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

DALE SLAGHT

Interviewed by: Charles Stuart Kennedy
Initial interview date: July 5, 2005

TABLE OF CONTENTS

Trade Promotion
US pavilion, Agricultural Trade Fair
Smuggling
Creation of US and Foreign Commercial Service

Panama City, Panama; Commercial Attaché
Security
Anti-American atmosphere
Trade issues

Department of Commerce; Mexico Desk Officer 1982-1984
Mexican Economy
Import Substitution Policy
Environment

State Department; FSI; German language training

Munich, Germany; Commercial Attaché
Educating Germans on US rules
US technology transfers
Co-Com
Siemans Corporation
European Community
Trade Fairs
Family

Toronto, Canada; Commercial Counselor
Free Trade Agreement
Quebec Separatist Movement
Canadian cultural attitudes
US-Canada relations
Rules of Origin
Automotive Industry

State and Defense Departments' language training 1991-1992

Moscow, USSR; Minister Counselor 1992-1995
Relations
Vice President Gore's visits
Russian industry
Foreign Corrupt Practices Act
American Chamber of Commerce
American business representatives
Opening of American Business Centers
US-Russian joint ventures
Environment

Attempted coup against Yeltsin
Economic situation

Ottawa, Canada; Career Minister
Northern America Free Trade Agreement (NAFTA)
Rules of Origin
Canada-US Free Trade Agreement
Canadian cultural industries
Cuban trade issue

Mexico City, Mexico; Career Minister 1999-2002
Mexican-American Free Trade Agreement
Politics
Government
Agriculture
Environment
State Department's Gay Lesbian Policy

George Mason University; Professor, Introductions to International Relations 2002-2003

Retirement 2003

Department of Commerce
Established the While Actually Employed (WAE) Program

Comments on the Commercial Service of the Department of Commerce

INTERVIEW

Q: When and where were you born?

SLAGHT: I was born in Portland, Oregon on July 24, 1943.

Q: Tell me something about your father's side and your mother's side to let me know something about your family

SLAGHT: My father was a Baptist minister in Oregon City, Oregon about 13 miles south of Portland at the time of my birth. He had been raised as a farmer's only son in the Yakima valley of Washington, and went to Linfield College as an undergraduate in McMinnville, Oregon. He met my mother, Irene Swanson, at Linfield College who was one of eight children of Swedish speaking Finns who had immigrated to the United States. She was the only one to go to college in her family, worked her way through and was a year ahead of my father. Her father actually was an illegal immigrant. He was

escaping impressment in the Czar's army at the turn of the century and somehow got on the boat, and somehow got off the boat and ended up in a small mining town in western Montana where he met my grandmother. When I was assigned to Moscow in the early '90's, we went over to Finland and visited some relatives there, and while there found out that my grandfather and grandmother on my mother's side actually lived in neighboring villages, didn't know each other, and traversed the Atlantic Ocean and pretty much all the continent of the United States and ended up in a small mining town in Montana where they married.

Q: What about the Slaghts? Where did they…

SLAGHT: The Slaghts have a quite a deep history. My father wrote two books on our ancestry. He was a genealogy buff. The first Slaght came from Holland in 1644 to help found the city of Kingston, New York. There is a little plaque on the inside foyer of the Dutch Reformed Church in Kingston with my ancestor's name, one of about 14 that helped found that church in that city. We also had our share of "horse thieves," if you will. In fact, Benedict Arnold plays some role in our family tree. My father's parents were in the west, and we moved to the east when I was about 8. But we went back nearly every summer. We'd drive, three boys in the back seat of the car with obviously two windows. I don't know how my parents did it when you think about it. There would be occasions when we would stop in these little towns and my father went to the court house and did some genealogical searches. Occasionally he'd have to search a cemetery and he would park fifty cents, two quarters, on the hood of the car, and say I'm looking for this person, and he is buried in this cemetery. Whoever finds the grave marker first gets the money. So we scattered like scared kids hunting around through the cemetery plots. We had a good time.

Q: What brought your family out to Oregon, do you know?

SLAGHT: My grandfather, my father's father, was a farmer in Iowa. He had tried with his father as a young boy to move out of Iowa where the topsoil was about three feet thick to Oklahoma He was actually in the Oklahoma land rush. But it didn't work out. My great grandfather died there, and my grandfather returned back to Iowa where he fell in love with a young woman in Plainfield, Iowa. They eventually married and moved west where they thought more opportunities would be available. They ended up the Yakima valley, near Sunnyside, Washington, where he was a farmer, a successful one, but on a modest scale. He did pretty well in the Depression because when Roosevelt's agriculture guys came out and said they had to slaughter hogs to raise hog prices, while his neighbors did it, he didn't. They made a little money, I guess, as the hog prices increased. He developed a technique in the valley there that was unique at the time, of flooding the area with water. Canals were dug. He flooded the area to leach out the alkalinity of the soil. He was known as a creative, innovative kind of guy. About 1950, he had pretty serious heart attack, and my father at the time was in Oregon City. So they moved my grandparents to Oregon City, Oregon where they remained until their death.

Q: You were born in 1943. Brothers, sisters?

SLAGHT: I have two brothers. An older brother who just retired as Professor of Philosophy at Lafayette College, and a younger brother who is also a PhD -- all three of us ended up with PhD's -- in animal pathology. He lives in Maine.

Q: You were in Oregon for how long?

SLAGHT: My first eight years.

Q: What was your family life like back then?

SLAGHT: The family life revolved around the church. My father was senior pastor for the Baptist Church in Oregon City. I had friends in grade school but I guess closer friends in the church. As kids we'd pick berries in the summer, nuts in the fall, went to the sea shore and went to the mountains. It was a nice time. Good memories.

Q: Were you a PK, that is, a Preacher's Kid? You'd be more trouble than a normal kid?

SLAGHT: I may have been tagged once or twice with that moniker myself, being more trouble than a normal kid might have been.

My father was an educated man. He ended up getting a Doctorate of Theology from a seminary in Philadelphia, Eastern Baptist Seminary. I'd say he was an Evangelical Christian, but a moderate one. Social issues, we seldom talked about unless his sons raised them. He was more interested in the soul of a person than his political behavior.

Q: When you were small, were you a reader or not?

SLAGHT: I wasn't a strong reader, no. I was out playing baseball and tennis and later also other sports. I didn't become a strong student until my senior year of high school when my family moved from Delaware to Massachusetts in 1960.

Q: Let's talk a bit about Delaware. Where were you in Delaware?

SLAGHT: Dover.

Q: How did you find the school system there?

SLAGHT: Fine. I had gone through first and second grades in Oregon City, and I moved east. I didn't find any transition difficulties there. Made friends in the community, in church. Don't remember any unusual difficulties.

Q: Delaware at one point had a significant African-American population. How did that affect your schooling?

SLAGHT: Schools were integrated when I was, I guess, a sophomore. Up until then, they went to the Booker T. Washington School across town. They integrated in the late 1950s, but in the first few years we didn't have more than four or five black students that attended. One ended up being president of our senior class, he played in the band, nice guy. Tyrone Baines. Believe it or not, I can remember his name. I can remember I was in band, and we went away to one football game in the southern part of the state. I want to say Seaford, but I'm not positive about this, where the team refused to play us because we had a black guy on the football team. I don't remember any incidents of controversy in our school, though there must have been. I don't remember any. The only incident I recall is that one football game.

Q: How about in the church? Was this an issue or not?

SLAGHT: No, there were no blacks in our church. Even today, you will find I attend I attend a large Baptist church in Falls Church, and there maybe ten blacks in the whole church. It's still one of the most segregated aspects of our society. Sunday morning. I think in some respects, probably in most respects, it's by choice. I attended recently the funeral of a black colleague of my wife's who continues to work at the State Department. It was in a Baptist church in Maryland, and we were the only non-blacks there. We worship the same God, but we do it in different styles.

Q: In high school what subjects did you like, and what subjects didn't you like?

SLAGHT: I was in college preparatory program. I should say because it has bearing on my eventual career, I took Latin my freshman year, and the teacher was a short, shabbily-dressed woman. Miss App was her name. I took Latin I, but I didn't want to take Latin II, so I took Spanish. While I struggled with Latin, I excelled in Spanish. It had a bearing on what major I eventually adopted in the university, and I think it had some impact on where I ended up as a career.

Q: How about when you were in high school, did you have a summer job and things like that?

SLAGHT: Oh, yes. My first summer job was working on the Dover Air Force Base where I swept the concrete of the new hangers they were building there. I remember it well because the first or second day of the job, the labor foreman came over and said, "Now, young fellow, you know you are not to touch any of the sheet metal here because that's a union job. You sweep around the sheet metal, but don't touch, don't pick up, don't do anything with it." That was my first experience with a union. I had had paper routes for three or four years before that. In fact, I had paper routes as far back as I can remember, in Dover. I helped my older brother first and then had my own routes. I sold potholders at Christmas time and Christmas cards. I got called into the principal's office when I was in the fifth grade for selling comic books in school. There was always an entrepreneurial spirit in my veins.

Q: Your senior year you were a math student?

SLAGHT: Yes. The summer of my junior year, my father took another job in Lowell, Massachusetts almost on the New Hampshire border. So we moved there. I had a girlfriend in Dover and had gone to school there for nine years, had all sorts of friends, had been in Delaware All-State Band. Interesting story, if I might interrupt there. The U.S. Commercial Service would have annual meetings by region: Europe, South America, whatever. One year the European region had a meeting in Pittsburgh, a conference in Pittsburgh. Westinghouse had several boxes at the Pirates' Stadium, Three Rivers Stadium and so several of us went. I was sitting next to colleague, Peter Frederick, who was our man in the Paris at the time, and we got talking and it turns out he played sousaphone in the Delaware All-State Band the same year I played baritone. I actually had a picture of the band and faxed it to him and we had a good laugh about it, being together nearly 30 years before without knowing each other.

Q: I assume you could see your heel marks coming all the way up there from Dover to Lowell.

SLAGHT: Could you ever. We got jobs, by brother and I, in a textile mill that's now closed. My older brother was a knitter -- ran a knitting machine -- and I worked in the winding room. If you know anything about textile mills, the yarn comes in and before it's given top the knitters, they have to be sure it's one continuous strand. They put a little wax on it to make sure it goes through holes just right. The process of rewinding the cotton spins off all sorts of fluff, and I think two years after I left they required masks of everyone working there.

Q: You hear about the mills way back, terrible for the young ladies…

SLAGHT: Of course, I didn't have a mask. This was the summer of 1960. I went up and down the aisles with a broom, trying to push this fluff from building up because fans would come around blowing down so that the fluff wouldn't get on the yarn. Unless you went around and swept it up and took it away, the fan would just blow it further. So my job was a very lonely job, and I missed my girlfriend, and most of the workers were French-speaking Canadians. It was a terrible summer for me, I remember that. Then I started the senior year without knowing very many people. I learned to study that senior year. I didn't have my gang, "Come on Dale, let's go out and do…" whatever, so I learned to study. It made a difference in my university experience.

Q: At the mill were you picking up…I realize you were sweeping…was there a feeling that this was an activity that was doomed, sort of the last of the dinosaurs?

SLAGHT: Other mills had closed in town, many of them. But this one was open and operating fairly efficiently, apparently. They were making cloth for seat covers for the auto industry among other things. They ran three shifts. I worked from 2 in the afternoon until 10 at night, so you didn't have the sense that this was a dying sector.

Q: Today the mill buildings are being converted into apartments and museums.

SLAGHT: …apartments, wonderful hardwood floors, they made apartments out of them. You are absolutely right. You've been there, you know that. That's exactly what had happened. The summer of my senior year, I worked in a shoe factory. My next door neighbor was the owner. Chris Luganis Shoe Factory. I was in the department where you pulled the shoes to fill orders for retail outlets. I did that, actually, the second semester of my senior year and then through the summer. That industry is not entirely dead in New England, but pretty well. Picked the two big ones, didn't I?

Q: What was the high school you went to?

SLAGHT: Lowell High. Large place, I forget how many hundreds in my graduating class; several hundred. We had a downtown urban school, old part of town, walked to school. Well, my father took me part way, and then I walked about a half a mile to school.

Q: What subjects…all of a sudden you had this awakening…Road to Damascus.

SLAGHT: I excelled in Spanish and did okay in English. I took advanced geometry class my senior year. Social studies in general were stronger for me than any of the sciences or math. It was a much larger school than I had come from, so the opportunities for very interesting courses were afforded me as a difference. So I took an English history course that wouldn't have been available at Dover High School, for instance. I found it fascinating, learning all sorts of things about English history that I didn't know. Useful.

Q: What were you pointed towards? Did you have any thoughts?

SLAGHT: Well, my senior yearbook has my career objective as the American Field Service. What they meant to have written was American Foreign Service. American Field Service was a little bit something else involving international exchange with students involved. I was interested in the Foreign Service as a senior in high school.

Q: Did you get up to Canada or down to Mexico or anything like that?

SLAGHT: In my college career, I took a junior abroad program. In fact, I initiated the junior program at the small school I was in, and went to Mexico. We didn't go to Canada, though I spent some time on my honeymoon there. It turns out I spent seven years there; two tours there, one in Ottawa and one in Toronto as a Foreign Service Officer.

Q: How about college, where were you pointed? Was college in the offing?

SLAGHT: Never any question in our family that we go to college. It wasn't discussed. It was just a given like you go to church on Sunday, you go to college, and you graduate. Both my parents graduated from seminary, Eastern Baptist Theological Seminary near Philadelphia. This seminary split off an undergraduate division in the early 1950s and that's where my older brother, younger brother and I went. I suppose we could have gone

someplace else, but I think it's where my father wanted us to go. I don't remember any particular pressure that he applied, but that's where we all ended up going.

Q: So you went there from when to when?

SLAGHT: From '61 and I graduated in '66, the winter of '66. I had a half semester longer because during my experience in Mexico I ended up getting hepatitis A from, they think, some raw oysters in a small fishing village just south of what is now Ixtapa. Ixtapa didn't exist in 1963 when I was there. So, I lost the second semester of my year. I went down to attend the University of the Americas in Mexico City at the time. It's an English speaking university at the time on the road to Toluca, which is west southwest of Mexico City. The university is now in Puebla, east of Mexico City. A very nice campus. So, I graduated a semester late from Eastern Baptist College.

Q: How Baptist was the college?

SLAGHT: I would guess maybe 40% or 50% were Baptist. They were certainly majority Christian: Methodist, Presbyterian, a few Catholics, whatever. We were required to attend chapel once a week. I was elected in my sophomore year as vice-president of the student body and initiated a once weekly voluntary chapel program where I tried to bring in more interesting speakers than what the university had provided. I invited at one point a professor from Villanova who spoke with us on war and peace issues. This was 1962 or 1963. But it was a Christian college.

Q: Wasn't it a school that was preparing a lot of younger students to be Baptist preachers?

SLAGHT: No. They had a very active sociology professor who has become very famous. Tony Campolo, if you know anything about Christian Evangelical youth speakers. He's one of the top ones in the country. He was sociology professor there and developed a very strong program in the inner city of Philadelphia to help youth and if there's anything the school is known for today it's primarily their outreach in the urban areas of the United States for social work and humanitarian efforts of one kind or another. Pretty good education program, very good science program. A lot of my friends were admitted to medical schools in the Philadelphia area have had long careers as doctors.

Q: What was your major?

SLAGHT: Romance languages, Spanish and French with almost an equal major in history.

Q: How was the teaching of the languages in those days? Go back to my time in languages when you learn to read and write a language and not much speaking it.

SLAGHT: That's pretty much how it was then, too. We had language labs, but I don't remember spending much time in them. Our teachers were native speakers, that I know

for certain. I was a good language student. I got straight A's in French and virtually straight A's in Spanish. But I did sense that if you wanted to learn the language well that you really needed to live in the country, so I asked the school if I could be placed in a university where they transfer the credits. I talked with the American Baptist Convention. My father had some friends there and got some contacts for me, and they gave me a little scholarship money, and that's how I ended up in Mexico City in the fall of 1963.

Q: How about when you were in Massachusetts. Was your family interested much in American politics?

SLAGHT: My father was always interested in politics. Republican, he was. As a matter of fact, his father wouldn't even buy stamps that had FDR's picture on it, and some of that irrational thought I think seeped into my father. I lived at home when I was later a graduate student at Columbia University, and this was the height of the Vietnam war period, and we had some drag-outs, my dad and I on that issue. He was blind in one eye, and he was rejected for service in the war…

Q: You mean World War II?

SLAGHT: Korea...maybe it was World War II. He was born in 1912, so that was World War II. He always wanted his sons to serve, and three of us did not. I was the only one who got involved in government at all. He was sorry that none of his three sons ever had military service.

Q: Did you find yourself engaged in one way or another in the campaign in 1960 between Nixon and Kennedy. They had a lot of young people involved.

