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

SIDNEY WEINTRAUB

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INTERVIEW

Q: I wonder if we could start at the beginning. Could you tell me when and where you were born?

WEINTRAUB: I was born in New York City on May 18, 1922.

Q: Tell me a bit about your family and early upbringing.

WEINTRAUB: My grandparents came from Russia at the turn of the century. I was born in New York City, grew up in Brooklyn, went to the public schools there, got my undergraduate degree from City College in New York, and went into the Army.

Q: When did you go into the Army?

WEINTRAUB: 1943. I was a military intelligence aid there in Germany. I was discharged in 1946. I served in the European theater.

Q: Were you attached to any particular division?

WEINTRAUB: I was a tactical interrogator with the Twelfth Armored Division, which was part of the Seventh Army. My division operated as part of the Third Army during the march across Germany, the armored march. My main job during that period was as a tactical interrogator of war prisoners.. When the war was over, I served for a while in military government in Germany. Then, just before I was sent home for discharge, I acted as an interpreter during court martials of mainly senior U.S. people who were being tried for one thing or another - black market activities, robberies, sexual offenses of one kind or another. That was, in a sense, while I was waiting for discharge.

Q: Did you get any feel for Germany during the time you were there? I'm thinking this was your first involvement in foreign affairs.

WEINTRAUB: That's right. My feeling was - well, my background, I'm Jewish, so I had no particular use for Germany at that stage. I was not a reluctant warrior, as happened in many other wars. I felt that the U.S. role in World War II was just. The armored division I was with actually liberated a concentration camp before all the people who were being held captive there were released. We released them, in other words.

Q: Which concentration camp?

WEINTRAUB: I can't even remember the name of it. It was a small one. That was a pretty vivid experience in my life. I was too young to know very much, but I had no particular use for the German position or the German arguments.

Q: What was your impression as an interpreter of the people you were interrogating from the German army?

WEINTRAUB: They were pretty disciplined. The army trained us pretty well at that time. I think the Foreign Service learned a lot from what the military did in those days. I had studied German both in high school and college. I wasn't born in Germany. Most of my interrogator colleagues in the Intelligence Service were German-born. I was one of the few who were not.

Q: I've interviewed a number of people, like Henry Bardach and Karl Martiner, who were also doing the same kind of work, but they came from a German background.

WEINTRAUB: Yes, I knew Henry Bardach. I haven't seen him in years - if he's still around. I hope he is.

Q: Oh, yes.

WEINTRAUB: The Army trained us well. I was trained both as a interrogator and an order-of-battle expert. All of us were trained near here, at what later became Fort Ritchie. It was then Camp Ritchie, in Maryland. There was an order-of-battle camp nearby, Camp Sharpe as I recall, and I was trained there as well. As I said, they trained us well and they taught us how to recognize the different German accents. I couldn't do it now, but I could then. As a tactical interrogator, this was quite crucial. Once I could locate where the person was from, and I could about 75% of the time, from the first words out of his mouth, that told me a good deal about the nature of the unit. Since I had been trained to know the order of battle, I knew what their equipment was. So, the real issue was to find out what they were missing, how many casualties they were taking, and then to advise the commanding general what he faced up ahead in terms of personnel and equipment. It was, I think, a useful kind of exercise.

Q: Had you received your degree before you went into the Army?

WEINTRAUB: I received my degree. I hurried up at the end. I received my undergraduate degree in January '43. It was in business administration.

Q: When you got your discharge in '46, what did you plan to do?

WEINTRAUB: When I went into the Army, my plan - remember that my undergraduate degree was in accounting - was to become a lawyer and try to work on tax accounting and related legal issues. When I came back, I decided, no. I don't know why. The Army obviously had an effect.

I went to the University of Missouri and received a graduate degree in journalism.

Q: The University of Missouri was really a top-rated school in journalism.

WEINTRAUB: Yes, it was, and it was a good school. When I left there, I went to work for a newspaper in Beckley, West Virginia, the Post-Herald. It was a daily newspaper, not a bad newspaper - about 20,000 daily circulation. I was the city editor when I left about a year later.

I got into the Foreign Service quite accidentally. When I came back to New York from the army, I took a job with an accounting firm. I knew I was going to do something else. I went to the various federal and municipal buildings and picked up every conceivable form, just did everything looking for jobs. One of them I picked up was a from for the Foreign Service exam. I had no knowledge of the Foreign Service, didn't have the slightest idea what it was. While I was in Missouri, I received notice that the exam was going to be given at a certain time in St. Louis. I'd never been to St. Louis. I was married then. My wife and I decided we'd go visit St. Louis. I took the exam. They were two day exams in those days. Anyhow, I passed it. When I later passed the oral, I wasn't at all sure this was what I wanted. But I did pass the oral.

