I looked at the cost of getting a tutor, and it was cheaper to get a private tutor for four hours a day. I had this wonderful tutor, whose husband was the head of the Chinese program at FSI, and so he was always giving her materials and things. She was a wonderful teacher and I did really well.

Q: What did you get in Chinese?

HALE: 3-3 after a year, which is really unusual.

Q: That's extraordinary. A 3-3 in Chinese after one year of training...

HALE: It was one year and a couple of months, but I could read Japanese, so I knew Chinese characters. That helped a lot. The way I studied was right for me. I would not have done as well in a class. What I did was I used two different textbooks and so I would do one book and try to learn maybe 70 percent of it, and then I would switch to the other one and I already knew 50 percent of it, so it was really easy to get through the material. Then I would go back to the first one, and just kept going back and forth. It was fun because I'd just pick up stuff and say, I already know this, because I'd learned it with the other book. For me that worked really well.

As I progressed, I was able to concentrate on agriculture and learn vocabulary and things related to agriculture. I was also able to concentrate on reading the simplified characters that are used on the mainland rather than Taiwan. At FSI they try to teach you both.

Q: So you focused on simplified Mandarin.

HALE: Right.

Q: And after that you were posted to China for three years, so please talk about China.

HALE: It was just a really exciting time to be there. Things were opening up so you could go around and talk to scholars, talk to government officials, and I think they would be more frank than they had been in the past, probably more frank than they are today. The staff was really small. We only had two American assistants in the office in Beijing, so we really had to scramble trying to do all the reporting. There was no Agricultural Trade Office in Beijing. We had one in Guangzhou and one in Shanghai, but nothing in Beijing, and it was the time of China's WTO accession and so also that kept us busy.

One of the big problems, challenges, we had was the only way you could hire FSNs was through the Chinese government, and they kept sending people who spoke English really well, but who didn't know anything about agriculture, and they didn't know anything about economics. They were lovely people and good at answering the phones but that was all. So we would get them trained and then they would get promoted in their system and move on to another embassy. It was just really difficult. So what we did was, we went and talked to some professors of ag economics and said there is a great opportunity for one of your students in our office. Give us a good student for two or three years. It would be great training for them if they wanted to go to graduate school in the States, a feather in their cap. They suggested some great people but we just couldn't get them through the Chinese hiring system.

So, I said, there are a lot of Americans in Beijing, with excellent Chinese. They are smart, young people, who are willing to work for a modest amount of money, because it was cheap to live in

Beijing back then. So, we started hiring Americans to replace our Chinese assistants when the Chinese staff moved on. Then we went and told the government employment bureau that we were going to continue to hire Americans if they weren't going to give us competent Chinese. This meant they would lose the commission they were charging the Embassy for the Chinese employees we had been hiring though the Bureau. They would also lose the opportunity to quiz our Chinese employees about what was going on inside the office. Finally, they broke down and let us hire some Chinese young people who had degrees in ag economics. It was a whole lot better.

I was there during the WTO accession negotiations. The biggest thing was that we had had an agreement with the Chinese concerning several products that had plant and animal quarantine issues. We had an earlier agreement with China that those issues had to be resolved before we would agree to accession. So we spent a lot of time with...

Q: Do you remember what the products were?

HALE: I remember most of them. They included citrus, beef, wheat, and tobacco. Citrus worked pretty well. We had our USDA Animal and Plant Health Inspection Service people come out and negotiate and we got that worked out. Wheat was really, really, really difficult. The Chinese complained about wheat rust, even though it was something that just couldn't have affected the Chinese wheat crop because of where wheat was grown in China and the climate conditions there. It was just a total non-issue but they wouldn't budge. So, I went to a prominent Chinese-American scientist who had excellent contacts all over China, and I said, I just really can't understand this. I know Chinese scientists are better than this, but they keep coming up like they don't understand the issue. I made it into an issue of saving face for Chinese scientists. So, a few weeks later, or maybe a month or two later, we were able to put together a symposium bringing together Chinese and American scientists,and then on that basis, we finally got wheat worked out.

The only thing left was tobacco, and nobody was doing anything on tobacco. Our Under Secretary came out, or maybe I guess the Deputy Under Secretary, and I said to him, "What about tobacco? We haven't reached an agreement on tobacco?" He said, "USDA will never do anything on tobacco with all the health problems. Don't worry we are not going to do anything."

Q: Was that Gus?

HALE: No. Jim Schroeder. He said, "We will never do anything on tobacco. Don't worry about it. Just don't worry about it."

The night before the vote in Congress to approve the WTO accession treaty I got a call from USTR, saying that they needed two more votes and one of them was from Kentucky. I was told to get the tobacco issue worked out by the next day. (laughs)

So, remembering what my Deputy Under Secretary had said, I said, "Could you send me a cable on that?" So, the next morning I got to work and there was the cable and we went over to the

Chinese Ministry of Agriculture and told them we needed to get it worked out right away. It was immediately worked out and resolved, and the Accession Treaty was approved by Congress.

Q: Congress supported Chinese accession. One of the criticisms of the Chinese accession has been that we gave too much away, and I was told this when I was working on Russia's WTO accession some years later. The Russians would point to the Chinese deal and say, that's what we want, and the response from USTR was, you're not going to get that, because that was a mistake and everybody realizes that. Could you talk about that a little bit? Why was there criticism of the accession agreement afterwards?