SLAGHT: That was the first campaign that I had any cognizance. I was aware of the Eisenhower-Stevenson campaigns of '52 and then '56, but the Kennedy campaign in '60 was very interesting. I had obtained this tremendous poster in Dover. I don't know where I got it…of Nixon that I had in the attic. In the process of our move to Lowell, that got trashed along with my baseball card collection that was not very well organized. It was up in the attic strewn around, and I don't know how many baseball cards I had of Mickey Mantle and all because I was a Yankee fan. Today, the collection would be worth thousands of dollars, I'm absolutely convinced. But it wasn't organized, and I showed no interest, and my mother just cleaned the attic, and out they went. So I lost this great poster of Nixon. I eventually met him in Moscow long after he resigned. The issue I should say, the issue for us, at least some Protestants, was the influence of the Papacy on the behavior of the president. We certainly talked about that in the family. I remember Kennedy speaking to the Southern Baptist Convention or a convention in Texas and made a very compelling speech on his independence from Papal influence.

Q: How about when you were in college, did you study Foreign Affairs?

SLAGHT: I took history courses, lots of them. I was always interested in things international. I suspect papers that I wrote had some relevance to things international.

Eastern was too small to have U.S. Diplomatic History courses and that sort of thing. The courses that had some international content were mainly my language classes and a few political science courses.

Q: How did you find your Mexican experience?

SLAGHT: I lived with a Mexican family, headed by a Harvard graduate, an American, who after college wanted some international experience and hired on as a hand on a boat and ended up in Mexico. A Quaker man, a very interesting guy. His wife was Mexican. They had two children: an older son who was not living at home and a daughter that was about my age. I rented a room from them. He was the reference librarian at the university, so I got a ride out with him in the morning and then took buses back in the afternoon. It was a wonderful experience. I learned a lot of things about my own culture, listening to them talk about it from a different perspective than I had ever heard. So I learned a lot about my own country and a lot about Mexico. I was the brunt of some anti-American feelings occasionally, spat on once and pushed around by other young Mexicans. Rode the buses all around Mexico. As a student, I never felt fearful of crime…I didn't have anything to steal, I guess. As an adult during my tour in Mexico City years later, we were constantly concerned about our personal safety, the safety of our automobile, my son's safety there. I don't know whether things had changed that much or whether my perspective was the only thing that had changed.

Q: Did you go back?

SLAGHT: I attended a little English speaking church there, and one of the younger adults in the church there decided he'd put together a little group to climb a volcano. So I climbed in November of 1963 the active volcano, Popocatelpetl, which is now active, in Mexico, right up to the rim, 17,000 feet. We had crampons and ice axes that we rented. A wonderful experience. I took my family back to the base of the mountain while we were there and wondered how in the world I could have climbed 17,000 feet. I wasn't quite as heavy and decrepit then, I suppose.

Q: When you graduated, what were you appointed for?

SLAGHT: I wanted a Masters Degree in International Affairs and then from there I thought I'd go into professional life, either government or with a bank. So I applied to a few schools which had professional masters programs. Columbia University took me into their School of International Affairs. It's now called the School of Public and International Affairs, I think. Since I graduated in the middle of the year, I spent one semester at Rutgers University in New Jersey. This is where my parents moved from Lowell. He became an editor of a national Baptist journal in New York. So, we moved to New Jersey, and I spent that second semester of 1966 at Rutgers, and then moved to Columbia.

Q: You were at Columbia from when to when?

SLAGHT: From ’66 to ’68, the height of the Vietnam War controversy. Marc Rudd and his friends closed down the university for a period of time. I was called a scab as I walked through their lines to the library to study and to check out books. It was a good experience.

Q: Often the graduate students at a university are a breed apart from the undergrads. Was this the case at Columbia?

SLAGHT: That was fair. I would think most of my colleagues did the same, went through the lines to get their books, not all of them. Most.

Q: What sort of courses were you taking?

SLAGHT: It’s a two-year program. You graduate with a Masters in International Affairs, and it’s meant as a terminal academic program where you’re likely to take a job with Chase Manhattan or the United Nations or with Proctor & Gamble or with a large international operation, rather than going teaching. You could go into government, too. You took a wide range of courses. It’s a bit like an undergraduate program where the first two years you take all sorts of liberal arts. You take your fine arts, your psychology, your sociology, your history, language, whatever. And the same with the Masters in Columbia although they are focused on things internationally. You take International Economics, you take Diplomatic History, you take International Organization, you take foreign language, this, that and the other. And then the second year you focus more on concentrated either a functional specialty -- economics or history or whatever -- or region, Latin America, and so on.

Q: What were you taking?

SLAGHT: I focused on Latin America. That’s where I had academic interest and some practical interests out of Mexico, of course. What struck me about Columbia was -- and this was made more clear when I went on for a PhD in American University -- was the quality of teaching there was no where near what the reputation might have led one to believe. We had renowned professors in their fields who I thought were not very good in the classroom. I audited a class from Brzezinski, for instance, on Soviet Union. Some of my friends also didn’t have a background, so you wanted to take a course by one of the leading thinkers and writers in the subject, came to the same conclusion as I that this guy may be a great researcher but he was not a good teacher. He would belittle questioners if the question wasn’t up to his degree of precision. I thought that kind of atmosphere in a university was not the kind to promote knowledge. But Columbia had wonderful resources there, and some professors were top notch. I took a course on International Law from Louis Henkin who is a pretty good scholar in U.S. Constitutional Law and in International Law. He was hard as nails. I liked him so much I took his seminar with twelve others the second semester, the second year. Very difficult course, but a brilliant mind and a good person. We got a lot from his class. Leland Goodrich, probably *the* authority on the United Nations till his death wrote *the* book on the United Nations -- *the*

textbook -- was probably too old to be teaching when I was there, although some of his anecdotes were probably worth the price of admission.

Q: In the time we're talking about, in the mid '60's or so, Black America was no gem in the crown of democracy.

SLAGHT: That's for sure.

Q: What were you picking up? Was this a wasteland for development or what?

SLAGHT: The issue in this period of time was democracy versus military dictatorship. Arms races were…in fact, I wrote my Masters thesis on an arms race in the southern hemisphere, Argentina and Chile. You know, Peace Corps had just begun to be active in Latin America in the early '60's. AID was beginning activities there. The concern of Castro and whether on the left we'd have dictatorships as we had on the right provided all sorts of interesting discussions and grist for books and articles and concerns on the part of the U.S. government among others. So, it was an interesting cauldron to stir, and with the sense as it came up in the pot, to dissect parts of it and come to some conclusions.

Q: I think of New York and particularly Columbia as being a hotbed of the old German-Jewish socialist group and all that, and in various manifestations to the left. Did you find that there was still much of that around or not?

SLAGHT: No. There may have been, and there certainly was on the campus that sort. I didn't live at home, so it's not like I did a whole lot of socializing after classes with other students. I wasn't involved in any organizations. I was there to be a professional student, study and do well and get a good job when I got out. So no, I didn't come in contact with any of that.

Q: What about the Vietnam War? So much of the students enrolled in the SDS I guess, that's where it started. Students for a Democratic Society.

SLAGHT: I don't know if it started there, but a fellow named Mark Rudd, who was an undergraduate student there, eventually shut down the university. They invaded the president's office and had a sit-in and closed us down for awhile. There were often demonstrations on the campus there against the war. I don't recall any senior government officials coming to speak, but I'm sure had they come there would have been a demonstration against them. There was certainly talk among the students, among the graduate students as well on the rightness and the wrongness of the war, the morality of the war, the political efficacy of the war, the cost of the war on our own society. All that created fervent discussion and heartfelt arguments.

Q: At that point, did this cause you to shy away from government service?

SLAGHT: No, it didn't. I thought maybe I would still try for foreign service, and I did take the foreign service exam the end of my first year. Maybe it was the beginning

semester of my second year there. Passed written and then failed the oral. But I didn't give up. I always had that career in the back of my mind.

Q: Do you recall any of the questions on the oral?

SLAGHT: I had indicated to the board I was interested in USIA option. That was a silly thing to do in retrospect. They had these bi-national cultural centers where English was taught, and American values were transmitted. I said gee, this sounds like something I'd like to do, be a director of a bi-national center in Latin America. So I told them that. They said okay, if you had a visitor from Chile coming in this week, where would you take him in New York City? What cultural events would you take in? I was working ten hours a day as a student. I didn't go to plays. I didn't read the cultural section of The Times. I remember that question. That question alone probably did me in.

Q: I recall when I took mine I was an enlisted man in Japan. This was during the occupation, Korean War. I had been in Korea, but I came back to Japan, and they started asking me about the Constitution of Japan. I had just as with many American boys discovered sex in Japan, compared to some Puritan New England. I really wasn't going very heavily into the Constitution aspects of Japan.

SLAGHT: I can remember one guy folded airplanes with paper as I answered questions. I gather at the time this was an attempt to rattle you, appeared to be completely disinterested in that was going on in the room. I remember that.

Q: Had you had the chance to talk with anybody in the Foreign Service or not?

SLAGHT: No. No one had, to my knowledge, come to recruit on the campus. No. If they had been there, I was unaware of it.

Q: When you got this degree, you say this was designed as an end in itself. In other words, this was leading to a job. What were you thinking about doing?

SLAGHT: This brings us to an entirely different segment of my life; that is, the draft. The end of my first year at Columbia, I got a letter from my draft board saying, in a sense, you're dead meat, buddy. We'll allow you to finish your second year but after that, it's all over. So I finished my second year, but in that period I'd taken the Foreign Service exam and I looked around for another alternative that might give me a deferment. It wasn't clear that it would, but I thought I'd give it a try. So, I applied to the Army Security Agency. The idea there was that I would be sent to Monterrey Language Institute, probably trained in Vietnamese. They never quite indicated what language I would learn, and off I'd be as an interpreter in the military.

I applied to the Peace Corps, and I applied to the National Security Agency. I had a very good interview at NSA down at Fort Meade, Maryland and things looked pretty good until President Johnson cut the Defense Department by 6 billion dollars, and my job was frozen. So, when the Peace Corps offer came, I took it. I went off to the Upper Peninsula

in Michigan at a ski resort in the summer of ’68 to learn Portuguese because I was going to be assigned to Brazil as an agricultural agent assistant in Mato Grosso which borders Bolivia. It was in the middle of nowhere in South America. I learned Portuguese. I’d studied it at university. You needed a second language at Columbia. You needed to speak and read one and read another, and I learned Portuguese reading. So I did pretty well at the language school. Then they moved us down to the University of Wisconsin Milwaukee for cultural studies and to go out and visit the 4-H Club and that sort of thing. While there, I got a letter from the General Counsel of the Peace Corps, and they needed to see me right away. My trunk was packed, I’d had my wisdom teeth taken out, I’d had all the shots that I needed, and this was literally one week before I was to go to Brazil for in-country training before being sent to the hinterlands. I was told I may not be able to go, and that I had to go see the General Counsel.

So I came to Washington in early September of ’68 and had a long discussion with the General Counsel himself. Background investigators from NSA and Peace Corps were doing investigations on me. Separate ones. The Peace Corps folks had talked to my girlfriend at the time about my loyalty to as an American citizen. She offered the fact that he’s obviously very loyal because the NSA is interested in him. Well, that raised an eyebrow with the Peace Corps who had been infiltrated in the early ‘60s, if you remember, at the University of Michigan. The CIA had planted some folks there. They were very concerned. My father had forwarded a letter which had been sent to the house for me in New Jersey, sent it out to me at the Peace Corps training site, and our mail was separated by Portuguese language instructors. That was one of their administrative jobs. The Peace Corps was concerned that there was enough people that were aware of my interest in NSA that it might jeopardize the whole program in Brazil. They couldn’t risk it. So they took told me that I could not continue with the program.

I had applied to two schools which offered PhD’s in International Relations. There weren’t many of at the time. Columbia didn’t have one. You can take a PhD in Public Law and Government, but international issues would be only one of four fields. The USC -- University of Southern California -- and American University were two that offered PhD’s. I applied to both and got accepted at both and had told both I was going to the Peace Corps and would not be matriculating. Here I was in Washington, the semester had already begun, and I went up to AU and said look, I told you I would not be attending, can you take me, and they said sure. So they took me into their PhD program, transferred all my hours from Columbia, and that’s how I ended up in the doctoral program of PhD. I eventually got out of the draft. I informed my draft board of these developments, but they were slow in reacting. I went for personal appearance and was rejected by my local board in Lowell, but appealed to the State of Massachusetts. By that time I was a year and a half into coursework at AU. The State of Massachusetts, in their superior wisdom, overturned the local board and gave me a 2S deferment saying that I’d have to take all these courses again to take my prelims, my comprehensive exams, if I were to be drafted. By the time I finished the prelims I was 26 and too old to be drafted.

This is one of the interesting things about the Vietnam War era that I’ve always found somewhat uncomfortable. They had such excellent counselors on university campuses. If

you were in Tigerville, South Carolina or Lubbock, Texas and were not at a university, you probably did not have access to these counselors who knew the draft situation and knew how to maneuver it to the best way possible to avoid it. I was benefited from that. I suspect a lot of folks from rural areas of the United States ended up going in my stead. And I'd probably find some of their names on that wall, the black granite wall, down at the Washington Mall today.

Q: I was Consul General in Saigon in '69 and'70 and one of my jobs was issuing a lot of passports for the soldiers who were there going on two-week R&R and so in issuing these passports, I would sign them. I couldn't help noting how many of the men going were from small towns I had never heard of. It was not a fair war, and right now we are embroiled in Iraq, and it's the same thing. It's a volunteer army that…

SLAGHT: Yes. There's something to be said for a draft that's fair, and the number system they eventually worked up I think was a good way of doing it. I was benefited. I recognize that.

Q: Where did you take your course, and what were you doing? This is American U, and you were doing it from when to when?

SLAGHT: From '68 to '72. I worked in the dorm as a resident advisor to cover costs, and the second year I was teaching assistant of Professor Said. The third year I was given a fellowship from the Organization of American States to do my dissertation research in Ecuador. The fourth year I spent writing my dissertation.

Q: What was your dissertation on?

SLAGHT: The Ecuadorian relations with Peru over a 20 year period from essentially '50 to '70.

Q: *This is a damn little piece of property. Brazil and who else is a player?*

SLAGHT: Argentina. And the United States. The ABC: American, Brazil and Chile. Yeah, that's interesting that you know that. It was an interesting piece because one reads Ecuadorian literature, and you read American scholarship on Ecuadorian relations, it's always anti-Peruvian, very strongly negative about Peru. Going back to the war. A few things happened in the period of '50 to '70. Oil was discovered in a small part of land that Peru actually ceded to Ecuador as part of the big deal. Now, Peru got the lion's share, but some part in the northeast part of the country ended up in Ecuador's hands, and Texaco discovered oil there. The thought of calling for a redress of the issue and a re-negotiation of the treaty was never an issue after that.

The major political issue at the time was not with Peru but with the United States on the fishing limit. Two hundred mile fishing limit. It was Yankees Go Home, and Fuera los Yanquis, and the Peruvians Are Our Brothers because they have the same issues. What I did was play around with that issue, how the images, the elite images--the military, the

political and the journalistic views Ecuador toward Peru--changed in 20 years and then described why. It was a nice little piece.

Q: I did an oral history a long time ago with John Melby. He had the Peruvian-Ecuadorian desk in the State Department in 1942 or '43 or something like that. One day he got a telephone call from the Under Secretary, Sumner Wells. Wells said to the effect that, we got a war on, what the hell are these two little countries squabbling about? I want you to stop that war, and hung up. In a way he sort of [inaudible] the people involved, but it happened the way we saw it at the time. But it kept coming up again, and he never could get rid of it.

SLAGHT: Yes, it was an interesting case. We were concerned about the stability in our southern neighbors during the war, and we didn't want this kind of horse manure going on and tiny little things causing problems. Anyway, the dissertation got the Outstanding Dissertation of the Year for '72 from AU. It got me a little money, and the OAS Fellowship to Ecuador gave me a wonderful experience. I was married in the summer of '70, and then I went to Quito in September and spent nine months there. Had a wonderful experience.

Q: Tell me about your Significant Other, her background and all that.

SLAGHT: Her name is Joan Salzman, German background out of New Jersey. We met at a summer job when I was in New Jersey. I spent every summer working at a playground manufacturing plant. Worked on the dock: loading trucks, unloading trucks, putting orders together for swing sets, bike racks, etc. These were municipal, heavy duty stuff for municipals, municipalities, colleges and universities, whatever. She was a summer secretary, and I was the summer hire. We met there in the summer of '67 and we started dating in January of 1968, and I married her in June of 1970. She's seven years younger than I am. She'd barely been out of New Jersey. We were married in June and in September we were in Quite, Ecuador.