Q: Could you describe a little about the oral exam, what you remember about it? I like to catch the flavor of the period.

WEINTRAUB: I'm trying to look back and compare it to today. In those days, the written exam was quite hard. It contained essay pieces. Also, there were a lot of irrelevant questions that tested memory much more than it tested deep knowledge. I remember that. I didn't really think I was going to pass it because people sitting next to me had taken it three or four or five times. In those days, they didn't pass many on the written exam. So, the oral, in a way, was less significant as a screening device than it has since become. As I recall, they didn't pass me the first time on the oral. They asked me to come back again, and I did. They passed me the second time. I remember, too, there the questions were really of a general nature. I remember one series of questions: one of the people on the examining board asked whether I had read the New York Times of the previous Sunday. I said that, yes, I had. I was then open season to discuss articles that had appeared in that Times. I was fortunate. He asked me about some article on the Middle East. I had read it! So, I was able to discuss it with him.

Q: When did you come into the Foreign Service?

WEINTRAUB: 1949.

Q: Was there a class at that time? Did you come in with a class?

WEINTRAUB: Yes, I came in with a class. Earlier, you mentioned the first head of the Center for Diplomatic Studies, Dick Parker. He was in my class. There were some 20-odd of us in that class. We went through the regular Foreign Service Institute program for entering classes. I was assigned at the end of the program to a place I had never heard of, Antananarivo, Madagascar.

Q: Yes, I noticed that, for one thing, African assignments were really rather sparse in those days.

WEINTRAUB: I have no idea why they assigned me there. I had studied French in school, but I didn't know it very well. I was really quite fluent in German then. I have never, in all my career, been assigned to a German-speaking post.

Q: A rather large portion of our young Foreign Service Officers were being sent to Germany at that time.

WEINTRAUB: I have no idea about how the Foreign Service went about making its assignments - I don't think it was done very carefully.

Q: Could you describe how you and your wife got to Antananarivo?

WEINTRAUB: We had a child by then. We went to Cannes by ship and spent about a week there and in Paris. The last time I'd seen Paris was during the war, so it was nice to go again. We picked up a plane in Marseille. We stopped in Tunis on the way down. One of my classmates had been assigned there. We spent some time there. Then, we flew from there to Tananarive. It was a two-day flight with a night's stopover in Nairobi.

Q: What was the situation in Madagascar when you got there?

WEINTRAUB: There had been a Madagascar revolt against French colonial rule about '46, I think. Anyhow, it was a few years before we got there. It had been suppressed quite ruthlessly. Madagascar wasn't an important place for the United States. There were two people in the post: the Consul General, who was a man about ready to retire, a very wonderful man actually, and I was the Vice Consul. He retired, and it took them something like nine months to replace him. So, there I was, a brand new guy who knew nothing about anything and I was running a one-man post.

It was an interesting place. I had to learn French really well. If I didn't speak French, I could speak to hardly anybody because I did not know the Malagasy language and few people there knew English, So, out of necessity, my French became very good. It's since become quite rusty. I enjoyed Madagascar very much and made some very close friends, many of whom and their children are still good friends.

Q: What were American interests there at that time?

WEINTRAUB: Not very many. Madagascar had no particular strategic materials. It was not on any great shipping routes or anything of that nature. I suppose we cared because it was off the mainland and, if it were in hostile lands, this would have made some difference. But I assume that what they wanted from me, or what they wanted from

Madagascar, was the least trouble possible. I assumed that too at the time, because they didn't put in somebody with any great experience.

Let me give you one experience there though that I do remember, which did matter. The Korean War was in progress. There was a great deal of concern apparently - I learned this while I was there - that, if China entered the war, some of the great bubonic and also pulmonary plague that existed in Manchuria might come down that particular route. There must have been concern that our soldiers would be subjected to the two varieties of plague. Madagascar, and I guess somebody in Washington knew it, not only had both types of plague, but in addition had a system that was very professional in the sense that when a case was found, there was isolation, treatment, and rapid moving in to keep it from spreading. A team of quite high-powered doctors was sent down to examine that. I remember that well because it impressed me. I wasn't always sure that the U.S. government did much thinking at that time. But this impressed me, that somebody did some thinking about issues that could matter a great deal. I was very sick at the time with some infection. I had no idea what it was and there was nobody in Madagascar who could treat it. I was about ready to ask to be evacuated so I could get to a place where I could be treated. One of the doctors there was one of the people who discovered and developed Chloromycetin, which was a brand-new antibiotic at the time. He said, "I can't promise you this will work. It may have side effects, but I think it will work." He treated me with it and it worked.