HALE: I think for agriculture it's been great. China's our largest market for farm products now. It's just been phenomenal and that's the brilliance of the US interagency process. I mean, my job was not to worry about the whole thing, just about agriculture. I think as far as agriculture goes, on the whole it's been great for US agriculture. I could see that some of the industrial products weren't going to fare as well as agricultural products were, but I always felt that that was something that needed to be worked out in the interagency process in Washington. They needed to look at the overall economic situation, the overall political situation, and make the calls. I just represented agriculture and let other people worry about the rest. I think our negotiators hoped that China's WTO accession would be more than just another trade agreement. They hoped it would promote a better appreciation for the rule of law in China and encourage trade ties that would provide a stronger foundation for international stability.

On the whole I think trade agreements have been very good. NAFTA was very, very good for US agriculture, certainly, and China's WTO accession on the whole has been good for US agriculture.

Q: Anything else about China and about your time there, aside from the WTO accession negotiations?

HALE: There's lots of funny stories. One of the things we always struggled with was what Chinese stock levels were for cotton, especially for cotton, but also for grains, because if they had a short crop, we wanted to know whether they would be importing a lot from the US and other suppliers. We wanted to know how it was going to affect prices, and what would happen to the world market. China was a big player in the market for corn, for soybeans, and cotton. Estimating stock levels was really, really tough, partly because they didn't have good records and partly because they didn't have good storage systems. So yeah, they might have put cotton into storage a couple of years before, but the quality might not have been anything that could be used. So it was always just really, really challenging to figure out what was going on. They might have had money to buy stocks at the local level, but then they really didn't buy the stocks they were supposed to, and so it was just really difficult to know what was going on.

So, one time I was talking to one of the senior managers at the Grain Bureau, going through this and trying to figure it out, and he said, you know, we really don't know either. He told me a story about how he had gone out and visited a local Grain Bureau to see their grain storage. At that time grain was stored in huge stacks with straw over the top and straw wrapped all around the outside. The stacks were supposed to be standard sizes. He asked the local managers of the

storage facility, “How much grain do you have?” When they replied it just didn't look right to him. He kept quizzing them. Finally they said, “Here, go out and measure it. Go measure it yourself,” and they gave him a measuring tape. So he went out and measured it, and it still didn't look right. Then, when he looked closely at the tape measure that they'd given him, it turned out to have had five feet cut out of the middle (laughs). So, all of the stacks there had a lot less grain than they had been reporting.

It's just a lot of things like that that made reporting very, very challenging, but very interesting. I think it's just really important to be curious. I can remember one of the reports we did was on pork. We did a lot of traveling, and at one point when staff came back we saw that all over China pork prices were going up. People were buying their pork at local wet markets where hogs were slaughtered locally. Pigs weren't traveling, and it just didn't make sense why prices in Guangzhou and Chengdu and Beijing and Dalian would all be moving together.

So, we started looking into the pork industry and what was happening was that although pigs weren’t moving, meat was moving a lot more than we realized, so that frozen pork would be coming from one place, and pork would be processed into sausages in another place and moved, and hams made in another place. So when you looked at it on the surface, there was not an integrated market, but underneath it, there was. So, I think that kind of looking at the numbers and figuring out what's underneath them is an important part of the job.

Q: Oh, yeah. You have to dig underneath and you have to go to ground and sometimes you have to collect your own numbers. Did you have that experience in China of collecting your own numbers at times?

HALE: Yes, there were no national statistics, much. So, yes, we would have to go out to each of the provinces and try to figure out what was going on. One of the things that the USDA did that turned out to be really successful was that USDA’s Economic Research Service and the National Agricultural Statistics Service had a project to train Chinese provincial officials in how to keep agricultural statistics and how to use agricultural statistics. They really put a lot of effort into it. They brought key people back to States for training at both the national and provincial level. They had seminars in China and they would work with Chinese statisticians to develop standardized ways of tracking things like the weight of carcasses for hogs.

I think the Chinese government finally realized that having good statistics was good for them, and good for everybody, because there was gradually more transparency. With good statistics, people in China could, just like in the States, use statistics to make good planning decisions. Both farmers and buyers could use the information to make their decisions. We also had people from the World Board at USDA come out and do seminars and eventually China started its own annual Outlook Conference patterned after USDA’s World Outlook Conference. All this was really important in getting better statistical series that benefited China and the United States, and everybody else.

We really had good support from USDA agencies. The Agricultural Marketing Service also had a project that helped. The Chinese had no standards for cotton, but their textile industry was growing really quickly, and they needed good quality cotton to produce things for the export

market, and so our Agricultural Marketing Service came out and did a lot of seminars to help them come up with cotton standards. They developed Chinese cotton standards that were similar to US standards. This helped the Chinese spinners. It also enabled the United States to sell into the market because the new standards were similar enough that our cotton would fit.

One of the things in my career that I've really enjoyed is working with other USDA agencies. If there was a need, they always understood the importance of export markets and they would be there to help. They would send their best people who were just fantastic to work with, whether it was animal or plant health issues, or standards issues, or food safety issues. I just found everybody to be great to work with.

Q: Were you able to socialize with the Chinese at all or were they fairly standoffish?

HALE: No, they sometimes hosted us for events, we hosted them for a lot of events. No, they like to eat. So it would be very common to have dinner with people. When we traveled, we would have dinner with people, you know, take the Grain Bureau to dinner and they would be very, very sociable. I just really enjoyed being there, a lot.

Q: Including government officials?