She had no Spanish, so I urged her to take some courses at the university there which she did. She got enough to get around, and for some reason she gained lots of weight there and I lost of weight. Both of us ended up going to a doctor to find out what the story was and he had no real explanation, although he said it was common for females to gain weight and males to lose it the first year or so in Quito. I'm not sure we ever had an explanation that was reasonable, but he said it wasn't uncommon, so we didn't think any more of it. We weren't ill either of us, just put on weight and I lost it.

We traveled all around the country on the bus. She would view the experience today far less positively than I. I had a great time exploring. One time we took a bus into the oriente, into the eastern side of mountains there, the Andes, as far as the bus routes would go. On one occasion it was three days by horseback to the next city, and I would have loved to get on a horse and gone to the next city three days away, but there was no way I was going to get my wife to do that.

Q: *Did you run across the embassy, the operations of the embassy?*

SLAGHT: Yes, I went in once just to I guess to register ourselves, just to let them know we were there. But that was the only association I had with the embassy at all. We had a friend who we'd been referred to out of AU. He had a friend in Ecuador. We got to know them, and the man's wife's father had been head of USIA in Quito. His family had stayed there, his daughter stayed when they moved on. She eventually married an Ecuadorian man, and we got to know them pretty well and through them, others. We had wonderful experiences in Ecuador. We went with these two couples once up to the northwest part of the country where you could only get to their property when the ocean tide was out. It was right on the Pacific coast. He sent his guys out one afternoon and brought back a sea turtle that they cooked up and we had that night for dinner. They chopped the legs off, and the kids drank the blood from it! Clearly, there was some civilization at some point on their property. He said if you want some artifacts, go over here to that cliff. So we went over to this cliff, it was where the waves of high tide would hit it. We spent less than an hour and dug up all sorts of pieces of pottery and I had them verified later by the Smithsonian, and they were all authentic, pre-Columbian artifacts, being little by little washed away into the Pacific Ocean. We had many other wonderful experiences down there. I'd always hoped to be assigned to Quito, but either I was too junior or later too senior for the Senior Commercial Officer position in Ecuador.

Q: In your dissertation work, were you working particularly on the Ecuadorian side?

SLAGHT: Yes. Three elite groups I was interested in: the military, the journalist -- the elite press -- and the politicians, and I did three things. I read random editorials from the two papers in the country for 20 years, one month per year to look for comments on Peru. I read the annual report on the president to the country and the annual report to the Minister of Defense. Then I went to interview people once I got the data and saw the trends and how there was far less hostility than the American scholars would have lead one to believe.

Q: Was it sort of a politician's thing that they would stir up from time to time?

SLAGHT: Yes. Occasionally they would need to do that. There is some truth in that. But that happens.

Q: Where did the military stand on both sides? Were they really equipped or could they even go to war against each other?

SLAGHT: No. Ecuador is a much smaller country than Peru, and had nowhere near the military resources that Peru had. What they felt they had was the moral right on their side, and they talked about international law a great deal, rather than who had boots on the ground. They had commonalities of interest fighting the U.S. on the 200 mile territorial water issue and on the moral issue, too.

Q: You got your PhD. When?

SLAGHT: May of 1972. I didn't know quite what I wanted to do with it. I thought maybe if I could teach in certain parts of the country and teach certain subjects, I would do that. So my initial interests in the early spring before I graduated in '72 was to find a teaching job in Montana or Washington or Oregon or somewhere out west where I could teach international politics and government. But nobody wanted a professor in those things. If I wanted to teach American Government for five sessions, I was their guy, but I didn't want to that.

So nothing came of that. I looked at AID and was told almost uniformly by people that I talked with, don't even apply to AID, they'll be out of business in two or three years. This was, I think, '72. So I did something unusual. I took a Civil Service exam along all the things I was doing. I didn't take the Foreign Service exam, and I can't explain why, but I did take a Civil Service exam and scored high enough to be considered for what was called the Management Intern Program. It's now the Presidential Intern program. It was a fantastic program because you choose what department you want to work for, and they start you as a GS-9 I think which is a pretty good salary. Then you rotate within that area for a year, and then you choose what job you want to go into, the jobs that you had that year, and that's where they start. They guarantee a promotion at the end of that first year to an 11. I said wow, this sounds pretty good, so I looked at the DOD, had a very nice interview with someone at the Pentagon who -- remember this is '72-- said the following: "If you were Black, Dr. Slaght, we would hire you tomorrow." Very interesting comment. They clearly needed diversity in their program and were not interested in white Anglo Saxon Protestants.

I looked at the Postal Service because they had a small international program. I looked at HEW. They had a very small international program. I looked at the Commerce Department. They had a Bureau of International Commerce, and they had a pretty good size Latin American Division. I ended up going with them. I was hired in July of '72 as a Management Intern with the Bureau of International Commerce of the U.S. Commerce Department.

Q: Well, I think this would be a good place to stop this time, and we'll pick this up in 1972 when you entered the Management Intern Program for the Department of Commerce. We'll continue from there. Great!

Today is the 7th of July 2005. Dale, what was your initial impression of the Department of Commerce? When you went there, and then we'll talk about the *Intern or the Management Program.*

SLAGHT: The initial reaction was one of, oh my Lord. A very large bureaucracy, a multiplicity of different functions. Hard to imagine a management team able to hold together the National Oceanographic and Atmospheric Administration and the Census Bureau and the Bureau of International Trade among others. I was assigned to one of those units, the Bureau of International Commerce Department -- they call it BIC. My initial reaction was one of horror, at such a large organization of myriad goals and

objectives, and functional differences. I was assigned only to one of those bureaus and actually my all career with the Commerce I had almost nothing to do with any of these other agencies.

Q: It was a small world in the big world.

SLAGHT: That's what it turned out to be. Once in a while I'd get information from the census people, trade data, but other than that, I had virtually no contact with most of these other divisions that Commerce has.

Q: Let's talk about how the program worked for you? What did you initially do?

SLAGHT: The program required us to have four or five different assignments within the Bureau of International Commerce. The idea was to choose subsequently among those assignments for a permanent slot. You selected on the bases of what best suited you and where you felt you could be most productive and effective. So I rotated through the Office of International Trade Policy -- OITP as they called it -- worked in the legislative branch writing comments on bills that had been proposed in the House, mainly in the House. I worked on comments on a bill to protect the honey industry. I remember doing a lot of research on bees and the honey industry and other such very narrowly defined projects. So we contacted industry, contacted other groups, did a little bit of economic analysis of the likely impact on the sector and submitted this up the chain and it found it's way with other agency input to the Office of Trade Representative that had just been created about that time. They in turn would have consultations with the House Ways and means Committee on the administration's view of the bill. The Bureau handled trade promotions abroad, such as Trade Fairs. They would organize U.S. pavilions in our Trade Centers around the world. We had one in Sydney, we had one in London, we had one in Mexico City and other places.

Q: Milan, too.

SLAGHT: You're right. Milan, and maybe in others, too. I was involved in some of the recruitment of U.S. firms to go over and participate in U.S. Pavilion whatever show it was. I had a stint in the Export Control Office. These were the folks that looked at exports of U.S. sensitive technology. A company wants to sell computers to Poland or wherever, so a judgment had to be made whether there was the likelihood of the diversion of equipment to other countries. I probably had other assignments, but those are the three that I remember. Oh, I had assignment in the Latin American Division. That was where I had a particular interest. They had a Latin America division among the offices of International Trade Policy that looked at trade policy *vis a vis* countries in the Western Hemisphere primarily. We'd do lot of counseling in that office. Companies would call and say, look, I want to export whatever, typewriters, to the Dominican Republic. What are the duties there? What are the other barriers that I would face selling my equipment into places like the Dominican Republic. We'd counsel them on those issues.

Q: Let's take if company Y is selling typewriters to the Dominican Republic. What sort of information would you have, because as long as you can look in the books and find out the tariffs and all that, but there's also the atmosphere which is probably the most important one. Is it a bribery prone place, and they might keep you out? I think you need to have contact, that type of thing.

SLAGHT: We had tariff books on each of the countries in the Western Hemisphere, so we could look up in the book and find out what the tariff rate was. But we also had reports from the embassies. This was then pre-Foreign Commercial Service, so these were State Department officers working primarily in the commercial sections in those countries doing reports on trade barriers in that country and non-tariff barriers in that country so that if tariffs weren't prohibitively high, we would look at other things, another common query: Do you need to have an agent to import your product and if so, what were the requirements of a U.S. company hiring an agent in terms of if you wanted to let him go, what kind of implications would that have financially for you and all these sorts of things. We didn't have all the information all the time, but we had most of the information most of the time.

Q: So after all of this, it took you what, about a year or so?

SLAGHT: That was a year.

Q: So what started ringing bells?

SLAGHT: The end of that first year Commerce asked me if I'd like to go for a summer to work on The Hill. The Ways and Means Committee was writing the Trade Reform Act of 1974, and I said sure. So I spent the summer as an Executive Branch transferee in the office of Sam Gibbons of Florida. Gibbons was a Democrat and a leading trade proponent in the House to the point where many members really looked to him for guidance on many of these trade issues and would follow his lead. I had a wonderful experience with him. He was a fine man, a good legislator, and honest man. I was able to see the inside workings in the House Ways and Means Committee for a summer which I found fascinating.

Q: What were some of the things you saw?

SLAGHT: I remember once Charlie Vanick of Ohio who was not a free trade proponent badgering a witness and then going back to the anteroom and getting on the phone and talking with his broker about mundane matters that had nothing to do with the…actually, it was about the purchase of a boat, and I found the juxtaposition of his flamboyantness and his strong feelings anti-trade and then going back and doing private business on the phone. I thought that was interesting. I found a great deal of deference, as I indicated before, to Gibbons who later became the head of the sub-committee on trade for the House Ways and Means Committee. I found the workings of the staff very interesting. These were in most respects very young people who were unbelievably committed to what they were doing. The hours that these folks worked when Congress was in session

and when key legislation was being discussed was phenomenal. Working conditions were bad, there was very little space. I suspect all these conditions still apply today up there. Very dedicated, very bright people. The collegial nature by and large of the members I found surprising. These were people that had strongly divergent views in some cases, but they all treated each other with respect and deference. I would say the difference today from what I saw in the summer of 1973 is very wide compared to what's going on today.

Q: What were the issues?

SLAGHT: One of the issues dealt with was how to protect some sectors of our economy if we negotiated a new multilateral trade agreement. Most agreements will impact negatively some aspects of some sectors of our society. That's a given. How do we help those sectors? Representative Gibbons, was a very strong proponent of trade adjustment assistance, and he was careful to insert in the bill's language legislative language that would provide trade adjustment assistance for individuals and for communities adversely affected by trade. The company or the individual would have to prove that the economic or loss of jobs had a direct relationship to the trade agreement, in this case, the Trade Reform Act of '74. But after that was proven, the worker got training for a new skill, relocation assistance if he and his family needed to go from Aiken, South Carolina, for example, to Midland Michigan or Midland, Texas, or wherever, and that would be provided. Communities also would be given assistance. The other novel element was what was called Generalized System of Preferences, GSP, where certain countries around the world were told they could export their products to the United States virtually duty free without giving reciprocal benefits to us. These were the lesser developed countries, and that was a novel idea.

Q: Did you find while you were there some of the great barons, I think of rice, I think of sugar. I'm sure there were other ones. People would come. For years they would continue to manipulate things. Were there some of those untouchable areas, people too powerful?

SLAGHT: I don't have any direct knowledge of that at the time, but I'm sure Representative Gibbons got calls from the Florida sugar producers and the phosphate producers, very strong industry around the Tampa area where Gibbons is from. I wasn't involved in those discussions, but I'm sure they were held.

Q: After this experience, this gave you quite an insight. Did you found the fact that you were detailed to Congress for a year, a very positive experience?

SLAGHT: For a summer.

Q: For a summer. A very positive thing.

SLAGHT: I saw it as a reflection of the new management that I had found, an appreciation of my skills and an attempt to develop them. After all, I'd come out of an academic background. I had not come out of a business background like many of my

colleagues in the management intern program. Clearly I needed some seasoning, and I think this was one of the ways they helped me obtain that.

Q: Did you get any feel early on about the leadership of the Department of Commerce because it's always the people I talk to. It's always been a problem in that at the top, a lot of positions there it's sort of the place of last resort for putting the political appointees in. You have the bureaucracy doing their thing and then you get these political appointees. Some of them were very good and some were astoundingly poor.

SLAGHT: I don't remember who the secretary was when I arrived in '72, but I think it was Pete Peterson who was excellent.

Q: He was one of the top people?

SLAGHT: Yes, he was a deep thinker and a novel thinker. I think he's now head of the Blackstone Group in New York, but we had our Maurice Stans in this period, former Finance Chairman of the Republican National Committee. Juanita Guess, I think it was, but not until I was abroad did I have any contact with these people. Once I was abroad, then you'd see these people leading missions or coming through, and then you got to deal with them and you got a different sense of some of them.

Q: Did you have any contact or were your colleague talking about the State Department and it's hold on foreign commercial services?

SLAGHT: Those conversations were probably going on because in 1980 State lost that function, so we're only talking a few years later. I was not privy to them. We viewed the State Department as allies because they were a source of information what we couldn't obtain otherwise. As with any organization, we knew where to call, and we knew where not to call because we had experiences with good officers and officers which had less interest in the commercial side. With respect to talk about the commercial function Commerce would play a role, it doubtless was occurring, but I was not involved.

Q: In this trying period, what did you decide to do, and how did it work out?

SLAGHT: Eventually, I went back to the Office of International Trade Policy where I had a very interesting year. I ended up working for much of the time with the USTR, the Office of the U.S. Trade Representative, and with a fellow named Dick Matthieson who was in charge of some negotiations the United States was having under GATT article 24, the General Agreements on Tariffs and Trade with the Europeans. The EU-6, the original members of the European Commission, and the European Free Trade Association, EFTA, had agreed to a relationship, a trading relationship, and part of that relationship included what is called "Rules of Origin". This is a highly technical issue, but it boils down to how does one, for example, define an Austrian product that wanted to enter France? What percent of the product needed to be Austrian? This had impact on us. We would sell components or materials to Austria or some of the other EFTA countries, and then a Rule of Origin might prohibit that product from being exported to a member of the European

Union. Article 24, as I recall, of the GATT provided for consultations on these questions, and I spent, I would think, 6 months of this period going to European capitols as the Commerce representative with Dick Matthieson as the lead, and talking with them about these rules and then going to Geneva for meetings under the consultation provision of the GATT. This was a very interesting experience for me since I had not had much experience with international trade issues and no experience on international travel to Europe and dealing with European countries on trade matters. So it was a marvelous training experience for me in dealing personally with European counterparts on trade issues.

Q: On this particular aspect of origins, what were sort of essentially the problems? Was this a European guild that was trying to keep America out or others out or was this straightened out of bureaucracy, or were there current issues around?

SLAGHT: At the time, the U.S. had no international trade agreement of the kind that would require Rules of Origin. We had no free trade agreements with any other country. Most of our concern was a view that the Europeans had designed these rules to reduce our entry into their markets. For example, textile products needed to use so much domestic origin yarn. You couldn't have more than some percentage of lace on certain products. The rules were unbelievably complicated. Manufacturers would have to keep track of where they got all their imports, if they had components coming in from various places, assembled there, and then wanted to export them. If you had a rule with only 50% of the product can come from abroad, then the poor domestic manufacturer in Austria, for instance, would have to keep track of every screw and every bolt and every plastic widget that he got, and then determine at the end whether all those inputs were less than 50% for him to qualify. We viewed all this as an attempt to eliminate our component manufacturers from the European market. We have a different view of this now, of course, because we have free trade agreements with many countries, and we have complicated Rules of Origin ourselves. Ours, I'm absolutely convinced, are modeled after what the Europeans did in the 1970s.

Q: How did you find your European counterparts, sitting down and talking?

SLAGHT: Very friendly, very polite. It was quite an interesting exercise. The language, although we had strong feelings about all these things, the language that our leaders used, USTR and State Department Officers would go on these trips, were always quite careful. No one was pounding the tables, no one was yelling. It was all quite calm and pleasant. We wouldn't agree all the time on matters, but it was all quite professional.

Q: With all this you were becoming a real…not an industry but a generalized trade expert.

SLAGHT: Certainly an expert on the Rules of Origin. This was a long time ago. This was 1974, I guess, but I did this for some time after the initial movement into that unit. I spent some time back in the Office of Legislative Affairs. This was all part of the Office of International Industrial Trade Policy. I went back to the division, spent a little time more

on legislation. When I joined the Commerce Department in ’72, I really didn’t plan to stay there more than three, four, five years. I knew the thought of, in particular after being there a while, the thought of working in a large bureaucracy like that for a career was…I just couldn’t see it. I expected to go on to business somewhere, as the Latin American representative of some company. About ’75, I started hearing about a program that Commerce had with State called the State Commerce Exchange Program. At the time, State had more officers that wanted to come back for Washington assignments than the Department of State had positions for them in the building. At any time there were no more than thirty State officers sent to Commerce Department who’d be the head of the Japan desk or the head of the Mexico desk or whatever, and an equal number of Commerce people would go abroad on temporary assignments as commercial attaches. I heard about this program probably in late ’75, and in ’76 I started having pretty serious conversations with our Human Resources people about that. They said fine, we’ll pursue it, and they did. I eventually was put on a list of Commerce people who would, they thought, would be acceptable to State for the program and I was interviewed by Winston Lord, believe it or not, on an assignment in, I would guess this would be ’76. State accepted me. I began language training in the spring of ’77, and I went to Montevideo, Uruguay in September of 1977 as Commercial Attaché. I had a wonderful experience. The Ambassador there was Larry Pezzullo, and his deputy, James Cheek were really first-rate people.