Q: What was your impression of French colonial rule at that time?

WEINTRAUB: By then, the revolt had been put down. The man who was appointed High Commissioner was really quite professional. He later went to the U.N. as a senior French official. I don't know if he was in charge of the Mission, but he was something at about that level. It was typical colonial French rule, with a lot of French expatriates running businesses, some Malagasy were in positions of one kind or another. It wasn't a particularly democratic rule, but I didn't see any overt signs of real oppression. That had happened earlier.

Q: As far as you and your wife's circle of acquaintances- French rulers didn't get too involved in racial distinctions. Was it a pretty open society or not?

WEINTRAUB: Yes and no. Most of the contacts we had were French because the French were running the place. But I knew many of the Malagasy who were working in the civil service, and a few businessman, though there weren't very many. Receptions and parties were frequently a mixture. But my closest friends were French.

Q: What was your work? Many visa or were you reporting?

WEINTRAUB: Not too many visas. Mainly reporting. Some problems with seaman who needed protection or had to get evacuated. My job was mainly reporting. It covered a

wide area. The consulate covered Madagascar, the Comoros, Reunion. I traveled to all of those places. It was a very pleasant first assignment!

Q: Did you get any feel for the Bureau you were working for? That would have been Near Eastern and African Affairs, I guess, wasn't it?

WEINTRAUB: None whatsoever.

Q: You were out of sight and over the horizon.

WEINTRAUB: I think that's what they cared about most, that there be no waves.

Q: You were there from '49 to '51. Then where were you assigned?

WEINTRAUB: Mexico City. I was assigned first to the political section. It was a rotating kind of assignment. I had never studied Spanish. By then, I knew French and German fluently, so they assigned me to a Spanish-speaking place. Spanish is now my best language. Mexico City was a lovely assignment.

Q: You were there from when to when?

WEINTRAUB: '51 through '54.

Q: Can you describe a bit about the Embassy at that time? Who was the Ambassador?

WEINTRAUB: It was a relatively small Embassy. There were three junior officers and a political counselor. That's all for the political section. The political counselor, I won't give you his name, but he was an ass. I can give you some examples.

Q: I'd like to hear some examples of how, you might say, the system doesn't work.

WEINTRAUB: He almost convinced me to quit, that if I had to live with people like that for the rest of my life, I decided I didn't want to. I'll give you two examples. He once asked me to write what were then called "dispatches." Mexico at the time was approaching a presidential election and I wrote about some of the political currents. He said he liked it very much and then added, "But fill it out with the ever-present menace of Communism."

Q: This was McCarthy times, wasn't it?

WEINTRAUB: Well, there wasn't an ever-present menace of Communism in Mexico in the electoral contest. Anyhow, telling me to do that just bothered me. He would often give me and others in the section assignments and not give us all the information about what was requested. I remember one such case where I wrote something and he said, "But you didn't answer the questions that they asked you to answer?" I said, "What questions"

and he then gave me the incoming message to which we were asked to respond. He did that frequently. I could give you more examples, but I don't want to. He was a shallow person and he reached a high level in the State Department. That always troubled me because there was absolutely no substance to the man.

Q: Was it lack of substance or was he playing games? Sometimes people play games by always leaving things out, or want to make sure that they seem superior.

WEINTRAUB: It was a combination of all of that. In any event, I only stayed about a year and a half in the political section. The DCM at the time was a man named Paul Culbertson, who was very good. When I was rated by the political counselor, the DCM wrote a review saying to pay no attention to the rating. The ambassador who was there during almost all the time I was there, was Bill O'Dwyer, the former Mayor of New York. Actually, I learned a lot from Bill O'Dwyer.

Q: He was almost in exile there, wasn't he? I mean, wasn't one of the things he was there for was that there were indictments or the equivalent?