HALE: Yes. Yes, it was a time when things were opening up. I'm sure it wouldn't have been the same 10 years earlier. When I was there we really had good relations with counterparts on the whole. There were a couple of prickly people, but there are prickly people everywhere.

Q: Including in the United States. From China you then returned to Tokyo as Minister-Counselor.

HALE: Yes, and I had found that things had really changed a lot politically in Japan. When we were there in the 80's we worked a lot with Japanese industry and Japanese importers. Japanese industrialists at that point in time wanted to maintain access to the United States for their autos and electronics. That's what they saw as their future. So, they were sometimes quietly helpful behind the scenes in promoting trade liberalization. They also recognized that high food prices kept them from being competitive internationally because it made labor costs higher. They were concerned about high labor costs and so, although they weren't at the forefront of change, quietly behind the scenes they were allies. They wanted to see freer trade. They recognized the importance of the WTO internationally, not just in terms of access to US markets, but internationally, and they recognized the importance of fair trade.

When I went back in 2000 the politics had somehow changed in Japan and they were much more cautious. I think that in the 90s the Japanese economy had just really...

Q: It stagnated.

HALE: It stagnated, was battered, and just had a lot of financial problems, and so they were just much more cautious. The Ministry of Agriculture was also different. When I was there in the 80's at budget time, literally all the senior people would live at the Ministry for two weeks at budget time. They would have cots there, you'd go in in the morning and you'd see, you know,

bedding all over the place, empty sake bottles, and beer bottles. They just stayed there all the time because they were concerned that someone in the Diet might ask a question about the budget. They wanted to be there to answer the question right away because they wanted to protect their budgets and their money.

When I went back in the early 2000's, they weren't doing that anymore. So, I asked an old friend who'd retired. I said, "It just seems really different, why don't people stay overnight anymore?" He said, "There used to be money involved, but there's not that much money involved anymore, because they are cutting back on the subsidies."

Traditionally, the Ministry of Agriculture didn't just handle agricultural subsidies. They handled all kinds of rural development including things like rural road construction, so some of that money was being cut back. Without the money, they didn't have quite as much power as they had had.

Q: The stakes aren't as high.

HALE: Yeah, but at the same time the issues had changed. When I first got there, I did a two-day strategic planning session with the staff and it was a really good discussion. When we walked out of there everybody in the office was focused on the fact that the key issue going forward was food safety. That meant we really had to staff our office differently and that our cooperator programs needed to refocus. If we were sending somebody back to the States on an international visitor program, we had to be looking at different kinds of people. We had to be working with the press differently but we just really had to find...

Q: Why did food safety become such a hot issue?

HALE: I think partly because of consumers, and partly because supermarkets made it that way. The supermarkets were all trying to compete with each other. However, instead of competing on the basis of price or product innovation, they would promote their products as being "safe" and so that planted in consumer's minds that safety was an important issue.

Q: So it was artificial? There was not an actual food safety incident that precipitated this?

HALE: That was going on. I think that Japanese consumer groups were close to consumer groups in Europe and were picking up European prejudices against food additives and especially GMOs. That was picked up in Japan, given a lot of publicity. Then the government saw this as a convenient way to protect Japanese agriculture. It was also partly because the Government didn't want to be responsible if anything really did happen, and so they were a lot more cautious and difficult to deal with on food safety issues. So anyway as things unfolded we had mad cow disease that closed down the billion-dollar market for beef. There were repeated cases where the poultry market would be closed due to avian influenza, and it was just really, really difficult, but it was good that we had gotten ahead of the food safety issue because we were already planning to bring out the chairman of Codex, and we had a strategy in place to deal with it and so we were in as good a position as we could been when things hit.

Q: Could you talk about the mad cow disease outbreak and the aftermath of that in Japan? I was in Moscow when mad cow disease hit and had my hands full dealing with the Russian veterinary service, so what was it like in Japan?

HALE: They just completely closed the market and the Japanese government, once they did, couldn't figure out a reason to reopen it. The situation was complicated because both the Ministry of Agriculture and the Ministry of Health had an interest in the issue. They had sort of painted themselves into a corner. Although it was widely known that contaminated bone meal was one of the key causes of mad cow disease, the Japanese kept using their old bone meal stocks, some of which had come from Europe, where there was a serious problem with mad cow disease, instead of disposing of it. As a result, they found out that there was a problem with a few cases in Japan. They instituted an elaborate testing program in Japan to restore the confidence of Japanese consumers in Japanese beef. Then what the Japanese wanted was testing for all meat entering Japan. The US industry said there was no reason for testing U.S. beef because there was no disease problem in the United States. We didn't want to start testing for Japan because then other foreign buyers would want testing everywhere else in the world. There was also concern that eventually U.S. consumers would demand testing. The key principle we wanted to uphold was the need for science-based regulations. There was no scientific need for testing, so the U.S. industry was really strident in saying no to testing.

The suspension in trade was particularly hard for the food service industry in Japan because they relied heavily on imported beef. That's where our beef was going, to the chain restaurants and so they were great allies for us in trying to reopen the market. They would help lobby and make their case with the government, help do press workshops on the issue, help us organize things like that, and were just really great to work with. We also worked very closely with the Meat Export Federation. Their Director, Phil Seng knew Japan well and he worked closely with our office and the U.S. industry.

Q: How long did it take to reopen the market?

HALE: A long time, years, I think it was a gradual process. It was not fully reopened until after I left and I am not sure that I can say exactly when it was fully reopened.