Q: Both continued to have rather distinguished careers.

SLAGHT: Yes, they did. I had a wonderful time. Pezzullo was a fantastic ambassador. He and I had a mutual interest in tennis, and in back of the residence was a miniature tennis court, a paddleball court, really. You used tennis balls that a had a hole in them so they were somewhat dead. He and I and usually one guy from the marine detachment and whoever we could gin up would play Sunday afternoons for several hours. We got to know each other pretty well. He was a very good man, a very good ambassador. Uruguay at the time had a military dictatorship and was on the opposite side of the Human Rights issue that President Carter was pursuing.

Q: Took the moral high ground.

SLAGHT: That’s right. There was still the threat of their activities, but more of the activities, if you can call them, were being approved by the military government. They would arrest people. The scale of the violence was not anything near what was going on the other side of the river in Argentina.

Q: Some of them disappeared? People and all..

SLAGHT: There was repression. We were, as a government, at odds with the Uruguayan government on this question. So Pezzullo and Jim [Lyle Franklin] Lane who followed Pezzullo a couple of years later needed to be careful how they pursued these issues.

Q: You were there from ’77 to when?

SLAGHT: To the summer of 1980.

Q: What were the commercial issues that you think you're going to need?

SLAGHT: My role was to promote U.S. trade and I did that two ways: I did it in a practical way by advising and helping U.S. individual companies to get into the market to sell whatever they wanted. I did that my making contacts within the business community. I joined a little group called APICUE which was a pro-US business group -- a very small group but lovely, lovely people, wonderful people. I had such a good time with those men. I was a young man at the time, and they were, I guess in their 50's and 60's. We were in quite different age groups, but they respected and they respected my positions, and we had a meeting usually once a week in their little meeting hall. It was as much for them a social time, but we talked trade issues and political issues. It helped establish contacts for me. One of the members there, an active member, was the Caterpillar representative of the country, and I was able over the three years to help a U.S. firm sell goods to the Caterpillar representative as a kind of sideline to his construction equipment business.

Q: I can remember I interviewed somebody, I think it was the ambassador to Uruguay, at some point. He was very proud of untangling the problem with I'm not sure if they were exporting or importing creosote ties or something like that. I mean, was the bureaucracy there the kind that was tying things up or were…

SLAGHT: No, usually not. Usually not. They had pretty high tariff rates there. It was one of the reasons you saw antique cars. I eventually bought a 1929 Ford convertible there for $800, but they had such cars run in the street because there was 100% duty or more on cars. Ford had a very small manufacturing facility there, but they produced, I don't know, 40, 50 Falcon cars a year there or something. There was an American Chamber of Commerce there, and I was active in that. It was the kind of place, a small country where you got to know just about everyone. I can remember on my going away party that the head of the Finance Ministry and the head of Central Bank came to say good-bye. For me this was a heady time as a junior officer, and I was given quite a lot of latitude by the ambassadors there. They would take me on calls that they would make to companies in the interior. I organized the pavilion of U.S. companies at a major agricultural trade fair that they had once a year. It was the first time it was done, and I ended up getting a Meritorious Honor Award from the State Department over this. It was a wonderful experience. It really set the tone for my interest in a full-time career. I always had this, but after the taste of actually doing it, there was no turning back to this challenge of my life.

Q: Were we at all involved or impacted by I think of the smuggling that went on between Brazil and Argentina, Paraguay in the middle, but also the reflections in Uruguay and all that. Did that?

SLAGHT: No, no. There was smuggling going on, particularly on the Brazilian border. Shoes, coffee and other things. They could always be found on the northern cities. Everyone suspected that they were brought over with the eyes closed of customs officers there. And they'd find their way down to Montevideo, the capital. The country had three million people, and a million and half were in Montevideo, so it was a one city country in many respects. I got to know very well the head of CitiBank and Bank of America there. We're still friends with the Bank of America representative. It was a small American community, and I made sure that the ambassador had face-to-face meetings with as many of these Americans as possible. We set up a monthly meeting in the conference room in the embassy with a group of them, so they had their input in to the ambassador. He was able to explain what he was doing, what the U.S. government was doing. It was a healthy environment.

Q: This was during the Carter administration. Were you there when Rosalynn Carter made a trip to Latin America?

SLAGHT: No.

Q: Did the fact there was a military…

SLAGHT: Assistant Secretary of State Todman came through. He was the most senior U.S. government who visited.

Q: He was the Assistant Secretary for Inter-American Affairs. Did the Carter administration's emphasis on human rights and all have any impact on your operations, the embassy operations?

SLAGHT: It certainly had impact on the embassy operations, but it had very little to do with the commercial side. I was, if you will, running commercial as if we had no conflict with the Uruguayan government, but human rights was *the* issue in our bilateral relationship. Poor Jim Cheek. He came out of that assignment in Uruguay as DCM and into the State Department as the deputy to Patt Derian in the Human Rights Office, a new office created by Carter. And because of that, the Reagan administration wouldn't touch him later as ambassador.

Q: Jesse Helms in particular.

SLAGHT: And he ended up going to Kabul and then to Addis Ababa and those hell-holes, if you will, and only after Reagan left and Clinton came in was there restitution. He was named our ambassador to Argentina in the first years of the Clinton Administration. Pezzullo went on to Central America and issues with the insurgent Sandinistas. And I don't know what happened to him afterwards. But at least Cheek was adversely affected. These people when they went to Argentina, when Carter went to Argentina and Cheek was there, these people were viewed as heroes. It was very interesting how those people were remembered. These were individuals who stood up for human rights protection, and they were respected for it.

Q: I interviewed Tex Harris who was the human rights office down in Buenos Aires and became sort of the American man out there on the ladies of the …

SLAGHT: Disaparecidos.

Q: Yes. You say your wife wasn't wild about it.

SLAGHT: At the end of this tour, Carter decided that the commercial function of our government was not being well served by the State Department. With Congress' support, Carter pulled that function out of State and gave it to Commerce, and the U.S. and Foreign Commercial Service was created. This was 1980. I was in my last year in Montevideo. There was an interview process, an oral exam, that was given to anyone interested. I'm not sure anyone; I guess you had to be asked to be examined. I cleared that hurdle and I flew to Miami for a full-day oral exam with three or four others in the group. I passed the oral exam and then was subsequently asked to join, the first class of commerce officers. In the meantime, I'd been asked while this testing was going on, I was asked to take an ongoing assignment in Panama. The idea was to leave in the middle of the year, and my kids were in kindergarten, and I said, can't we wait until the end of the school year? And the answer from the Commerce Department was, they're young, they'll get over it. I was indiscreet on how I passed on that conversation, and my wife never forgot it.

Q: I wouldn't either. This was probably the stupidest…

SLAGHT: It wasn't quite the days where a wife's performance was included in officers' reviews. We were past that, but not too much past. She was horrified, and besides, she had thought this was a one-time deal for three years in Uruguay, and then we would return home in the States.

Q: Dale can have his fun but let's get real.

SLAGHT: Yes, now that it's over. She was not happy that I had decided that the family would go to Panama. But we went to Panama, and while I was there I was given the offer to join the U.S. and Foreign Commercial Service.

Q: As a fact of the matter, you probably were at the top or thereabouts. You'd done your thing already. You'd proved yourself.

SLAGHT: Yes. I remember one guy who was assigned someplace else who didn't get through the exam. I think there were four of us that tested, and three of us got through, the fourth didn't. He ended up going back to work on the desks in Commerce, country desks. We talked about it. It was just a performance thing for us. We're doing the job, we're all doing it well, it shouldn't be an issue, and I guess it was much more serious than the four of us had thought. Maybe it helped us relax a little bit and helped us do well on the exam, but one of the four didn't make it.

Q: I would suspect the commerce people were doing this. Obviously, the first people to do this, they're on trial. We got to put our best face forward. One last question about Uruguay, Dan Mitrione had been kidnapped and killed. He was the head of the U.S. Public Safety Program in 1970. How about security precautions and all that?

SLAGHT: You know, we never thought much about security, certainly not political security. Our house toward the end of our assignment was broken into early one Sunday morning while we were there, and it did terrify us more because the thieves had broken in through an open window in our bedroom and walked right past our bed and down the stairs and found a wall safe they tried to get into and started to come up the stairs. Our kids, our two boys, were sleeping in a room that ended up between the thieves and us. It was hard on me, too, but it was particularly hard on my wife. I was ready to get on the next plane out of here when that happened. Luckily, we didn't have many more weeks to go, and we moved quickly into temporary quarters and got out of the house. I remember for the couple of weeks that we were still in the house, we slept with a baseball bat underneath the bed, and we awakened with every little sound on the street.

Q: You went to Panama, and you were there from what, 1980 to?

SLAGHT: Yes. 1980 to 1982. It would have been a three-year assignment, but I curtailed. We'll go through that later. Torrijos was still running Panama when we arrived. There was strong anti-American feeling. Carter had just signed the treaty giving back to Canal Zone to Panama. At least that was done. There was still a lot of hostility toward Americans in the streets of Panama, and a lot more crime. So we went to Panama with a little more trepidation than we had gone to Uruguay.

We ended up putting our two boys in schools in the Canal Zone, DOD schools, which turned out to be a big mistake, primarily because they had gone to Uruguay and spoke Spanish fluently among their friends, that's what they played in. They got to Panama, and Spanish was viewed by the DOD staff as something those folks did on the other side of the fence. They quickly learned that Spanish was not appreciated, the language was not appreciated, although they had to do their obligatory whatever it was, half hour a day in Spanish in the classroom. It wasn't taken seriously. My boys left Panama with less Spanish than they arrived with, even though they were two years older and a lot more wise. We didn't see that coming. One of the costs of a Foreign Service life. One of the benefits is you learn languages, and we thought that would come kind of naturally, playing in the streets. They played with friends from the school. They didn't have friends in the neighborhood.

Q: While you were there, who was the ambassador?

SLAGHT: He was a very good man. He's now the dean of a school in Florida. Ambler Moss. A very good man, an attorney, legal background, very calm, very polite, nice family, young wife with kids, and a good man. We got along well.

Q: When he got there in 1980, what was the commercial situation from your perspective?

SLAGHT: Panama has an interesting relationship with the United States. The business community as in much of Central America and Mexico have strong ties with the United States. If they own property in Panama, they'd also have a condo in Miami, or farther up Central America you go, it might be in New Orleans or Texas or California. So for me, making contact and doing business with the Panamanian business community was not that dissimilar than doing business with Americans. They weren't Americans, but they had such familiarity with U.S. and U.S. culture that it was as if they were Americans. If they had children, they'd have been educated in the United States. They might have been educated themselves in the United States. It wasn't very different than if I were dealing with Americans. Panama has one other distinct feature: They have a very large free trade zone on the other side of the Isthmus in Colon where millions of dollars of trade comes through that zone and is either transformed or not transformed and then shipped off to Columbia or Venezuela or Peru, or whatever, as a trans shipment port. There were U.S. firms that had large operations in there. So I worked with those folks as well as other business people.

Q: What sort of issues did you find yourself involved in?

SLAGHT: The experience there was not atypical from others. We'd have an occasional trade dispute of one kind or another. Customs would try to hold up a shipment of goods of one kind or another. We'd have to talk with them about why are you holding this up? We had the normal tariff and non-tariff barrier issues with goods coming in. We spent a lot of time finding local agents and distributors for U.S. companies looking to establish for the first time some market access, market penetration there. I don't recall major issues. I was there just two years. Toward the end of the second year I was called by the head of the Western Hemisphere Unit in the Commerce Department for whom I had worked in the Office of International Trade Policy. She had been told by the head of the bureau that they wanted some people with some foreign service or embassy experience to come back to take key jobs on the desks. They wanted me to come back and head the Mexico desk. I clicked my heels together, and saluted, and said yes, sir, I'll come. It was very interesting.

First month I was back, I ran into the Director General in the hallway, and he said, Dale, what are you doing here? I said well, according to Dave Ross, who was the assignments guy, you wanted me to come back. He said I don't know anything about this. Ross, one of the first things I learned about Ross was not to trust him. He was later mustered out of our service for funny dealings in Milan, and I was one of those on the sideline, one of many who cheered that decision by our department. I thought he lied to me years ago. But I came back, headed the Mexico desk, just at the time the Mexico economy went down the tubes. I spent the next two years helping U.S. companies get paid for goods they had already shipped, and dealing with nasty financial issues, and fighting with State, Treasury, USTR and AG depending on who's on what on turf. Who's going to handle what issues? I found it very, very unpleasant. The operations abroad were small enough in both places -- Uruguay and Panama -- that there was a very strong collegial

relationship although I was State, there was a Treasury guy there, DOD people. We were all viewed as a team, and we functioned that way.

We get back to Commerce, I remember Ann Hughes who was the DAS for the Western Hemisphere and very interested in Mexico, and who had recruited me to take this job, tell me you can't tell State about this because that might give them a leg up on this issue. I found it very unpleasant. I would guess about a year and a half, maybe even less, into that tour, I decided this wasn't for me. I had such wonderful experience abroad, what am I doing back here? I ran into the Deputy Director General, and he asked me, as part of a casual conversation in the hall. How ya doing? So I unloaded. He said we can fix this, where do you want to go? I'd been looking at onward assignments and said Vienna, Vienna is coming due, I could take some German language training and go to Vienna. He said it's yours. This is how assignments were done in Commercial Service in the early years.

Q: I've talked with people back in the olden days of Foreign Service where people would be up on whatever's the equivalent of the seventh floor before that, and would say they would be at the urinal next to Laurie Henderson and would say, how are things going? Well, I'm ready for another assignment. Well, I got one. That's the way it was handled before gender discrimination…

SLAGHT: For transparency, too. Well, that sounded good, so the next day or the day after, he called me and said I'm sorry, I promised Vienna to someone else, but Munich is open. Do you want to go to Munich? Still, give you language. I said sure. I was interested in the language because I had Spanish but didn't have a second language, and I thought that might me important. And secondly, it might get me out of my job six months early cause I go to FSI Language. I said find. That's how I got assigned to Munich.

Q: Tell me a bit about the Mexico thing. What precipitated the problem that you spent most of your time dealing with?

SLAGHT: This was 1982. Mexico had for most of its -- here in the Twentieth Century -- what is called an Import Substitution Policy. That is, they had very high tariffs to protect industries, many of which were owned by the Mexican government. It was very hard getting goods into Mexico. You needed an import permit from the government before you imported anything there. Industries grew. They developed a pretty good auto assembly industry and other industries, and things were all right until the bottom fell out of the oil market in the early '80's, and they lost the revenues that they had been receiving from their oil exports. They realized that over time, their import substitution policy was not sustainable. They eventually jettisoned it and joined the GATT in l986 and have been active free traders since. They have many more free trade agreements than the United States has today. In 1982 they hadn't reached that domestic consensus yet and were trying to hold on, so they didn't have the wherewithal to import in the levels that they needed, and the economy was adversely affected.

Q: What were some of the issues that would involve State Commerce and Treasury?

SLAGHT: I can't think of one at the moment, but I know we had them all the time. We had Mary Chavez of Treasury and John Rosenbloom of USTR and several people out of State. We all would meet at our level, and then there was above ours the DAS's (Deputy Assistant Secretaries) counterpart would meet. I can't remember one issue, but I know they were constant. These kind of turf issues: Who was going to do what, who was to take the lead. For me it was just an unpleasant period.

Q: From your perspective, who gets the credit or who gets the action as opposed to what are we going to do about it?

SLAGHT: The issues were not the larger issue of what our relationship with Mexico should be. It's who would implement it? Who would take the steps necessary to implement whatever policy had been agreed to? It was a real shock to me.

Q: A learning experience.

SLAGHT: Yes. It was for that reason that when I left Mexico on my last assignment, I did not want to come back to the Commerce Department. I think probably I could have been the DAS or the Acting Assistant, the Deputy to the Director General. Those jobs at my rank were open to me, and there were few available, few other officers at that rank to take them. I knew what kind of issues I would deal with, and it just wasn't for me.

Q: Life is short. You took German for six months?

SLAGHT: Thirty…no, twenty-four weeks. That's six months, isn't it? That's right. It didn't seem that long. I think it's now thirty weeks. I did well. I came out with a 3.3 and went off what turned out to be the best assignment of my career.