WEINTRAUB: He wanted to be out of New York, but there were no indictments against him as I recall. His wife, Sloan Simpson O'Dwyer, was a very attractive young woman. I knew him, and never had any problems with her. The reason I remember him well is that he was a politician. I remember, I was working on some problem. I can't even remember what the problem was, but I couldn't resolve it. It was of some importance, and I just couldn't get it done. It never occurred to me to go to the political counselor because he wouldn't have done anything. So, I went to the DCM and said, "Here's the problem I have, and I don't know what to do. Here's what I've done and I don't know how to take it further." He listened and said, "Why don't we go speak to Bill and see what we can do." I went in and I explained it to O'Dwyer. He listened. While I was there, he got on the telephone with the President of Mexico, who was then Miguel Alemán. O'Dwyer didn't speak any Spanish. He got on the telephone "Hello, Mike." I couldn't hear the other side of the conversation, but there was some discussion back and forth. O'Dwyer explained the problem, thanked him very much, and hung up. He said, "It's taken care of." Well, it was. It was a lesson that was important to me at the time, of how important the personal relationship could be in dealing with things, particularly in a place like Mexico.

Q: What was the general feeling among the Political Officers you were with about the Institutional Revolutionary Party of Mexico, which was then and still is running things?

WEINTRAUB: I was in the political section for only half the tour. Everybody knew that the PRI would win the election. As a matter of fact, I still remember, several of us wrote a joint dispatch about that time, just before the election. There were five candidates in that particular election. The man who succeeded Alemán was named Ruiz Cortines and he was the PRI candidate. The principal opponent was an ex-general named Henriquez Guzmán. Henriquez was probably to the left of the PRI candidate and was quite a popular person with a strong personality. One of the other candidates was a man named Vicente

Lombardo who once had been the head of the CTM, Mexico's main labor confederation. He was well to the left of the PRI. Two of us in the political section consulted and asked ourselves, "If we were running this election, what would we want the popular vote to be for each candidate? What would be the right amounts." We actually sent in a message. I think we were within one or two percentage points for all five candidates. In other words, we had no illusions about who ran the country and how. By then, the political section was down to two or three.

Q: Was there much of an effort at that time, of the Embassy to get you out into the field? Or did one rely pretty much on the Consulates, of which we had a multitude?

WEINTRAUB: We didn't get out into the field too much, unless we did it on our own, and many of us did. The last half of my tour in Mexico was in the visa section. In a way, that was a lot more interesting than the political section. For one, it helped me with my Spanish because I had to use it. Shortly after I got into the visa section, I was assigned the job, I don't know why, of interviewing people on whom there was some adverse information - belonging to the Communists Party or to a Communist front organization. My responsibility was to decide whether to deny the visa or write a report to Washington asking for an advisory opinion. That was an interesting experience. It was quite clear in some cases that the information we had was wrong. We were getting it from a controlled American source, or CAS as it was called. That became evident in some cases as one observed patterns of reported information. In one case, I actually sent in a long message, saying, "Here's a group of people who are being accused" - it was a whole group of people who, theoretically, belonged to a certain Communist front group. I asked them to please get the controlled American sources checked because I thought they were wrong on about 150 people. They later admitted to me that they were wrong.

In other cases, the stuff was trivial. I remember once having to interview Dolores del Rio, a movie actress, quite a beautiful woman, very pleasant. She had belonged to some of the front organizations, but she had lent her name to many things. I concluded once I started to speak with her that she didn't have the slightest idea of what she belonged to, nor did she care, nor did it matter. She was going off to make a film in Hollywood. My opinion was, in that case, "Don't create a big fuss over nothing." The Department agreed.

Q: There was, particularly at that time, a rather strong movement on the Left in the art community.

WEINTRAUB: Yes, there was. Most of the CAS reports were accurate, and the law was that visas should then be denied and that's what I did..

Q: You left Mexico City when?

WEINTRAUB: In '54.

Q: And then where did you go?

WEINTRAUB: I was assigned to Washington, to what was then the Bureau of Far Eastern Affairs. I was assigned to the Office of Northeast Asian Affairs. I worked on Japanese and Korean Affairs until '57. It was a good assignment.
Q: You were working on political affairs?

WEINTRAUB: Political and economic. It was a mixture. Mostly political affairs. I learned an awful lot about Japan. I had never been there. I learned less about Korea because there was a fellow who handled Korea. It was a small office. It was just the two of us.

Q: I was thinking, Korea at that time, the war was just over a year before. It was an absolutely devastated country, considered a basket case.

WEINTRAUB: That's correct.