In Tokyo we've just always had spectacular FSNs. They were really important in training new American officers who came out for a first tour. They had excellent contacts in the Japanese industry and the Japanese government. They had a really good understanding of the US industry, though, as well. Different ones had different skill sets but when you put the whole team together it was phenomenal.

Q: One of my criticisms of FAS has been that we have tended to focus on commodities to the exclusion of understanding our foreign markets and the foreign countries and their cultures, their histories, which I think are important to understanding how to get into a market. The exceptions to those have been essentially Japan and to a limited degree Western Europe. We had a Western European cadre that was devoted to the European Community in the 70s and 80s and which continued well into the 90s. And we had a cadre of Japanists, you, Bryant Wadsworth, Dan

Berman, and others. Your thoughts on whether FAS should look at having a little broader-gauge approach to some country specialization, or at least some regional specialization?

HALE: Yeah, I think that's important, and I think it's important not just in the field, for people overseas, but also when they come back to Washington. Both Dan and I served in Washington working on trade policy issues in Japan and we were both Directors of the AgExport Services Division when we came back. Our understanding of the Japanese market was really helpful. Other countries in Asia, like Korea, Taiwan, and Hong Kong, have followed similar trends to those in Japan so knowing Japan was helpful in understanding those markets. But it wasn't just understanding how those markets work, but also who the players were in the US industry, where they were having problems, where things were going well, where there were opportunities. I think that was all very important.

Q: In 2004 you were then appointed the Ambassador to Micronesia. Could you maybe talk a bit first about the odyssey of how someone from FAS ended up in an ambassadorship, which is a relative rarity, and then talk about your tour of duty in Micronesia?

HALE: Partly it was because I was a good fit for Micronesia. Micronesia is a former US trust territory and so they are still getting, I think per capita, more US funding in assistance programs than any other country in the world. I had done a lot of grants management in working with cooperators. At the time I was assigned to Micronesia, the U.S. government was changing the relationship to manage our assistance more like a grant program than it had been in the past. So, I think my experience in managing grants was really helpful. Also, my experience in working with other Federal agencies. There were over 30 US government agencies with legacy programs that were still there in Micronesia when I was there. For example, USDA's Rural Development had an office there with an American and USDA's Natural Resources Conservation Service also had a person there in Micronesia. The military had some programs there in Micronesia as well. Health and Human Services, FEMA, there were just a whole lot of US government programs there and so having somebody who had worked with different agencies and kept people working together, I think, having had that experience was really helpful.

So every year there is a list of openings for ambassadors, the positions that need to be filled, and I looked at the different countries and what they needed and what I could provide, and Micronesia seemed like a very good fit. It's also a small country so I knew there wouldn't be a whole lot of competition from Senior Foreign Service Officers at the State Department. Also, it'd been a Japanese colony before the war so there were older people who still spoke Japanese and still little bits of Japanese culture.

One of the projects I worked with was getting land for a new US Embassy. Land tenure systems in Micronesia are really challenging, and so I had to talk to the local chief. He was very elderly and only spoke Japanese, so it was really helpful to be able to have him over for lunch and explain what we were doing in Japanese. He hadn't spoken Japanese in 60 years and was really happy to have somebody to talk to in Japanese. It was interesting when we first started talking. Japanese is a very hierarchical language. You use different language depending on your social status. I talked to him in very polite Japanese, as a chief. He kept responding as a first grader, as a student, because that's the Japanese that he had learned. All of a sudden his face changed and

he realized what he was doing and then he tried to shift, but it was interesting to watch him make that transition.

Our old Chancery was a challenge. The embassy was in a rented building that was on a stream, a little river, and there's a lot of rain there. Every time there was a big rainstorm the river would flood, it would wash away a little bit more land behind the embassy. When I arrived, there was only about 5 feet left between the Embassy and the gully that held the river. We were really getting worried about its safety and the building was just in bad shape. It just wasn't suitable for an embassy and previous Ambassadors had been requesting that it be replaced for years.

Our management officer had a really good idea. He said, "Why don't you just send a cable and ask them to send an engineer out to assure the safety of the embassy?" They had been putting in a request for a new embassy for years, but it just wasn't a priority in Washington. When I was there the Department explained that they needed money for a new, more secure embassy in Afghanistan. Micronesia wasn't a priority, and there was no money for us. So, we sent in a cable that said please send somebody out to assure us that this embassy is safe and won't tumble into the river. They sent out an engineer, and two weeks later we heard that they had found the money, and we would get a new embassy. It was built after I left but I got the land and got the money. I have found that Government officials are often extremely risk averse. It's sometimes easier to get what you need by spelling out the adverse consequences of inaction, than it is to get money by promising attractive outcomes.

But sometimes that's what it takes. My experience is that sometimes people are more motivated by fear of a catastrophic failure than they are by...

Q: ...pursuit of excellence.

HALE: Yeah.

Q: How big was the embassy?