Q: You were in Munich from when to when?

SLAGHT: '84 to '88. Summer of '84 to spring of '88. Not quite four years.

Q: Talk a little bit about the Consulate General in Munich first. What was his name, do you know?

SLAGHT: He was a pleasant man who had very little interest in the commercial side, allowed me to do my thing there which was focused mainly on the many trade fairs the Germans have. If I needed him to do a reception, he'd do it, but there wasn't the kind of close, personal relationship that I had certainly in Montevideo. I had less in Panama, maybe because it was a shorter period. It was only two years. I think it also was a function of the personalities. This guy was pleasant.

Q: When you got there, Germany was a very mature commercial country. They've been around. They've said a lot of things. They've got also a lot of rules and regulations. How did you find dealing with the German apparatus?

SLAGHT: I think my best experience with the Foreign Service was in Germany. I had a very good staff. The staff was made up of six locals and one junior officer, an American woman. German Nationals, three of which were older, had experienced the war or the immediate aftermath of it, and the other three were young. It was very interesting to see the work ethics of those two groups. The older group was committed to the United States. At the end of the war, the U.S. geographical region of control was southern Germany, so they were active in Bavaria. They knew what the U.S. had done for them. The younger generation only had read about this, perhaps, and were nowhere near as committed. I'm still good friends with the senior FSN. In fact, I saw her this past spring. I went over for the 20th anniversary of a church we helped start there. She is still involved in a program that I helped her get involved in in Munich in 1984. That is export control. One of our principal concerns with the Germans was the transference of dual-use technologies to eastern block countries or to communist countries. Germans are active traders, and they could care less sometimes about our rules. So we established a very…turned out to be a successful program to educate large German companies on the U.S. rules, so that if they used U.S. technology - and most of them did in one way or another - under what conditions could they then take their products that have incorporated U.S. technology and sell them to Romania or east Germany or Poland, whatever. We did a series of lectures to trade organizations that had a wide spectrum of industry members, and we targeted very specific firms. Siemens's headquarters is in Munich, for instance, and we spent a good deal of time with Siemens people. That program was very successful, very useful.

Q: This was?

SLAGHT: Co-Com.

Q: That's right, Co-Com which set the…was sort of the filter for the program.

SLAGHT: Yes. Co-Com were the international guidelines that we all had adopted, but they weren't necessarily equally applied.

Q: How did you find dealing with the various firms, I mean, Germany has an intricate set of relationships between their unions, and their companies and all. Did this get in your way or not?

SLAGHT: No. Our client base has multiple focus points. We're interested in the local agent or distributor that sells U.S. products. We're interested in the U.S. investor who has investment in the region, and we're interested in the large German company that uses our products, and maybe resells them. We did different things for these different clientele. Siemens was just making large investments in the United States in the mid-'80's.

Q: Siemens being sort of the equivalent of General Electric wasn't it?

SLAGHT: That's right. Very large, into all sorts of high technology equipment. At the senior levels they wanted to be a good corporate citizen, wanted to abide by all the

regulations on high-tech componentry that we sold them. I wouldn't say we were feared, but they were careful how they handled us. A report back from us that we suspect Siemens is shipping Digital Equipment, VAC computers to Poland without proper authorization would have done serious damage to their export interests. We were always well received, carefully handled. I wouldn't say there were very strong personal ties anywhere with these companies. On this visit back to Munich in March of this year, I had lunch at the senior FSN's home, and she was saying once in a while she runs into this one German -- at the time he was a mid-level manager -- he is now senior manager of the company, and he comments how helpful our office was to their long-term business interest with the United States.

Q: How could your office find out that maybe Siemens night be sending off equipment that shouldn't be sent off, or any other firm.

SLAGHT: Competitors are tough. This is part of the way that information is gathered. They just won this deal in Poland. Are you aware that they're probably using your computers to do this? Sometimes some levels of the firm wouldn't be as knowledgeable of our rules as they should have been, so we'd be talking about this that and the other, and somebody would casually mention some shipment of whatevers, and we could go back to Commerce. Are you aware, did they get a re-export license to ship these 20 digital machines to Romania?

Q: Noooo, hadn't heard of that! I realize this was being taken care of in Brussels and elsewhere, but from your perspective, how were you viewing the commercial prospective. The European Union was getting bigger. Was it the union then or was it community?

SLAGHT: Community still, probably.

Q: They were drawing up all sorts of rules and regulations. Were you seeing within this inhibitors to American goals, the beginning more of a closed market?

SLAGHT: This was the mid-'80's, and I wouldn't say that that attitude was prevalent then. We were continually concerned about these Rules of Origin that prevented the use of some U.S. goods, technologies, because of the requirement for a certain percentage being European. Perhaps there was concern about some standards being written that night have had negative impact on our trade, but those issues really developed later as I recall them. Now again, I did less on the policy side in Munich than I had done in either Panama or Uruguay, so these things may have been going on in the economic section of the embassy in Bonn, and I was just unaware of them.

Q: When you were in Munich, did that cover all of southern Germany?

SLAGHT: *Just Bavaria. We had an office in Stuttgart that handled Bonn, Brittenburg, then offices in the north.*

Q: What sort of trade fairs were going on?

SLAGHT: Germany is known for its trade fairs, and the Munich International Trade Fair Authority had a plethora of trade fairs in different sectors: Sporting goods, firearms, pet supplies, apparel. They had a U.S. manager who lived in the United States who recruited for these shows, for the Munich Trade Fair Authority. Gerald Coleman. He and I became good personal friends. We remain good personal friends. His sons now run the company. They're still active in Munich and elsewhere around the world. They would recruit U.S. participants for these shows, and then we would go to the shows and give a briefing on how to do business in Germany, and he'd give us a booth in the U.S. Pavilion where we would help companies either do interpreting for them or take them by the hand and say this is a great distributor here, you ought to use this guy, or look into this guy, and don't use this guy, that sort of practical assistance on the floor of the show. I would guess a good 40% of our time was involved in trade show work. Then we recruited…cause Germans like trade shows and they know the efficacy of them…we would recruit German companies to go to U.S. trade shows. We had one man, Bernard Kietz, who spent 80% of his time recruiting German companies to go to trade shows in Chicago or Las Vegas, New York, etc. and he'd accompany them, and he'd function as the assistant to them, to the German companies at these shows, doing what we did in Munich for the U.S. companies that came to Germany.

Q: Was it hard to get American firms to come?

SLAGHT: No.

Q: Germany was a good market. By this time I had commercial experience earlier on, and there was a real problem in that American firms were looking at well, we can export but we've got a big market here in the United States.

SLAGHT: That remains a problem. Still, only a small percentage of the firms that could export actually do, and of those that export, most of them export to only one or two countries: Canada and Mexico. We still have a major educational job with U.S. companies to show them the benefits of international trade. They level off the peaks and valleys of our own economy when we're in a low. Perhaps Europe or South America or Asia have strong growth rates, and they continue to sell the same level of product, just not in the United States. You do it abroad. When they're down abroad and the United States is hopefully up, we can maintain employment. That's still a major problem for us as a country. We have such a strong, dynamic economy that it's hard for U.S. firms to look beyond the demand domestically. You've got to deal with foreign languages, strange currencies, and will I get paid, and all these issues that understandably are of concern to U.S. firms, small ones in particular.

Q: When you were there, up until '88, how did it look the other side of the Iron Curtain? Was that just a feeling that that was going to be there forever?

SLAGHT: Yes. We had a conference in Berlin -- Commerce did -- and I went up to Berlin and took an afternoon trip over to East Berlin across Checkpoint Charlie, and we

saw what it was. The wall would fall less than a year later, but no one expected it. It came as a big surprise. No, there was no sense that that was an impermanent relation.

Q: The one entree that we had to that area I guess was the fair in Leipzig. Was it Leipzig?

SLAGHT: Leipzig had a big fair.

Q: Leipzig Fair. I realize this wasn't in your thing, but what were you getting back about the Leipzig Fair?

SLAGHT: I have no knowledge of anything. Leipzig, didn't do it. We recruited and took staff to the Hanover Fair. Large, high-tech exhibit in Hanover, the largest fair in Germany, probably still is, but we did nothing in the east. Nothing whatsoever. It was no-man's land as far as Foreign Commercial Service was concerned.

Q: Did your Commercial Officers, did you form sort of a team within Germany and get together much?

SLAGHT: Yes. We met I would say twice a year, usually in Bonn or Düsseldorf up in the north. That's where most of our offices were. The guys from Stuttgart and Munich would go north. These meetings would give us the latest from Washington and let the Senior Commercial Officer give us the new rules, whatever they might be, new programs that had been initiated. It was a good collegial relationship. I'm still friends with some of those people that were in Germany in 1984. Our Senior Commercial Officer in Berlin currently was in Düsseldorf and Bonn in that period, and our guy currently in Canada was the guy in Frankfurt.

Q: How did you feel by this time the Commercial Service? Did you feel it was a good thing to be in and a solid promotion impress you?

SLAGHT: Yes. Uniformly positive, I would say. We got very good feedback from the business community, the U.S. business community, which would ask us, "where were you guys ten years ago?" This was great. Strong support from U.S. based business, as well as businesses that had investments abroad. We still had our ups and downs with headquarters. The case I gave you on how I was assigned there was not atypical, and that's not a morale booster. So we had those sorts of issues. We had Director Generals who in my view were as much concerned about their next job as their current job. That was more the case later, I would say, in the mid-'80's than the beginning. But a positive thing. I was promoted to what amounts to an FSO-1 out of Munich, so I'd gotten a promotion recognizing that my work was regarded well. The personal situation in Munich was so pleasant for us. We were there when the dollar was over three to the mark. It was up to 3.4 at one point to the mark, so we didn't think twice about going out to eat or taking a trip to wherever, to Vienna or Salzburg. We went to Rome and Paris and all over Germany. Some weekends we'd just take off and go and really got to appreciate southern German countryside. We learned to ski as a family. Our two older

boys learned to ski there. Our third son was born there. We still have very close friends there. We helped start a church as I indicated that had its 20th anniversary in March of 2005.

Q: What kind of church was this?

SLAGHT: It's an English speaking Evangelical Christian church, all sorts of Christian denominations attend: Catholic, Episcopal, Baptist, Methodist. Two of the group were from the Episcopal Church there in Munich. It got started because my wife was active in Cub Scouts, and the Cub Scout Leader was a member of this Anglican church in Munich, and they got talking one day. We were attending the base chapel and weren't really happy with it, and he was unhappy with his church. Soon we had six couples who were unhappy with where they were attending, so we started having Bible studies in our own homes, and it grew to the point where we had enough people to put out a call for a pastor who would raise his own income in the United States and come over, and he did. He came in 1985. It is called the Munich International Community Church, and has grown to 350 to 400 people now. That was a very rewarding part of the experience.

Q: How did you feel from talking with your other colleagues in the Foreign Commercial Service by this time? Were there conflicts with the economic sections of the embassy or was this pretty much a routine part of the process?

SLAGHT: There were conflicts, I would say, where there were large economic sections. Where there were small economic sections, there weren't conflicts. In my view, the issue was that the nature of Foreign Service promotion requires you to have a strong annual report, and that requires activity and the ambitious State Department guys would fight for turf. Where there was plenty of work, this did not happen. There was usually more work than all of us could do. But there was less work in large sections and that usually caused problems. To the extent that there were personality issues between the head of the commercial section and the economic session, that would exacerbate the atmosphere. We had no problems with the consulate in Munich, but I know in Bonn there were issues to the point where when the Ambassador called…when the ambassador was told of an officer coming out of Canada where there had been problems, to Germany, he asked to see the commercial officer senior guy first and was told in no uncertain terms there'll be no internecine battles between you and your economic colleagues under my tour. Is that correct, Mr. Bligh? Jack Bligh was the commercial officer coming out of Canada, going to Germany. Jack had a very strong personality, and there were problems there as it turns out.

Q: I can't think of anything else on that. Then in 1988?

SLAGHT: In the latter part of '87, early '88, I was asked whether I would curtail yet again -- I curtailed once in Panama -- curtail and go to Toronto to be our head of our Toronto operation which was the largest in Canada. I wanted to go to B.A. as the head of our B.A. operations.

Q: What is that?

SLAGHT: Buenos Aires. I hemmed and hawed, and they finally said, "look, this is a good job, the U.S. will have a free trade agreement with Canada. We really want your leadership skills there." So I said okay. This was good for my wife, it brought us back to North America, 8 hours from New Jersey where her parents and sister lived, and this was something she was interested in. This was one of the few things I could do for her. So I finally relented, I said okay. We left in March of '88 and went to Toronto.

Q: And you were in Toronto from when to when? '88 to…

SLAGHT: …to the summer of '91 where I was asked to curtail yet once again to take on our Moscow office, but that's for next time we meet I suspect.

Q: Let's talk about Toronto.

SLAGHT: Toronto was a wonderful place, a good staff. For once I could deal in English which was nice, a respite from struggling with German sentence structure and verbs. An international city that had a lot of the flavor of being an international place, and in a very interesting time. In l988 there was a national election in Canada, and the principal issue was whether Canada would join the United States in a Free Trade Agreement (FTA). The local party opposed it, and the conservative party supported it. There were major debates in the society on the pros and cons of coming so close together with the United States, what it would do to its cultural industries, what it would do for its business sectors, what it would do for resolving the necessity to restructure much of Canadian industry so they'd be competitive with what they viewed as more competitive U.S. sectors. Fascinating time. Wonderful time to be there. We helped organize a group in Toronto of business leaders who supported it. I got to know some key business leaders as a result of that organization. Eventually they voted for the FTA, for the Canada -- U.S. Free Trade Agreement, and it's now almost uniformly supported in Canada. I gave a speech there just last month on NAFTA which is the son of the Canada -- U.S. Free Trade Agreement. One of the things I said was one of your parties was strongly opposed it. As soon as they came into power years later, they firmly adopted it, and even some of the labor unions support it. There are still some groups, the academics, who were concerned about the cultural infiltration of U.S. values into their country, but you see very little of that going on.

Q: First place, this is the Bush administration essentially. How…

SLAGHT: Reagan and Mulroney who was the conservative prime minister who won in '88 were two Irishmen who liked each other, who got along well, who sang Irish tunes when they met together, and the relationship between the two governments was excellent. We had our soft wood lumber issues and other trade issues, but they were minor compared to the overall relationship and the overall trading relationship.

Q: This was something that was on the front burner of both North and South administrations, and Bush …

SLAGHT: Yes. Reagan started the good feel if you will between the two countries, but it was Bush who really brought the economic relation to a head with the Free Trade Agreement. It wasn't nearly as close when Bush was president. Bush is not the warm touchy guy that Reagan was, so the relationship wasn't that personal, but it was a good one.

Q: Why was Toronto so important? You think of Montreal as being…maybe not… Is Toronto the main business…

SLAGHT: Yes. If you're our age, you think of Montreal, but if fact, with the Separatist movement in Quebec for now 40 years, a lot of the business in Quebec has moved to Ontario. They didn't want to fool with Separatist issues and radical nationalist groups in Quebec. A lot of the banks…most of the banks…are now headquartered in Ontario. Ontario is the manufacturing center of Canada. The GDP of Ontario is just about as large as the rest of Canada put together. It's where the manufacturing base is and where most of the commercial activity remains today.

Q: I've interviewed others who have served in Ottawa where sort of within the chattering classes or the academic pacifists there was a significant amount of anti-Americanism. You define yourself as Canadian is not being an American. How did you find this?

SLAGHT: Toronto is the focus point of this. University of Toronto, the Toronto Star, the Globe and Mail. These are three elements of the culture in Canada that dominate the anti-American spirit. We saw a lot of that there. It came out in the election of '88 from the liberal point of view. I collected campaign literature from that period and used it in my class on NAFTA at George Mason University I taught several years ago and reminded me of the vehemence in which the socialist class or the liberal class in Canada feared United States dominance politically and culturally. It's still the case. In fact, it's probably more today given the differences on the war in Iraq that we have. The differences on the appropriateness of gay marriage set us now apart further.

There is no American Chamber of Commerce in Canada. Why, you ask? Because the U.S. companies in Canada want to be viewed as Canadian companies, not American companies. In many U.S. companies, you won't see an American flag flying on the flagpole outside. You'll see the Canadian flag. To this day there's not an American Chamber of Commerce in Canada. There is a group that we started to support to Canada Free Trade Agreement, the Canada -- U.S. Free Trade Agreement that had U.S. companies and Canadian companies involved, but that did not become the germ of a large organization across Canada. It folded after the Free Trade Agreement was agreed to.

Canadians aren't really clear who they are. Quebeckers know who they are, but the rest of Canada has problems defining themselves unless it is *vis a vis* the United States, and

then they're more clear. They view themselves as having a more representative government, a more functional government, Parliamentary system they view as more effective than the system of checks and balances that we have in our system. They view their social safety net as more deep, their net being more finely woven than ours. They pride themselves in their universal health coverage and they talk about how you can live with 40,000,000 Americans without health care insurance. They argue that their concern about the environment is greater than ours. There is a bit of "holier than thou" attitude *vis a vis* the United States in general. You'll see this particularly in universities and in the intellectual classes and the journalistic elite in Canada. You'll seldom see it or hear it among your friends. They may think it, but they seldom say it.