Q: What about Japan? You say you had a little of the economic side. Was there any feeling that Japan might become an economic power? Had that begun to take effect because of the Korean War? Did you get any feel for that?

WEINTRAUB: No, not yet. Japan actually participated in one of the Geneva negotiations with the GATT - not one of the major negotiations. I was a participant. I was on the team negotiating with Japan. We gave a good many concessions to Japan in return for what was quite clear to us not terribly meaningful concessions in return. That didn't seem to be too deep a concern, only because nobody expected that Japan would be able to compete all that effectively for a good many years to come. In any event, no, there was no sense that Japan would be a basket case; but I don't think there was too much realization of what a power it might become in subsequent years at the time.

I left that job to go to Yale - the Department sent me - for an economics program. I did get a master's in economics from Yale during that year. Then, I was assigned from there to Tokyo.

Q: Back to the time when you were on the Japan/Korea Desk, were there any political developments at that particular point?

WEINTRAUB: I was more economic than I was political by then. Yes, there were political developments that were beginning to lead up to the renegotiation of the security treaty. The developments were still in the preliminary stage at that time. There were some really difficult status of forces cases, some quite spectacular ones. I can't even remember the details of any of them. Japanese nationals were either killed or violated by U.S. soldiers, and all of the hullabaloo that came with that. On the economic side, every now and then, we had to deal with Japanese restrictions on imports of sensitive goods: cheap Chinaware, textiles. Even then, there were limits of that type. Plus, there was a trade negotiation in Geneva. So, it was quite active.

After I got my economics degree from Yale and I was sent to the political section of the embassy in Tokyo.

Q: At the time you were at Yale, were you a State Department person at all? Did you get any feel for how the State Department was looked upon there?

WEINTRAUB: The government was looked upon well. What since happened about denigrating the bureaucracy really didn't exist as far as I can remember. This was 1957, so I was about 35 years old. I was far older than most of my classmates. However, Yale then had a program to which they were bringing in mid-career people from all over the world, so I was with a group of people roughly the same age. There were two of us, another Foreign Service Officer and I, that year at Yale. It was a good year. I actually loved that year.

Q: Then you went to Tokyo?

WEINTRAUB: I went to Tokyo in the political section.

Q: From when to when?

WEINTRAUB: Just one year. What happened was that my relationship there with the ambassador was not good - maybe my fault, maybe his. The Ambassador was Douglas MacArthur III. He and I never got along. This could have been for any one of a number of reasons. I didn't like him. I don't think he liked me. I thought he was an egomaniac. He thought I was probably incompetent. We never got along. I was transferred out of Tokyo. It was a direct transfer.

Q: While you were there, what developments were there?

WEINTRAUB: I was actually there trying to work on some of the backup, getting ready for the security treaty negotiations. I was also the political advisor to the Commander of U.S. Forces in Japan, who was resident in Tokyo. The political issues were really quite important in the sense of getting through the security treaty and then handling all of the other political sensitivities of one kind or another that came up, and trying to follow the developments in Japanese politics, which were really quite interesting at the time. The beginnings of what is now the Liberal Democratic Party were taking place.

Q: Were you in the Political Section of the Embassy concerned about the opposition that was beginning to build up to the Security Treaty? This became sort of a focal point. This is how the other political parties and other groups, students and all, had something to work on, wasn't it?

WEINTRAUB: That's right. I left before the thing exploded. Remember, it exploded during the proposed visit by President Eisenhower. I was in Thailand by then. I don't

think the embassy ever fully understood the depth of the opposition. If I can be frank, the ambassador listened only to himself. In other words, I didn't really think he was that deep an analyst. I'm not sure, if I had stayed, whether I would have seen any more. I don't know. But it was quite clear to me that the embassy was caught by surprise, even though I was away at the time. There were some very bright political officers in that embassy, some very bright Foreign Service Officers. So, I have no doubt that some of these stirrings were being reported. This was a group of quite able people.

Q: What about your time dealing with the American military? Were they, at the top, at the level where you were dealing, do you think they were aware of the sensitivity, of the problems, of the doings, that their troops were causing?

WEINTRAUB: I think so. They were intelligent men. They were impatient with all of this, and I think they welcomed having a civilian who was trained to look for sensitivities and to provide guidance from time to time on some of these things. I think they appreciated it. I never really sensed any tension or animosity. They were aware of the political sensitivities, but that was not their job in life.

Q: Was there concern about a Communist or an extreme Leftist takeover at the time?