HALE: That was a challenge. The American staff included myself, a DCM, a management officer, and an American secretary. When I got to looking at our staffing, it was ridiculous. It was all people doing administrative work and there was no one who was doing any program work. No one to do reporting and no monitoring of the Compact, the agreement that we use to provide funding for the Micronesian Government. So, I suggested that in light of modern technology, and in light of the needs of the Embassy, we should just eliminate the American secretary's position, because, you know, everyone's schedules were all transparent on the computer, the DCM and I were writing their own cables, and we certainly didn't somebody with typing skills. It worked fine for me to keep my own schedule. It was not essential to have an American secretary. What we needed was an economic officer. I asked to switch the Secretary's position to an Economic Officer position, but they turned it down in Washington because every other Embassy in the world had always had an American secretary and they couldn't imagine an Embassy without an American secretary. So, I kept making the request, noting that the American secretary didn't have much to do. They kept saying no, we can't operate an Embassy without an American secretary. They would come back and ask, how would you handle this type of work without an

American Secretary, and I would tell them how we are going to handle it. Finally, they agreed. I think then gradually other small embassies have done the same thing.

It just made no sense to have all that money going into the embassy, into administrative work, for an embassy that didn't have the capacity to produce much reporting or do much public diplomacy.

Q: And all these people from other US government agencies that were there through the legacy programs, were they under chief-of-mission authority?

HALE: Yes, most of them did not reside in Micronesia. But they would let us know when they were coming. The way I kept tabs on what they were doing was to meet with them when they arrived, and then have them check out when they left. For a lot of them what I tried to do was to host a lunch or a dinner with their counterparts, and then I could meet their counterparts and figure out what was going on. They appreciated me doing that and it worked very well.

Some of those people had literally been coming out to Micronesia for 30 years.

Q: So huge institutional memory?

HALE: They knew the people. They were professionals and for the most part, they knew what they were doing. They cared about what they were doing. They really cared about the people, and for the most part it worked very well.

One of the things that I did when I first got there that was really helpful was to host themed dinners. I used dinners a lot, to get to know people, talk about issues and orient myself. Rather than using representational funds for huge parties where I couldn't really talk to people, I started using some of our representational funds for small, themed dinners. For example, I invited key people who were working on an issue like environmental problems, both from the government and from NGOs. Or I invited those involved with the law, including prosecutors, judges and private attorneys to talk about the legal system. That was really good, because I learned a lot, I could write a cable, outlining all of the issues, and it was just a really efficient way to get my feet on the ground and to get oriented, because we didn't have a staff to do that.

Q: Yeah, culinary diplomacy.

HALE: But, I mean, we didn't have an economic officer who could give me a briefing paper, so that worked really well.

Q: The size of your embassy in Micronesia is very similar to the size of the average embassy in Ashgabat. My embassy in Ashgabat was the largest embassy in the country and I had, not counting the Marines, I had a total of 28 American staff plus 8 marines, so that was a huge embassy by local standards. The Russians had 17, Iranians had about a dozen, the Turks had seven, and everybody else just went off a cliff to three or four officers and that was normal. So the position you were in is very similar to most non-US non-great-power embassies around the world.

HALE: We did have some very, very good FSNs there.

Q: Were there other embassies there?

HALE: Yeah, there was a Japanese consulate, which later became an embassy, the Australians were there, and the Chinese.

Q: And did you interact with those other ambassadors?

HALE: Yes, our interests and Australian interests were very close. They were very concerned about security in the Pacific, and they had a little Naval squadron there. They had an Australian patrol boat from some Australian navy personnel based there. They have something similar in most of the Pacific nations. They really put a lot of money into it. They were also concerned about overfishing and protecting marine resources. That was one of the main things that the patrol boats were there for, protecting fish resources.

The Japanese had a large development project every year. Always something significant, that they put a lot of money into like road building, or airport improvements, things like that.

The Chinese were becoming increasingly active and had "research" ships come out. They tried to set up Chinese farms. They were just having all these little projects here and there to get their feet on the ground. They were also inviting top Micronesian students to go to China for medical school.

Q: A lot of soft power. Were they trying to get the debt trap in operation?

HALE: Possibly. They weren't doing that much then. The biggest building on the island, though, was the Chinese Friendship Gymnasium at the college, and then they built new fancy houses for the president, the vice president, and chief justice of the supreme court. There was an International Tuna Commission that was monitoring tuna resources, and they built the office building for that. So, they were doing a lot of infrastructure. When they built things, they always brought in Chinese workers to do all the building. I couldn't help wondering how many bugging devices they might have put into those buildings.

Q: Were these gifts or were these done as loans?

HALE: I think most of these were gifts at that point.

Q: So they were sinking their hooks in. Anything else on Micronesia?

HALE: It was just an interesting place to be. There are so many islands with different languages and different cultures, and so getting out and visiting different places was important. When I was there we still had a Peace Corps presence, and that was really important. I've heard they've since closed the program, which is unfortunate.

Q: How did you get around to the other islands?

HALE: Flying.

Q: You had to fly.

HALE: Yeah.

Q: Did you have your own plane?

HALE: No.

Q: What airline?

HALE: Most of the flights were Continental. I guess it's United now. There was a flight called "the island hopper". You could take that to most of the main islands. Sometimes to the smaller islands, there was a little, light plane and a pilot, a private airline, with sporadic service, that we could use.

Q: Fascinating. Anything else on that?

HALE: Micronesia has two power structures. The modern government, patterned closely after our own, is what is most visible. However, behind the modern government many of the islands still have traditional chiefs who handle issues like land tenure and environmental issues. The American government has not traditionally paid much attention to the traditional power structure. However, I was curious about it. Soon after I arrived in Micronesia, I went to a sports meet where I heard that the high chief on the island had passed away. Funerals are big affairs in Micronesia but American Ambassadors had not traditionally attended the funerals of local chiefs. I asked my staff if it would be appropriate to go. They said that I would need to sit on the floor for four hours but I would be welcome.