Q: How about in the schools?

SLAGHT: We had a very good experience. It was a mix. In Toronto our boys went to a public school for a year, and then we transferred them to a private school. We didn't have any issues there that I can recall. They didn't. Our younger boy years later in Ottawa did have a little bit of that, but mainly because he had been born in Germany they called him a Nazi. This is third grade stuff. We put him in a private school in Ottawa the next two years, and he had a wonderful experience.

Q: Did you get involved in the place where the Canadians seemed to be particularly sensitive? I mean, newspapers, magazines, books, that sort of thing. Was that brought to your desk?

SLAGHT: It was one of the sticking points of the negotiations for the Agreement. The Canadians said, you will not impact our cultural industries negatively. And we said, if you restrict our access to your cultural industries, we will take action against you. We left it at that. As far as I know, we have never taken trade measures against Canada for their restrictions on advertising in Canadian magazines or U.S. magazines that circulate in Canada, preventing radio broadcast or television access. I listen to Fox News here on occasion, and they announced just a couple of weeks ago they now are in Canada. This was nearly 20 years after the Agreement. The local ambassador here in the Post -- did you see the Post the other day? -- he was saying that one of his jobs in the United States is counter the Fox mentality that Canadians frequenting the United States pick up about the relationship. He wants to set matters straight because Fox is not telling the story that should be told in his view.

Q: As Fox being or rather, Rupert Murdock operation is considered by many Americans to be very right wing and very pro-Bush administration by those who don't like Bush, and that would be the Canadians in particular. Must be anathema.

SLAGHT: For some it is, for others it's a rare hope. One thing about Canada is that there are sections of the country who tomorrow, if they could, would be our 51st state. Alberta, for instance. They, I'm convinced, if the election were held today or even when we were there, because they are very unhappy with the new energy policy that the Canadians instituted back in the early '80's, and still are unhappy with central government control.

These guys are Free Traders and entrepreneurs, and they don't like the meddling that Ottawa does in their affairs. The same could be said for some of the Atlantic provinces, Nova Scotia perhaps.

Q: I'm told the Boston Red Sox are the *team of neutralization of Nova Scotia. Boston was essentially their capitol.*

SLAGHT: That's true.

Q: *How did you find dealing with the Canadian state of bureaucracy?*

SLAGHT: Very good, very easy. It became even a better relationship when I went to Ottawa years later. The Canadian government was interested in this Free Trade Agreement, and we worked closely with Ontario provincial officials and to the extent that I was involved with federal government officials with trade commissioners from the federal government, to promote the FTA.

Q: Was a lot of your work sort of cheer everybody up and say this is a good thing, or were you dealing more with nuts and bolts?

SLAGHT: We had to be a little careful how we proceeded, because we didn't want to be viewed that if we wanted it so much that maybe Canadians would say it's not in our interest. There was careful handling of it, but the circles I ran with were, by and large, so strongly supportive of it that I didn't really need to parse my words at all.

Q: Were there any particular issues that engaged you?

SLAGHT: How to promote the FTA after it was agreed to was the primary function of our office in '89, '90 and until I left in '91. That involved much speaking in the United States to U.S. Chambers of Commerce and trade groups of one kind or another about the opportunities in Canada. I didn't spend as much time in the U.S. as in Canada, but I spent a lot of time in the U.S. doing speeches at events organized by our domestic operation. We are an integrated service. We have offices not in all but in most of the states. This was a hot topic, a priority, for the administration, so we were required to organize, to the extent possible, regular sessions on selling to Canada. My office and our Canadian office in general was called upon to be the primary speakers for these things. We would go to Detroit or to Grand Rapids or Des Moines and do speeches on how to do business in Canada, how to abide by the Rules of Origin. My experience with Rules of Origin helped because I was able to explain these systems and how it is important to keep documentation and have proper records in case you're audited, so that you can show where your imports came from to avoid fines. I did a lot of that and ended up getting into the Senior Foreign Service on the basis of that experience in Toronto.

Q: Did you run across the problem that happens in both Canada and Mexico and our representatives or whatever part of the American government find that each department in the United States and other organizations essentially has its own diplomatic relations

with the Canadians. Somebody in the Commercial Department may call it "Good old George", I mean, he's known for years. This has gone on for…did this compete with you?

SLAGHT: That happened on policy issues. My former friends in the Office of International Trade Policy who helped negotiate this agreement got to know even better their Canadian colleagues and would do that all the time. But, by and large, that did not involve particular company issues, micro-issues if you will. That involved macro-issues, policy questions, how to interpret the agreement in this sector or how to implement it in that sector. That went on all the time. As a matter of fact, the head of the Canada-Mexico office, when he retired from Commerce, was on the payroll of the Quebec government for a couple of years and he advised them how to deal with the United States.

Q: Were there any particular industries or products that engaged you in lots of things during this transition time?

SLAGHT: The automotive industry is the largest industry in Ontario, and it's really inter-company trade. It's GM engine manufacturing in Indiana selling engines to GM in Oshawa where they put them in Buicks or whatever and finish assembling. Or it's transmission manufacturers in Toronto selling transmissions down to Ford in Dearborn or whatever. A lot of the interest in U.S. firms in the automotive sector who weren't involved in this trade, wanted access to this trade which they thought would continue to grow as in the past. Our role by and large was to give them contacts in the procurement divisions of the U.S. subsidiary in Canada or the Canadian subsidiary in the United States. We had trade shows in Canada, and the environmental field was very active. We had very interesting technologies in the environmental field, and governors would organize, for instance, the governor of Vermont -- I forget her name -- came more than once to Ottawa with missions with environmental technologists that had been developed by firms in their state, and that was very well received. We did some recruitment of Canadian firms for U.S. shows like we did in Germany. But we found that Canadians were so used to going to the States, and they have the language, that they did not need our services. So, we spun our wheels a little bit in trying to do these things when we found out they didn't need us. They'd go to Chicago without giving a thought to it, so we eliminated that program shortly after I arrived.

Q: This is probably a good place to stop. We'll pick this up in '91. Where did you go?

SLAGHT: I went to language training at FSI and then to Moscow as our Senior Officer.

Q: Today is the 29th of July 2005. Dale?

SLAGHT: I began at FSI, and I guess there were three others in the class and, I would say, six weeks into it, Commerce determined that I needed to be in Moscow before the full course. If I completed the full 44 week course at FSI, I wouldn't get to Russia until after Commerce wanted me there. It's always the case. They always want you there faster, and then when you get there you realize you didn't need to be here. Endemic. So they put me in the Defense Language Training. DLS. I had a tutor for 28 weeks. My tutor

was a very interesting woman from St. Petersburg. It was very difficult. When you're in a class with three other students, it's your turn only on the fourth time, but when you're solo, you're on all the time. She didn't know much about the testing procedures at FSI. I'd gone through Spanish and German at FSI, and I knew what was at the end of the road. So I had to tell her, in a sense, we need to work on reading or we need to do this or we need to do that. She was willing to do it, but she didn't have the background to take me through the test. I ended up with a 3/2+, just missing the 3/3 that I needed for the language differential. I got some, but it wasn't the full amount, and I didn't get the full 44 weeks, I think I got 36 weeks or 32, something like that, but I had enough to get by. When I got there, I took Russian in the mornings before my office opened for an hour, three days a week, but even that I curtailed after, I guess, about six months.

Q: You were in Moscow in what, '92? And until when?

SLAGHT: Till the summer of '95. I arrived the summer of '92, and I left the summer of '95.

Q: What was the state of relations between the United States and…we're talking about Soviet Russia, weren't we?

SLAGHT: Yes. That was a big disappoint to me, because when I was assigned the position, of course, I was assigned to the USSR which included Russia and all the other republics, and when I got there, I was in Russia alone, so I missed having responsibility for very interesting places I would have liked to have visited. Ukraine I did go to, but I never got to Kazakhstan and Uzbekistan in particular.

Relations were pretty good. Yeltsin was in charge of the government. There was a pretty good understanding between our two governments. The Vice-President met every six months with the Russian Prime Minister.

Q: Al Gore.

SLAGHT: That's right, Al Gore. He met with Prime Minister Viktor Chernomyrdin every six months either in Moscow or in Washington. We had the leadership of the House, both sides of the House, come every Easter, and the commercial side was very busy. U.S. firms, maybe not unreasonably after the wall came down in the early '90s, believed there were billions to be made in Russia, either through the use of Russian human or natural resources in the country. Russia is a highly educated society: Metallurgists and scientists and mathematicians and computer programmers and, of course, they have oil and gas and diamonds and uranium and titanium out the kazoo. So many U.S. firms saw this as an opportunity to get in early and get in big and make mega bucks. Well, I think only the firms with the deepest pockets made it, and I don't think they made the mega bucks over there. Maybe in the long term they will, but they found working in Russia very, very difficult. The rules, this is a state that had not had any capitalist experience, and the rules of operating were constantly changing, the personalities changed, and, of course, these guys looked to the U.S. Embassy for

guidance on what to do and whom to see and what to say, and we were almost as much in the dark as they were. They called on us. They called the ambassador if the U.S. rep was a CEO, and we did our best to guide them. They'd tell us they'd go into meetings with the minister of this or the vice-minister of that and halfway through he conversation, the Russian official would take off his official government hat and put on his private sector hat, and he says my brother-in-law or my brother is in business out there or up there in Siberia, and he can take care of this problem if you'd work a deal with him. And we had the issue with foreign corruption. We had to deal with the Foreign Corrupt Practices Act that prohibits U.S. firms from doing things that other nations can do in terms of greasing the skids with government officials on contracts or things to be done. The relations between the two countries were pretty good at the time, but the pressure on us and the demands on us were considerable. I worked regularly six days a week and sometimes I was in on Sunday afternoons. Very stressful. Then we lost holidays because we'd have Presidents visit us, or Congressional delegations or my own secretary. Very stressful time.

Ambassador Strauss, Robert Strauss, was ambassador when I first arrived. He's a wonderful man. Very interesting, full of anecdotes which he shares with staff. We had a very good relationship. He regaled us once when he made his first call on the KGB. The new head of the intelligence service renamed brought to the meeting a little bag. In the bag, which he gave to Ambassador Strauss, were all the kinds of listening devices that had been implanted in the concrete walls of the embassy building that had been constructed in the end of the '80s and now stood as a vacant, unused facility on the embassy compound because we found out subsequently that it was bugged. Strauss was very supportive of the commercial operation. Anything he could do to help, he would do. Then we had a little bit of time with chargé Collins -- Jim Collins was the chargé before Tom Pickering came. Collins was an excellent chargé, and he was the ambassador after Pickering left. A good man, years in that part of the world, knew the Russian language well. A good man, we got along very well. We lived just two doors down from each other on the compound. A good man.

And then Tom Pickering came. Tom, of course, has a great reputation in the Service. We did some things with him that were useful. The business community was new, of course, not very large, but very interested in having contact with the embassy, so I organized regular once a month breakfast briefing, in my house that Ambassador Pickering would come to and brief the key business leaders about what was going on. I helped establish an American Chamber of Commerce in Russia while I was there and got a real nice award on my departure for that activity. Pickering reminds me of an anecdote that's worth telling. Toward the eighteenth month of my tour there, I hadn't been out of Moscow, I hadn't been out of Russia. Traveled all over Russia, but never out of Russia, and I really needed to get out with my family. So we decided we would go on a cruise over Christmas, we would go home to the States, go over to Miami, get on a boat, and just be served. Out of the winters in Moscow and the lousy service in the system there. So I made these arrangements in the summer and then hoped circumstances would allow me to leave. Well, the closer we got to December, the more talk there was about Secretary

Brown bringing a mission over here to Moscow. I knew his staff well. He had been there once before.

Q: He was the Secretary of Commerce.

SLAGHT: Secretary of Commerce Ron Brown. I knew his staff well from other trips, so I was in regular contact with these guys. Is he coming? Is he not coming? What's the story? They didn't know. It was going to be a last minute call. Go ahead, I was told, and make your plans, Dale. You have staff to cover if the Secretary does decide to come. So, I said okay. I went off, had my home leave, came back, only to find out that Brown had come, and Pickering never forgave me for that. The next time Secretary Brown came to Moscow, he and I met Secretary Brown and the airport, and the first thing out of Tom Pickering's mouth was, "at least Dale is here this time to meet you, Mr. Secretary". My wife, who worked in the personnel office, had regular dealings with Alice Pickering on staff assignments there, and she would razz my wife about, you guys left at the wrong time, didn't you. Anyway, I think Tom Pickering never forgave me for that. He would organize groups of senior officers to go off on driving trips for a week or longer out in the hinterlands. They'd take these vehicles with cans of gasoline strapped to the top, and they'd go off. The stories we'd heard they'd drive way faster than should be driven on those roads. One time one of the cars turned over, and no one was injured or gasoline didn't explode. He always tried to corral me to go on one of those, but I just couldn't see risking my life going on one of those things, so I didn't. He was a good man, but I was glad in July of '95 to be on Delta out of there. It was a very difficult assignment.

Q: Did a businessman, let's say a representative of a major business, would come to you... We really are interested in the Russian market. What do you recommend? What were you seeing as the challenges and the ability of American business?

SLAGHT: The large companies with senior executives knew precisely what they wanted to do when then they got there. They didn't necessarily know how to do it, but they knew what they wanted to do. I remember some Microsystems people coming over from California once, and they had brought a software problem that their software people in Silicon Valley had been unable to solve. They gave it to a group of Russian programmers, and overnight they solved this problem, and the Sun-Microsystems people were blown away. They hired 150 of them to do programming over there for them. Smaller companies were more interested in establishing a relationship with a local firm who would help sell their product. We established a weekly briefing for newcomers, new business-comers to the Russian market to Moscow. Our briefing was carried on CNN. We opened offices in St. Petersburg, in Vladivostok, and in Yekaterinburg, Siberia. A whole series of American Business Centers, ABC, financed by AID, were set up all around Russia and into the former Soviet Union staffed initially by American contractors and later taken over by our local nationals to provide on-the-spot way out in the hinterland counsel, advice and contacts.

Q: This a period when ??? the whole Russian array of businesses and firms and natural resources were being taken over by what was called the Mafia, the Russian people were

very good contacts in the government but also were pretty rough in dealing quickly with their own people. Was this so?

SLAGHT: A fellow named Anatoly Chubais, a very capable man, was set up in an office of privatization, and government owned facilities were sold, were auctioned off, to private bidders. This caused undue concern particularly by the Communist Party and former Communist Party members who thought that this was giving up the jewels of the economy to the private sector which in their understanding of the way things work would be difficult for labor and contrary to the interests of the state. He still is, the poor man, he's in the government now. I think he heads their utility sector there. He still has to fight off charges of corruption, charges of favoritism, even though that whole privatization effort took place ten years ago, over ten years ago. I would say, by and large, had it not been for those privatization efforts, a lot of these firms would have just collapsed. We were told that managers of firms producing thread were told at the beginning of each year in the old regime how much thread and what color they were to produce with no sense of what the demand for that thread was or would be. This went on through all sectors of the economy where someone in Moscow determined how many pairs of pants, how many shoes. Can't work very well.

Q: Were you at all involved in the teaching or training of the capitalistic distribution system at all?

SLAGHT: Insofar as we would deal with Russian small business people and put them in contact with Americans wanting distributors or agents in Russians, I guess we played some minor role. But we didn't offer classes in entrepreneurship. AID was doing a lot of that in the health sector, in the business sector, etc.

Q: What about American firms? As a commercial officer in Saudi Arabia, and we were up against Sharia Laws back in the '50's, but dealing with a country that had it's own legal system which was not compatible with competing with capitalistic problems. How does this work?

SLAGHT: Texaco wanted to do a joint venture arrangement with a Russian petroleum firm, and they felt the only secure way they would have to satisfy their board that the deal struck would be a firm one and satisfy the long-term interest of the Board of Directors of Texaco would be to enter into a production sharing agreement that had been approved by the Duma. Something that had the formal backing of the Russian government on it so no one could say you did this somewhere up in the North Sea or whatever, and this is null and void. Texaco was working on this before we got there in '92, and they were working on it after I left in '95, and to my knowledge, Texaco never got what it wanted out of the Russian government. As far as I know, no deal was ever done. I went up with their staff to the site, up there near the Bering Sea and met with local officials. We went out to the place where the drilling would take place, and some drilling was already going on by the Russian company. I didn't attend this meeting, but they said on an earlier trip up there they had a town meeting with people in the village, and they were explaining to the villagers what benefits, what additional benefits they would have with an American firm

up their working. The U.S. firm was saying we're going to paint your school, we're going to do this that and the other thing, and a guy stood up in the back and said why do we need you to paint our buildings? If we need paint we'll just steal it from the company. That was interesting about Russia. There was a sense in Russia that everything belongs to everyone, so you'd go in apartment buildings, and you wouldn't see lights in the hallways. Why wouldn't you see lights in the hallways? Because people would steal the light bulbs and take them to their apartments. It belongs to us. Nice plants put outside in the summertime wouldn't last a day or two. Someone would expropriate them and bring them into their own house or take them out to their dachas in the country. Very interesting place. Culturally, we had a fascinating time, but it was a difficult place to work.