I will never forget that funeral. I learned that giving gifts of pigs, the bigger the better, and giant yams that had to be carried by up to four people, were an important way of showing respect at funerals. I was seated next to the President of Micronesia, who was from another state and just as unfamiliar with the local language and customs as I was. We joined local VIP's in a large pavilion with a thatched roof and no walls. The area surrounding the pavilion was filled with scores of squealing pigs. The young men slaughtering the pigs had to wear boots to protect their feet from the pools of blood and there was smoke everywhere as the pork was roasted.

The new chief was crowned immediately to assure that there was not a power struggle between the death of the old chief and the coronation of the new one. At the end of the funeral they held up large chunks of the pigs and yelled the names of the VIP's who would take them home. I was surprised to hear them suddenly call "The Ambassador of the United States of America". I went up and took my pig leg which was barbecued and shared with the Embassy staff.

I kept hearing people referring to the chiefs and decided that I should meet them, so I invited them all over for lunch one day. They operated completely outside of formal Government structures, but in a few cases contacts with the chiefs turned out to be very helpful. Traditional chiefs are particularly important in the state of Yap, Micronesia's most traditional state. On my first trip to Yap, I met with the chiefs of the outer islands. When I walked into the room, I was surprised to find a room full of men dressed in nothing but bright blue loin clothes.

Q: Anything else that you would like to share.

HALE: Just that all those federal agencies worked well on their own. They knew what they were doing, and had been there for years. They all did their thing, but they didn't talk to each other, and they didn't know much about each other's programs. I was there at the time of change to a new Compact, which meant a new way of providing support for the Micronesian government. U.S. assistance was being switched to grants for health care and education, rather than having the United States Government directly administer these services as they had in the past. One of the things I did was to organize a conference to explain this change to all of the U.S. agencies. A lot of them are based in Hawaii, and that was really, really good. The Compact was giving grants for healthcare, but Health and Human Services still had programs there too. So, it was important to get people from different agencies talking to each other and coordinating what they were doing to make sure their programs were complementary and not duplicative. I think that was very important.

Q: The job of the ambassador!

HALE: Yes! In some ways (laughs) the country is so small (there is literally not a stop light in the whole country) that it was more like being a mayor than an ambassador, in that I was coordinating so many federal programs.

There wasn't much of a newspaper. There was just no way to communicate with people except to go out and talk to them. The people are great, and I really enjoyed doing that, but if I had stayed in my office, I wouldn't have gotten much done.

Q: No. You have to get out and talk to people, you have to get on the ground, and see what's going on and communicate.

Are there any ways in which your experience as Ambassador changed you?

HALE: I became an environmentalist. On a small island it's impossible to hide environmental problems. I saw the problem of rising sea levels firsthand. The housekeeper at the Embassy was an older woman who never failed to come to work. She knew she didn't have a backup and she never failed to come in. One day I noticed that she hadn't come in for several days. I was worried and asked if she was sick. It turned out that her home of many years was right on the water. With the rising sea level, her home was starting to flood at high tide so she had taken off from work to help her husband pour concrete to raise the level of the floor in their home.

But the challenges went far beyond the sea level. On one island there was a serious problem with overfishing, and the people there were facing severe shortages of protein. Micronesia is very near the equator and rising ocean temperatures are starting to kill some of the coral reefs. The reefs are an important foundation for the local economy because they provide fish to eat and attract scuba diving tourists. They also provide protection from storms.

Trash removal was another big problem. On one small island I found Japanese tanks left from World War II. The Japanese had taken the keys when they left at the end of the war, leaving the islanders with no way to move the tanks. When I arrived in Pohnpei, where the Embassy is located, the causeway that connected the airport to the main island was littered with old earth moving equipment that had been used years earlier to build the causeway. It was no longer operable so, again, the islanders had no way to move it. Fortunately, there was a steep rise in steel prices which made it economical to salvage the equipment and move it off the island.

Litter was also a problem. Once when I was back in Washington chatting with folks on the desk about the future of the islands, I suggested that there was potential for developing eco-tourism. They laughed and said eco-tourists would never come to islands littered with trash. They argued that the first thing tourists would see when they got off the plane was the causeway lined with litter and rusty heavy equipment. I used to be a Girl Scout so when I got back to post I knew just what to do. I started getting up a half-an-hour every morning and going to the causeway with a big trash bag to pick up trash. Gradually, locals joined me. Soon they realized that my trash patrol was a great opportunity for an informal, off-the-record, conversation with the Ambassador. Even senior Government officials started to show up, trash bags in hand, to join me. The local chiefs saw the point and enlisted kids all over the island to help pick up trash. When my mother came for a visit a year later, she said that she really liked the island because it was so clean.

I also gained a new respect for the U.S. military. In college I hadn't been a fan of the War in Vietnam and to be honest I was a bit nervous about having to work so closely with the Navy. Under the Compact we have with Micronesia, the United States has full responsibility for Micronesia's security, with direct responsibility in the hands of the Admiral in Guam. The first time the Admiral called to say that he was coming I couldn't understand anything he said because he used so many acronyms. There was nothing I could do but ask him to repeat what he had said in plain English. He tried but I still had to stop him several times for clarification. We both laughed and it turned out to be an ongoing joke between us.