Q: How did you find, and did you ever make contact with the Russian people, social contact?

SLAGHT: Not too much. With my staff yes. We had Russian staff. Luckily, just before we got there, my predecessor hired four or five people. We were one of the first sections in the embassy allowed to have local staff because our offices were not in the chancellery itself. Remember the case when we had to fire all local staff because we figured most, at least a good percentage, were spies for the KGB. There were about four or five when I got there and left with 20, 25 or so, a very large operation. One incident that maybe history will find interesting. As I said, the senior leadership of the house would come every year, and this one occasion we were asked to provide the person we would control with an evening in a typical Russian house for a meal. I went to my staff and I said look, we have to do this. Any suggestions? I contact him and he was yes, more than delighted to do this. It was for Henry Hyde of Illinois. I went out to his apartment building just to check it out, know where to go. A modest place. I know these poor people worked days getting it cleaned and figuring out what to serve Representative Hyde for a meal, and the day of the event, Hyde cancelled. The day of the event. I was so humiliated to have to call this Russian man and say look, he can't come for whatever reason I made up, I don't know.

Q: This creates a problem.

SLAGHT: I never thought much of Henry Hyde since.

Q: Did you get involved with sort of protecting American business people from getting pressure or look-alike business or hoods or…

SLAGHT: We would give them advice. There was an Amcit who was a joint partner in a Radisson Hotel in Moscow. Several other partners were involved, including the City of Moscow was a partner. They tried to push him out, the American, and he refused. He lived in the hotel. He would come to receptions in a bullet-proof vest, and they eventually killed him. This was after we left. They killed him in stairs going down to the subway outside the hotel. The Canadians owned a hotel, the Aerostar, with a Russian group. The practice seems to have been once the Russians figured out how to run the business, they

tried to muscle the Americans or the westerners out. Force them out, buy them out at a low price and use violence if they had to to get rid of them. Canadians wanted adequate compensation if they were going to sell. Russians eventually took over the property, and I would guess two years later because I was in Ottawa at the time, the Russians flew a plane into Canada for some reason, and the Canadian government seized it and got their money out of that hostage, if you will, hostage with that plane for the Canadian investors. I thought it was great. Good for the Canadians, I said. You know, lots of violence, lots of unfair practices, but again, there was this drive by the west to get in there and get boots on the ground and get established because there were billions of dollars to be made.

Q: What about on the Russian side? Were they competent people or were almost competence type people trying to take over?

SLAGHT: I guess the majority of people we dealt with, certainly the majority of those whom we recommended to the Americans were honest businessmen looking for new ways to earn livings representing American firms, or the products and services of the American firms, but I'm sure there was an equal number of firms that were crooked.

The legislative branch was located in a tall, multi-story white building right across from the U.S. Embassy compound. In fact, we could walk out on our balcony, off of our living room, and throw a stone and hit the grounds, maybe two stone throws, at the White House, so we had a bird's eye view, if you will, of the developments in 1993. Anyway, a group that included the vice president of Russia, Rutskoy, decided they didn't like Yeltsin's policies and they were going to put a stop to them and turn the country back into more communist-like. They holed up there and others entered, and they demanded this and that from the government which Yeltsin refused, and finally Yeltsin brought tanks in and lobbed from the bridge that's 100 yards from the building, lobbed missiles in the building, which caught fire. People that could get out got out and they surrendered. They were tried and convicted. The firing sent us into the underground there at the embassy. Underneath the playing field is a gymnasium in Moscow. We all had to go inside the gym. We slept there I think for two nights, maybe three. We had TV access, and CNN was on, and you could see the tanks shoot and then a bit later feel the thud of the tank shell exploding. Toward the end they all tried to get out. The whole White House area including the American compound was surrounded by Russian army troops. To get in to see us, you needed to be escorted. One of us had to go and tell the troops yes, this guy can come in. We had a visit from our pastor of our church and a group from our church in Virginia who was trying to establish a relationship with the Central Baptist Church in Moscow, and they came over during this thing. The pastor, now retired, I see him now and then since he's still active in the church, still talks about that event as if it were one of the highlights of his life. There were snipers. There are tall buildings around the compound, and there were snipers who shot at Americans going between buildings. One Marine was shot in the neck. We had a good friend who was our younger son's soccer coach who got caught in the waiting area where there had been Marines but had been withdrawn, and she had to scurry in under cover. There was more excitement than anybody wanted.

Q: I watched it from an odd position. I watched it on Russian TV…

SLAGHT: Where were you?

Q: In Bishkek in Turkestan. Everybody was shaking their heads. I was there on a USIA contract. During the time you were there when you left if '96

SLAGHT: '95

Q: In '95. What did you think of Russia from the commercial side?

SLAGHT: When we arrived, there was very little gasoline to be found. A guy on the back of this truck on the road would be selling it. That's the only way you could get it. Finally, the embassy would have a big truck come in, and the call would be made in the morning, gasoline's going to be here, bring your cars in. So, you'd have to go out and bring in your Gerry cans to be filled with gasoline. There was one what we would call a supermarket run by the Finnish. Many people would buy their produce and their meats from Stockman's Department Store in Helsinki and have their purchases shipped to them. My wife would pay the bill every month, and pretty soon, at some point they sent her a letter and said look, you have excess amount in the account. What do you want to do with this account? She said, well, just send me cheese. We got cheese. She had no idea -- this was going on without my knowledge, I confess -- we got a shipment of cheese that was close to 50 pounds, 50 pounds of cheese, and we had to give the stuff away. We froze what we could and we put it in our freezer, and we'd have to give it away. She was buying more and paying beyond what the bill was. So we'd get eggs and milk and cheese and other things from Finland because it wasn't available locally. Toward when we left, there were department stores open and a few good restaurants. McDonald's was there, but there were no other western style restaurants in town when we arrived. When we left, there were several, and now I understand you don't lack for anything in Moscow for food or anything. It's come a long way. I have a lot of hope for Russia. Russian people are wonderful, wonderful people. I have a lot of respect for the suffering that they have done over the years and the ability to muddle through, to hang on desperately.

Q: They say Moscow's one thing, but you go 20 miles out and you're back in the 16th century.

SLAGHT: You're absolutely right. My wife's an artist, and we have a picture on our living room wall that she painted from a photo that I took an hour from Moscow. I'm not going to remember the village we passed through where, one hour from Moscow, where a woman in a town of, I would guess 50,000, she was drawing water from a well. Downtown. They had no indoor plumbing. Drawing water from a well. We know for a fact telephones in these towns were not very common. You get a call a guy that runs a little store, and the owner sends someone down to your house to tell you you got a call. Yet we visited military facilities, a military museum in one case, where they had the Sputniks and military technology of this kind and the other that was every bit as good as

ours, on the military side. The people may not have had shoes, but they had a first class military establishment. First class. And a first class space program.

Q: When you went there in '95, where'd you go?

SLAGHT: I went to Ottawa.

Q: You were in Ottawa from when to when?

SLAGHT: From '95 to '99.

Q: This has been an interesting time. NAFTA was in full effect.

SLAGHT: Ottawa was a wonderful respite after Moscow. After Russia. We bought a house there out in the rural area, two and a half acres. My son went to public school for the first two years there. There was a very good church which we joined and became very good friends with a lot of the people there. I played golf with a man in the church who had invited us out for first time we were there. He now lives in New Jersey, works for Nestlé's in New Jersey. We played golf regularly. We still have very close friends in Canada. We were up there last Memorial day when I gave a speech on trade issues. A wonderful place. Jim Blanchard was the ambassador when we arrived. Former governor of Michigan and House of Representatives. Good man. Did some good things. He and I got along very well. He and his DCM, Jim Walsh. We had a very good experience there. After Blanchard came, Giffin, an attorney from Atlanta who was the chairman of the Clinton-Gore Committee in Georgia. Nowhere near as effective as Blanchard was. Well over his head in my view on what to do and how to do it. We got along, however.

Q: What were the issues that you had to deal with?

SLAGHT: For Canada it really was the issue of NAFTA. NAFTA had been implemented in January of '94. We had had a Canada Free Trade Agreement since '89, but Mexico came into the picture and negotiated with the other two NAFTA members, Canada and the U.S., and NAFTA was created. As I did in Toronto in the late '80's after the Canada Tree Trade Agreement was implemented, I spent a lot of time speaking in the United States on the issue of why U.S. firms ought to be doing business in Canada. I did it with the financing of a freight forwarding firms who paid the bill and with the cooperation of Canada Customs. A representative of Canada Customs and a freight forwarder and I were a threesome, and we went to 50 U.S. cities, maybe more, and my staff did another 50 or more seminars in Indianapolis, in Dallas and in Minneapolis, Seattle, etc. on why U.S. firms ought to be looking at Canada. In fact, we called it The Canada First Program. We developed a brochure, did some marketing and it became very successful. Our idea was that if you haven't exported before, Think Canada First. Then when I went to Mexico everyone said well, I suppose you're going to change it and have Think Mexico First. We had an interesting time.

Q: Were there any issues that cropped up promoting this. Were there any particular issues that came up as being Canada and American trade?

SLAGHT: One issue that we dealt with was called the Rules of Origin. When you have a Free Trade Agreement with another country, you have to determine what goods qualify and what goods don't. If you have a Czech product coming into Canada and it's merely transferred from Canada to the United States, that's not a Canadian product, so it shouldn't qualify. A very serious, a very complicated series of rules were designed product by product, tariff number by tariff number, on what products qualify, under what conditions these products should be given the preferential treatment within the Free Trade Agreement. There were serious penalties if you shipped a good, claim NAFTA status, and it doesn't qualify for it. So, firms have to keep records of what kind of inputs they have into the final product that's shipped. They have to keep documents on the value and, in some cases, from where goods came. For instance, if you put together a suit made from material from the United States, it qualifies even though the final assembly is in Canada. The apparel manufacture would have to keep track of the cost of the zippers and the buttons and the fabric and all this and where it comes from. Very complicated rules, but we spent a lot of time helping firms understand those rules to avoid the penalties which were serious.

Q: Was there an appeals process that you often stood by?

SLAGHT: One of the benefits of NAFTA was the establishment of, if you want to call it, an appeals court where you didn't have to get attorneys and the local courts involved either in Canada or the United States. There were NAFTA panels set up. If I remember the rules correctly, five member panels in some, maybe three in others. If there are five members, two from each country and they would alternate among the panels who gets the third member. They'd study the case and determine whether the laws of the country, whether the Commerce Department, for instance, and the International Trade Commission, in a dumping case or a subsidy case followed its own rules, and whether the assessments, judgments, made by those two parties were fair. We got overturned on some, we won some, but the process was in a sense a way to channel all this anger and furor into a quasi-judicial effort that took the heat out of a lot of the bilateral relationship. We have more than a billion dollars a day traded between our two countries, every day, 365 days a year. Most of that trade, 98% of it, goes without a problem. It's only the few cases, softwood lumber and now we've got cattle issues and occasionally a car issue, car parts, raise problems. By and large, it's a fairly good trade relationship.

Q: More with Mexico, but also with Canada. There have been tremendous concerns with Canada, more than the United States when we have the…what was the North American Treaty…what was the first trade…?

SLAGHT: The Canada-U.S. Free Trade Agreement.

Q: This is going to allow the American firms to take over the country and all. By the time you got there in '95 to '99, how were things holding out?

SLAGHT: The Canadian federal government, which had opposed initially this agreement with us when it was in opposition, was now very supportive. They had campaigned on a promise to study the whole thing and maybe turn it around. They realized very quickly that this was in Canada's benefit, this was to Canada's benefit, and had been that way. It's not an issue in Canada any longer. NAFTA has been a success for the United States and for Canada. One could argue it's been more of a success for Canada. It had its deal with the United States. They didn't need to do anything. Maybe there were some ways the Canada-U.S. Free Trade could be improved. They didn't like some of the dispute settlement procedures that had been agreed to, but they didn't want initially to join Mexico in this relationship. They did eventually because they feared that the United States would become, if you will, the hub of investment decisions in North America. Firms that wanted to enter into relationships, business relationships, in North American, could only go to the United States if they wanted to trade with both countries, because United States had an agreement with Mexico, and the United States had an agreement with Canada. If Toyota, for instance, wanted to put in a new car plant, where would it go if you wanted to sell both to Mexico and Canada? There was only one place it could go -- the United States. Canada and Mexico would become spokes in this wheel with the United States as the hub, and they were right fearing that. Toyota just made a recent decision not to go to Alabama, but to go to Ontario, and that would not have happened had it not been for NAFTA because NAFTA gives Toyota the rights to sell into the United States so long as they meet the Rules of Origin just as if they were making cars in Alabama.

Q: When you were there was the issue of too much American…?

SLAGHT: Canadians are very sensitive to their cultural industries. The folks that were the loudest opponents to the Canada-U.S. Free Trade Agreement initially back in the late '80's were the intellectual elites: the professors and the journalists, the elite media, very concerned that they would be overrun by American culture. I find this so interesting because there are so many Canadians: Morley Safer and Peter Jennings and a half a dozen comedians are all Canadian. You'll never hear a peep from us about the infiltration of Canadians into our culture here, but boy, was it an issue in Canada!

Q: Did you get involved in this thing?

SLAGHT: No, not so much, no.

Q: Did you see a change in attitude toward Americans by the Canadians?

SLAGHT: I'd like to say yes, but I don't think so. There will always be under the surface for many Canadians a little tension with respect to us. We're the big boy next door. They're always a little more sensitive about what we do and how we do it because it might draw them into something that they don't want to be drawn into. They are very careful to promote multi-nationalism. They're big on international organizations to, if you will, thwart the overbearing United States in the bi-lateral relationship with them.

They're very big in the United Nations, very big in other international organizations. They joined the OAS in the '90's to play a role there. They hadn't been a player before. We might feel that way with the tables turned.

Q: What about commerce? Did the State Department around that time change its structure and put Canada into essentially North and South American?

SLAGHT: This was devastating for the old-line State guys who said my God, we aren't in EUR anymore, we're in the Western Hemisphere down there with Bolivia and Chile? This was a big…on the margins I heard the discussions and had to chuckle. I think the transition worked well, and I don't think there were any substantive issues.

Q: Did you get involved in any commercial problems with commercial relations Cuba and Canada?

SLAGHT: A law was passed…

Q: Helms-Burton…

SLAGHT: Helms-Burton. That would somehow punish Canadian businesses that did business with Cuba, particularly in areas where our properties had been expropriated. For instance, an American company owned a hotel there, it's later taken over by Canadians, and they're doing business with our property in a sense, with U.S. private sector property. There was a case once where the son or daughter of an owner of one of these properties in Cuba was a Princeton student or was planning to attend Princeton. What was the embassy going to do? What advice were they going to give the Department on how to handle this? I frankly don't know how this was resolved, so I…in the end, but I know it was an issue, a sensitive one, because the businessman was clearly someone that needed to be handled delicately. I know it was an issue. Canadians are big investors in Cuba today, remains so, primarily in the hotel business there.

Q: In '99…?

SLAGHT: In '99, I was all set to go to London. I thought that was where my assignment was to be, my last assignment. I was then a career minister, and there was only one other career minister, and he was already on assignment. We only had two. But I had such strong credentials for Mexico, unfortunately, and Mexico was on my bid list, last, but it was on my list. I lived in Mexico, I was the Mexican Office Director in the Department in the early '80's, and I knew NAFTA issues which was now Mexico. We had some problems with our operation there, and they said Dale, I'm sorry, we have to send you to Mexico, so that's where I ended up. I was disappointed at first, but I had a very good tour there. It was a very interesting challenge in Mexico. We drove there and back and forth all the time.

Q: You were in Mexico City from when to when?

SLAGHT: From August of ’99 until late June of 2002. Three years.

Q: That’s when you were there?

SLAGHT: I came back to Washington, spent a year as a Diplomat in Resident at George Mason University teaching and then spent two months in the department doing a project, and then I retired at the end of the year.

Q: You said you were sent to Mexico, and there were lots of issues. Major issues.

SLAGHT: In Mexico, we’re not in the Chancery. We had our own building, a large building which has a trade center. Offices on the second floor. The idea of the trade center when it was built in ’82 was to provide a place for U.S. firms to come exhibit their products to sell to Mexicans, and be in a setting that we control: language, entry of the goods, etc. It was a good idea in ’82. But by the late ‘90’s the Mexicans had built these enormous trade centers around, exhibition halls, first class, world class facilities, and more were being built. By 2000 there had been an earthquake in Mexico, and a lot of buildings around our facility in downtown Mexico were damaged. It was kind of a marginal area for an exhibition center

Q: And traffic, I guess.