When the next Admiral arrived, I went to Guam to meet him. He hosted a lovely dinner so that I could meet his staff at his home overlooking the ocean. He explained that it had been Admiral Nimitz's home during World War II. As we walked out, I thanked him for the dinner and said that growing up I could never have even imagined myself having dinner at the home of an Admiral. The Admiral, who was African American, paused a minute and replied, "I couldn't have imagined that either." We both realized that America had come a long way since we grew up in the 1950's.

I came to believe that in many ways the Navy had a much better appreciation for our broader strategic interests in Micronesia than the State Department, which at the time was more narrowly focused on the smooth implementation of the new Compact of Free Association with Micronesia.

At a meeting with senior officers at the Pacific Command in Honolulu I noted that although the United States was responsible for Micronesia's security, it was Australia that had a much more visible military presence. I suggested that the Navy take a more active role. A few months later a U.S. destroyer arrived for a port call, a team of engineers arrived to drill water wells to assure fresh water after a cholera outbreak, and the first Micronesian student was enrolled at the U.S. Naval Academy.

For me the most challenging part of the job was handling funerals for Micronesian soldiers who were killed in action serving in the U.S. Army. It was up to me to visit the families and notify them of their loss and then to work with the Army to plan the funeral.

The Army always sent a team with pallbearers, a flag officer, an experienced funeral coordinator to help make plans, a mortician and a bugler. But there were always challenges. At one funeral the pall bearers had to build a road up a mountainside so they could get the casket to the home where the remains were to be buried. At another funeral, the pall bearers found a human skeleton already buried in the spot selected for the burial. Another funeral was difficult because the local chiefs stepped in and said that the funeral procession could not have a police escort because the soldier who was killed was a low status person in their social hierarchy. That didn't sit well with me. The local police chief, who had served in the U.S. military and understood the importance of the funeral from a U.S. perspective, came up with the perfect solution. The night that the casket was taken off the plane he put a police car in front of the funeral procession from the airport. However as soon as they left the airport the police car sped off. To everyone at the airport it looked like there was a police escort, but in reality, there was none.

Q: You then came back to Washington, and you ended up as Associate Administrator of the Foreign Agricultural Service, and for a while as acting Administrator. So if you could talk about that?

HALE: My time as Acting Administrator was very brief, and I made a conscious decision, that since the Agency was going to be going through changes with the new Administrator, and I was just likely to be there for just a few months, that I would not to try to implement any changes that might be changed again. So, my main job was to keep things going and to get briefing materials together for the Secretary and other new people and try to orient them. I kept things going but I didn't try to accomplish anything new.

Q: But then you were Associate Administrator under Mike Michener and John Brewer for a while.

HALE: That was sort of a challenging time, because there was a lot of focus on what was going on in Afghanistan. FAS played a key role in that because we were supplying personnel to the field, to go out to Afghanistan, and coordinating all the agricultural programs there. So, it took a bit of restructuring of the Agency to get that done in a timely way. It was also important though to keep focused on our traditional mandates and to make sure that those programs were continuing to function well.

The changes took a lot of time in the front office. However, the traditional part of the Agency's work was really important to keep going. It was a little challenging to balance the two.

Q: Secretary Vilsack's focus was very much on development. He thought, mistakenly, for the first two years of his first term in the Obama Administration that FAS was a development agency and he had handpicked Bud Philbrook to be one of the deputy under secretaries, who came from the development world, so there was this sense that FAS was a development agency that was completely out of kilter with the traditional mandate of the agency as a market promotion and a trade agency.

HALE: I think there were two things. One is, when Secretary Vilsack had been Governor of Iowa, he had been really interested in rural development in Iowa. He saw that there was more to rural communities than just farming. I think that was just a deep personal interest of his. So, when he arrived at the Department, he was very interested in the development functions of the Department broadly. And then the whole US government at that point in time, perhaps not the whole US government, but certainly the Foreign Affairs agencies and the Defense Department were very focused on Afghanistan. He shared and embraced that focus which reflected what was going on at a high level in the rest of the Government. So, when you put his own personal interest in development together with what was going on in the broader government, you're right, he took a very strong interest in development both domestically and internationally.

That was reflected in the staff that he selected to lead the agency. They had experience working at State on security and development issues in Eastern Europe and hadn't had much experience in agriculture, and it was very challenging at first.

I remember, the Administrator was giving his first big speech to the whole agency. They sent it to me at 7:30 in the morning and the speech was going to be at 9:00. I was at home and still had to get from home to work. They asked me to look at it quickly. It was very much focused on Afghanistan, and it didn't mention the cooperator program. I suggested that they add one sentence to the speech about the cooperator program. At that point in time, I don't think they understood the cooperator program enough to understand why it needed to go in there, and it didn't go in.

But it was challenging because of the outside pressures the agency was under to get things done in Afghanistan. The traditional work of the Agency was going smoothly enough. So, at first it just didn't get as much attention from the front office as I would have liked.

Q: What advice do you have for people aspiring to your level of career success in the Foreign Service, at large and then in FAS in particular?

HALE: I think the most important thing I did was to get to know my peers and to get to know people in the Agency. FAS is a small agency. Many people stay throughout their whole career and knowing people was important at every stage in my career. When I was overseas, I could get on the phone and I knew whom to call, whom not to call, to get things done. When I called somebody they trusted me, I trusted them, and we could solve problems.

When I had to pick staff, I could call somebody and say, is this person a good fit? And I could trust the person on the other end. Throughout my career if there was ever a problem, I would always have somebody that I could work with to solve it, and I think that's really, really important.