SLAGHT: There was no place to park. Also, there were I would call them, businesses of ill repute not far away, and the demand for our facility was falling. What to do with a big staff that ran this facility and the facility itself? So the first year I was there, we lost $500,000 on this thing, and I saw no end to it. So I said, we have to close this place down, fire these people. Not fire them, but let them go. We had people there that had been thirty years working the Trade Center. They hadn’t done anything else for a career. It cost us mega bucks, but we did it well. We worked very closely with the Embassy’s personnel people to follow the legal steps required under Mexican law to give notice, to help them find new positions if they wanted them, and we closed that location down. We moved USIS, which had a facility behind our building in a building that every time there was an earthquake, they wondered whether it was going to stand up. It needed mega bucks to keep standing. So we moved them into our facility. It saved the USG a ton of money, got us out of a business we didn’t need to be in any longer. There were plenty of other trade show facilities around of town. It was very hard on the staff, however. We lost, I think, twenty people. Some left bitter and mad that we had to do this. We took as many as we thought we could justify -- the good ones that we thought we could retrain into different functions. It was a very interesting management play, and I got a lot of satisfaction out of doing it and doing it well.

Q: *How were things running with the Mexican-American Free Trade Agreement?*

SLAGHT: Very good. Canada sends 90% of their exports to the United States, probably 90% plus now. Mexico approaches that now, too. They are very highly dependent on the U.S. economy which can be risky for both countries, but they are. A lot of U.S. firms

have operations there. We found, for example, in the textile area, that U.S. firms in North Carolina shut down their operations that required a lot of hand labor to sew garments together and moved those to Mexico. But that increased 5-, 6-, 10-fold the amount of material -- textile fabric -- that they would produce to send to Mexico for the final assembly operation. It was a very strange phenomena where half the textile industry, the apparel industry, was supportive of us, and half wasn't. If they were integrated, then they generally supported us. If they were just in the final assembly operation, then they were against it. Very interesting. That process continues.

Q: What was your impression of Mexican both business operations and the manufacturing operations?

SLAGHT: Very, very sophisticated. I seldom left a plant where I didn't leave impressed at the quality of what was being done and the quality of management. Ford has an assembly operation in the northern city of Hermosillo, the state of Sonora. That plant is now the model plant for Ford around the world. They bring in management and labor teams from their operations around the world to see how it's done in Hermosillo because it's done so well there. Chrysler opened an engineering center in Toluca, south of Mexico City, not just for the plant there but for their Brazilian operations, and their European operations. You have engineers - they were going to hire up to a thousand of them, I don't know if they did that or not - a thousand new engineers designing Chrysler products worldwide. Mexico is not the sleepy agricultural based society that you and I perhaps have in our mind. It's still a country that has some issues to deal with, but it's come a long way, and NAFTA's helped. NAFTA's helped, indeed!

Q: Did you find the new government under Fox. Did this break up the old pre-monopoly and all of that?

SLAGHT: That was a great time to be in Mexico because the election occurred then, and the 80 years, a little bit less, of PRI domination in the politics of the country came to an end. Unfortunately, the expectations of Mr. Fox and his new team were so high that there were few of us in the Embassy that thought he'd be able to deliver anywhere near what the Mexican public expected, particularly since the Congress was still PRI dominated, the PAN party, Fox's party, did not have the majority there. And that's, in fact, the way it turned out. In fact, to be frank, Fox has done very little of the things that had to be done for the economy there. A major restructuring of the electrical distribution system and the generation of electricity is urgently needed. Brown-outs there at any time, in my view, could cripple industry. What industry has done, if they were large enough, they have created their own co-generation plants and then sold off extra to others in the area, just to be sure they'd have it, because they saw it coming, too. Pemex, the big oil facility there, is not doing anywhere near the kind of investment into the plant and exploration that needs to be done.

I don't know about corruption, but the dominance of the union is still an issue. It happens in the electricity sector, too. The ministry that runs the electricity distribution system is…it's not to the same extent, but it's like the railroad industry in the United States when

they turned from the coal-fired to the electric locomotives, and the union demanded that the coal shovelers should be still on the trains. That's what's going on, at least in part of Mexico. Education helped. They're working on these issues, but Fox was never able to use his early popularity to the degree we all hoped he could have to change some of these basic structural issues in the Mexican economy.

Q: What was your observation? How much of this economic worth penetrated into the villages? You think of the Indian villages that supplied a lot of the stoop labor in the United States. Was it making inroads?

SLAGHT: I suppose that you could argue that health and education improved, and probably statistics would show that's the case. But still, the migration roots in Mexico is still from the country into the city or from the country directly into the United States. There's not much left in rural Mexican towns. Our agricultural products now can come into Mexico. I guess in 2008 the final tariffs are going to be lifted for some of the most sensitive products, but a lot of our products are coming in now into Mexico. Corn. Mexico imports corn from the United States. It's remarkable. This has hurt the small farmers who essentially were hand-to-mouth and needed to be subsidized.

Q: How about corruption? One always hears about the police and all this. How did American manufacturers find this?

SLAGHT: It continues to be a problem, most sensitive in the war on drugs. You read every couple of months about some chief of police in a border town or somewhere in Mexico being on the take. Many of his staff as well. There were three containers of blue jeans that came out of a U.S. subsidiary southeast of Mexico City in 2000, heading to the United States, and the trucks were hijacked. In the final analysis, the perpetrators were police who knew the routes, knew what to do, and had people to sell these goods to. Is it better? Probably it's better than what it was. I have an older brother that loves to travel but refuses to go to Mexico because if he were ever stopped on the road, he feared the police would be more of a hindrance than a help. He visited us in Mexico. He rented a car and went all around, had no problems. He left with a different sense which was good. It is an issue, however. It is endemic in the society. These people are underpaid and view the only way out of their situation is to take a bite out of someone else. Mordida they call it. It will take years for that to leave.

Q: Did you see a change or was the part of the professional economic management class expanding there?

SLAGHT: Oh, yes. Mexican middle class, upper middle class, grew by leaps and bounds as investments were made in the Mexican economy by U.S. and Mexicans themselves. One of the problems with Mexico was that so much of the Mexican money was going to the United States and not being invested in Mexico. NAFTA took care of a lot of that, gave them a sense that they could invest confidently in their own country. Stability of the currency, the peso, and stability in the governmental structure helped.

Q: Is there anything else you'd like to add?

SLAGHT: One of the things I wanted to mention occurred during my tour in Mexico, but didn't have anything to do with the fact that I was in Mexico, but it's important to put it on the record here.

At the very end of l999, at the very end of the Clinton administration, after considerable pressure by a gay and lesbian group among the State Department Foreign Service Officers. The State Department agreed to a series of changes to their policy that, in a sense, provided benefits to the gay partners of Foreign Service Officers when abroad. I found this objectionable. I thought this was in my view the camel's head underneath the tent, and pretty soon the whole camel would be there. I didn't think that was appropriate. My reading of the New Testament and the Old Testament tells me unequivocally that this is not proper behavior. I thought it would be injurious to the institution of marriage. I thought it would sully the image of the United States abroad if we provided benefits to gay officers abroad in a sense making them appear that a marriage with a person of the same sex was fine with us as a government. I wrote an article to the State Department magazine the Foreign Service Journal an article in their "Speaking Out" section laying out my views based on my religious understanding as well as other arguments. I wrote it early in the year, and then went back and forth quite a while with my draft with the journal's editors. Finally they said okay, we're going to carry this, and they carried it in the September 2001 issue. In the meantime, and without my knowledge, they gave my article to GLIFA, Gay and Lesbian Officers in the Foreign Affairs agencies organization in the State Department and asked them to review it and prepare a separate rejoinder that would adjoin mine. They didn't tell me anything about this or give me an opportunity to reply to the GLIFA piece which I thought was somewhat tawdry on their part. Two pieces appeared. I got a lot of support, and I got a lot of grief for this public expression. Very interesting. State Department people from London to Australia sent me E-mails saying this needed to be said, I'm glad you said it. I got others calling me homophobe and hope my children would become gay and this, that and the other. Why raise it now? It's because my Director General Maria Cino, a political appointee approached me, told her senior staff as a consequence of this letter, this open letter, they would not forward my name as ambassador to the State Department the next time we had an opening. I found this very objectionable. I viewed it as a violation of Title VII of the Civil Rights Act. I met with her in May in Williamsburg where we had a conference for officers in the Western Hemisphere. I met with her privately, and I told her of my concerns. She was taken aback a bit. "Well," she said, "these were only my private views to my staff, I didn't mean them to be gotten back to you," and this, that and the other. I said look, this is my position. You will not -- unless you want me to take legal action -- you will not prohibit my name to be sent up this year. It was a nasty issue and an unpleasant way to end a career. I was very offended that management would do that, and I was hurt, and I was bitter. My name did go up, but they changed the policy. It used to be that only career ministers' names went up. Four of us went up that year. I was the only career minister and two others. I guess it was one other career minister and two others went up. I thought it was pretty sad. I thought I did the right thing. I slept better at night knowing that I put my views out, and maybe it stiffened the backbone of some others that felt that way, too.

Q: Certainly it was an issue particularly in the Clinton administration.

SLAGHT: First decision he took was [to let gays into the military].

Q: Yes, and there was a hell of a lot of back-pedaling afterwards because of this. It was an issue that really… In fact, it still is an issue in the United States. Canada just recently passed a…allowing people of the same sex to get married. I think it's not that popular in Canada.

SLAGHT: I view it as a sad commentary on the state of our culture that we are tolerant of just about anything these days. There's no sense that there's anything that's out of bounds any longer. This contributes to my sense of sadness for my country. Of course, all those who stand up and say this is wrong and this will adversely affect our society in the long term, are viewed as intolerant and homophobes.

Q: You've touched on a very sensitive play. I think we're running into problems with now we're trying to overly tolerant of Islamic practice.

SLAGHT: The notion these days that you can't profile, that you have to check every 20 passengers going through an airline, even if they're children or old ladies of 80, passing up the Islamic guy with a backpack on his back because if you took him you would be profiling is absurd. Poor Michael Graham, you've seen this, haven't you? You know this story with him on WMAL [Washington, DC radio station]?

Q: No.

SLAGHT: He's a commentator from the right, during mornings on WMAL, and he came out early in the week with statistics on a survey done in Britain on what percent of Muslims support terrorism. They would not turn terrorists in if they thought that this was happening. They view what was going on was appropriate, and he found this astounding. So, he went with the conclusion that Islam is a terrorist religion. He went for two days with this. They took him off the air yesterday. I don't know how long he'll be off or what he'll have to do to come up.

Q: There's nothing wrong with political correctness which doesn't make sense. Let's talk then about your time at George Mason.

SLAGHT: That was a very interesting time. I didn't want to come back and work in headquarters given the atmosphere. I think I could have been Deputy Director, but who wanted to work in an office with the director that I had there. I said I didn't want to do that. Why be miserable in my last year of service? I only had a year left on the time-in-class, TIC. In Commerce's system, career ministers could only stay four years. I knew I was going out. There was no else for me to go. Can't go above that. I thought I always wanted to teach. I had a PhD, so in retirement maybe I'll teach. This was a good opportunity to find out if I really wanted to do this. I asked headquarters if I found a place

that would take me, would you pay my salary? They said of course. They probably didn't want me there either, truth be known. I wrote to several schools, and I got the most enthusiastic response from George Mason. I agreed to teach out there. I taught undergraduate level courses two semesters and one summer school program. I taught the basic Introduction to International Relations course. I had 50 students in each class. Then I taught an upper level course on NAFTA and, of course, a class on U.S.-Latin America relations which I found far more satisfying. Turns out I should have taught graduate students. All my friends told me that, but I wanted to impact student decisions and career paths. I wanted to encourage them to go into international business or in government some way and working with international or non-governmental organizations, working with something international. I think I had a minor impact on that. I was frustrated there. Most of the students there were part time and were more interested in working to make the payments for their cars or new stereo systems or whatever other material goods they were after at that time, than to do their work. Of the 350 or so students that I taught, I guess there were maybe 10 that I would count as serious students. That was a sad commentary for me to say. I gave all the students in the International Relations intro course an international awareness quiz my first day as much for me to gauge what they knew. I had been out of the country for 18 years. I didn't know what students knew. There were 50 questions. Only two students got 61%. That was the highest grade of about 130 students. The highest grades were 61%. I had 50% of the students taking the test get less than 10 answers correct. Twenty percent. Some of the questions were easy: Who is our current Secretary of State? Where is the headquarters of the United Nations? Some stretched a little bit the range of knowledge, you'd expect. Who's our largest trading partner? What is the OAS? What happened on August 6, 1945? Others were more difficult. Who is Robert Mugabe, for example. I thought it was a fair test, but I was shocked at how little American undergraduates knew of things international. I sent it to the Post, my write-up of this international affairs quiz for their World Affairs Week, but they didn't carry it.

Q: What sort of feedback were you getting from your fellow professors? Did they say don't be surprised?

SLAGHT: Yes. I'd gone in much too idealistically inclined, and that was the advice I kept getting from them.

Q: Did you feel relaxed or did you feel George Mason was ???and the student body itself? Was it more…I'm using the wrong term…but was it more a trade school? In other words, people coming to…they have other interests that they have to get a degree?

SLAGHT: Yes.

Q: Sounds like a city college.

SLAGHT: Yes. That's how I conclude it, too. I don't know that it's fair. My assumption is -- I don't know if it's true -- had I gone to Georgetown rather than George Mason, I

might have had a different experience with the undergraduate students, but I don't know that for sure.

Q: You also were giving the test to international studies people who were taking International Theory.

SLAGHT: Yes. You're right. These weren't engineering majors. Anyone in humanities needed to take this course. It was a required course. Anyone in the Political Science department or whatever. So, you're right.

Q: Essentially, you retired after this?

SLAGHT: Right. I went back to the department and did a little ad hoc work. I established the when actually employed (WAE) program for the Commerce Department.

Q: They are using retired people to do a lot of the work that the people on active duty actually really don't have time to do.

SLAGHT: Commerce didn't have a program. We have one now, and I did a lot of the work for it.

Q: Overall, what was your impression of the commercial service? How…can one establish…is it an integral part of the system?

SLAGHT: The real people to address that question is the U.S. business community. I think if you ask them, those that have had contact with us would be, by and large, very supportive. They were unhappy with the State Department when the State handled the commercial function. This was a low priority for most people in the State. If you wanted to get ahead, you're not going to be in the commercial section. You need to be in the political section or someplace else. I think by and large in the 25 years that we've been existence, it's been a success. I'm sure the American business community would say they're glad that it was done, and continue to support our operations. The problem we have is with administrations, both Republican and Democrat. We fight with OMB year after year whether we need to be doing what we're doing. Why does the U.S. businessman need support in Canada? Why does he need support in England? Why does he need support in Australia? They could argue maybe in China we need you guys, but there's a sense that the services we provide could be provided by the private sector and why should we be in the business? Our budget compared to the budgets of our major competitors is miniscule. Canada had a bigger budget on the trade side than we dis, when I was in Ottawa.

Q: In some of these countries, this is what they do.

SLAGHT: Some 30-40% of Canada's GDP derives from exports. We're in the 10% range. If only more firms would export, we'd be in a lot better shape. There's not the political support for it. The Commercial Service also has a domestic operation. We're an

integrated operation where we have about 100 offices in the United States, and when you try to close an office in Somerset, Kentucky, for instance, the Chairman of the Appropriations Committee, or used to be, would see that our budget would be affected. We couldn't even contemplate that. Anytime you wanted to close an office in any of these Congressional Districts, well, there was hell to be paid. There's no constituency if you want to close Hong Kong or reduce the staff in Belgium, so we have this budget problem continually.

Q: Did you find that the Department of Commerce itself was not overly supportive?

SLAGHT: Yes. I can say that frankly, too. We fall into the International Trade Administration, ITA, and they have policy wonks and they have other activities that they support. We are a large component, but we're not a favored component of that operation. Why do we pay all these monies for the staff over there? What do they do for us? These questions were continually posed.

Q: Do you ever feel you are under pressure? I can see how politics, being what they are, somebody saying you know, we've got somebody who's living in Milan. Why don't we send my staff, my Chief of Staff from the Foreign Commerce Committee, why don't we send him or her over there?

SLAGHT: You know it's been good in that regard. Apparently the system allows for one of these people at any time. One went to Mexico in the late '80's. We've had one, I want to say in Paris. There's only one position for patronage in our system. If we have one now I'm unaware of it. It's not often used. In that regard, we can't complain. It's not been used as a dumping ground.

Q: This ends on a higher note. Dale, I thank you very much.

SLAGHT: It's been my pleasure.

End of interview