In terms of skills, learning to write is the most important, it's just essential. If you're around the world, the way you communicate with people, whether it's an email, a cable or a commodity report, is in writing. To get things done it's essential to be able to write persuasively and concisely.

One of the great things about FAS is that it offers a wide variety of different kinds of work. It's important to manage your career so that instead of going after the next promotion, you go after positions that fit with your values, your skill set and what you enjoy doing. Over the years, I turned down several offers, both inside and outside the Agency, because I knew they were not a good fit for me. I have never regretted that.

You can go a long way by encouraging staff to make suggestions and then taking the good ideas and running with them while giving staff full credit. If you are leading change, however, do one thing at a time, and do it carefully. Sound out superiors, peers, staff and the industry if appropriate, before you begin, to make sure you are on the right track. As you start, make it clear what you are doing and why, and then continue to sound people out as you move forward. The most important thing though is to only try one, or at the most, two things at a time.

In our line of work, I think being curious is really important. I was thinking about this the other day. In the Foreign Service there are a lot of people who are brilliant, but they that are like an Olympic figure skater in that they know how to glide gracefully on the surface and maneuver around obstacles with fabulous grace, but they don't always get into the meat of things, they don't always understand all the details of what is really going on. I think that's really important.

Creating teamwork is also really important. Helpi staff recognize that each person brings different things to the table and helps the team get things done. People's work styles are different. People's interests are different. People's skills are different. But they all bring something to the table, so I think having staff recognize the value of what other people are bringing to the table, instead of grumbling about the things that they don't think they do right, is really important.

If you are balancing two careers and a family with kids, invest in help at home and housing near the Department, rather than new cars, vacations, stylish wardrobes and eating out. We went for 15 years without a vacation except to visit our families, but we always had help at home. Our children, our careers, and our marriage would not have survived without it. It was sometimes hard to make ends meet in Washington, but our finances worked much better overseas

Getting out and talking to people is essential wherever you are. There's just no substitute for talking to all kinds of people. I think a lot of embassy officers tend to have a clique of people they rely on for information and that's good. But you just can't get the whole story that way. For example, our ag offices overseas often work closely with local government officials and grain

traders to understand market trends. But you can't really understand the market without talking to farmers, ag economists, food processors and food retailers.

When I was in Japan for the first time, one thing I did was that every summer I would go and spend a week living with a Japanese farm family. I just really wanted to see what was happening on farms and I couldn't do that behind a desk in Tokyo. The first year was a really eye-opening experience. I was staying with a family that had a small dairy farm. I think they had about five head, or something like that, which is typical for Japan. I started asking the farmer about his farm, and asked him how much his feed costs were. He had absolutely no idea. It wasn't like he was 10% off or something. He had absolutely no idea. I asked him how much milk he produced. He had a rough idea. I asked him how much he was selling it for, trying to figure out the economics. Again, he had no idea. It turned out that what was happening was that if he needed feed he would call the co-op, they would deliver the feed, they would then come to pick up the milk, and they'd give him a check at the end of the month. All he knew was what was the amount of the check at the end of the month.

And so that was really an eye-opening experience. Both the Feed Grains Council and the Soybean Association were working hard to try and help Japanese dairy producers improve their productivity by improving the quality of the feed. The co-op, and most of the other feed millers, were not interested in spending more to improve the protein content of their feed. Dairy farms would have made more money if they had had access to better quality feed, even if it cost a bit more. However, they couldn't see what was going on.

That same trip I went and I saw a farmer growing garlic chives, which are used a lot in Japanese soups. He was so proud. He was growing garlic chives in a hoop house with black plastic on the outside, so instead of being green, the chives were yellow. He was selling them as "golden garlic chives" at a premium price. The co-op was encouraging him to do that because they were getting more money for the golden garlic chives. He said he was getting, I can't remember, about 20% more. I asked him about the yields. He said yields were about half of what they would have been for green garlic chives. It turned out he was losing a whole lot of money while working harder to grow golden garlic chives. And he just hadn't thought about it. It just never occurred to him until I asked him.

Q: So he was getting taking advantage...

HALE: ...by the co-op.

Q: ...and he didn't even realize it.

HALE: So, I'd had a local extension agent put the schedule for my trip together, and I asked if I could see an agricultural high school so I could see what they were teaching in terms of production economics. He said, "Oh, those students aren't good at math, we don't teach anything like that."

So, the whole system was so paternalistic.

Q: And stacked against the producers.

HALE: But everything is carefully structured so that the co-ops were making money and the co-ops were supporting the politicians, and it was done in such a way that the producers felt like they were being well taken care of.

Understanding that is something I could never have done from Tokyo. I just found that again and again in my career. Just going out and talking to people is so important. And a lot of times, when I'd go out and talk to people, and I'd find new opportunities for US products.

I remember once when I was in Japan and talking to grain traders. We weren't exporting any, hardly any, barley at all to Japan. The traders told us that the EU was supplying most of their barley, but EU subsidies were being cut. There was an opportunity for US barley. So, we figured out how the Japanese barley market worked, alerted U.S. producers, invited producers to come out to Japan to look around and meet with people, and then finally took a group of Japanese barley traders back to the States to see US production. This was really important.

From where we sit in the Agricultural Affairs Office, we can often see a big picture that others can’t see because of where they sit. If you look for them, there are just a lot of things that are complementary, that fit together and help everybody.

End of interview