WEINTRAUB: Not really, no. It was pretty clear to most of us that the traditional parties were in control. There were several parties. The Liberal Democratic Party was created about that time. There was really not much question that they would dominate the electoral and the governing process.

Q: Did you get any feel of the role of the Soviet Union there?

WEINTRAUB: I didn't have any of that.

Q: You didn't speak Japanese, but-

WEINTRAUB: I studied it a couple of hours a day. No, I didn't really speak Japanese. I could make simple conversation, that's all.

Q: How about your contacts? Were you mainly working with papers?

WEINTRAUB: Papers? That was one of the problems with a lot of us. There were few people who could speak Japanese, not many. Most of us worked from papers, from governmental contacts of one kind or another, a few journalists, and others - people who, in other words, could speak English. Even those who could speak Japanese had very little contact with the general population. The ability to break into Japanese society by American diplomats, even those who were fluent in Japanese, was quite limited. It was not easy to do. I remember asking a lot of my business friends, Americans, Europeans, if they had much success. They said, "Yes in business. Socially, very little." The embassy personnel who could speak Japanese, even some who had Japanese wives, had similar

experiences, except with the family into which they were married. It was not easy. It was a hard assignment. Part of the difficulty of understanding what was going on was that limitation, of being able to easily get around in Japanese society.

Q: You didn't get along with the Ambassador and the Ambassador didn't get along with you.

WEINTRAUB: So I was transferred out.

Q: How did it work? Did somebody, an inspector, come around? Did you ask for it? Or did somebody just say, "We have to get you out of here?"

WEINTRAUB: Essentially that. I don't know what happened. I guess the ambassador wanted me out and I didn't object to leaving. There was no inspector or anything else. There was no animosity either in what he wrote, in my evaluations or anything of that type. I don't know whether he made the decision or the then DCM made the decision. I really don't know. I didn't really ask. I just accepted it. That's the way it was.

Q: Did you have any problem with Mrs. MacArthur? I have to ask this.

WEINTRAUB: Yes, I did.

Q: She was one of the dragons of the Foreign Service.

WEINTRAUB: My wife had the real problems. The ambassador's wife actually had other wives report back to her about how the other wives were behaving or what their opinions were of her. So, she had a little spy network. My wife, I guess- Mrs. MacArthur didn't like my wife. Maybe that's why I was-

Q: You would have joined a long list, I think!

WEINTRAUB: Maybe that's why I was transferred out, I don't know. I had no use for her, I must say. I just didn't think human beings should behave that way.

Q: I've heard this many times. You went to Thailand. You were there from when to when?

WEINTRAUB: '59 to '61.

Q: What were you doing there?

WEINTRAUB: Economic Section?

Q: Who was the Ambassador at the time?

WEINTRAUB: Alex Johnson. He later became Under Secretary, Ambassador to Vietnam. There, the experience was very different. I had great regard for Alex Johnson. He was a decent fellow. He did his job well. He knew everybody. He encouraged people. It was a very good assignment.

Q: What was your particular parish?

WEINTRAUB: Essentially the analysis of the economy, of what was going on, and then making recommendations on U.S. policy. I guess I was Number Two by then in the economic section, just reporting generally on the nature of the economy, the usual economic officer duties.

Q: What was the political and economic situation in Thailand in this '59 to '61 period?

WEINTRAUB: There was a military dictator. His name was Sarit. I met him on a number of occasions, but I had really no great dealings with him. I had much contact with a very professional man at the head of the central bank, and with others in the central bank. They were really very professional. And with the people in the various economic parts of the government. Thailand wasn't booming then the way it later happened, but it was in reasonably good shape. The Foreign Minister, whose name was Thanat Khoman, was really quite a sophisticated man. I met him a few time and I had some dealings with him. But my dealings were much more with the economic side of the government. The central bank and the other economic officials realized that, as the Vietnam War heated up in the years following, Thailand would be deeply affected. They began to think about how they could limit the adverse impact on Thailand. In other words, people were thinking ahead. The government was pretty corrupt. That's not the point I'm making. Thailand was not a democracy. But the economic policy makers were people of considerable sophistication and ability.

Q: Did you have problems getting to know people within the Thai government and Thai business?

WEINTRAUB: No, not at all. Thailand was very different from Japan. I had a quite active social life with Thai government officials, Thai businesspeople, others there. Thailand was a pleasant place to live at that time. I found it a rewarding experience.

Q: What were American economic interests in Thailand then?

WEINTRAUB: Essentially trade. Modest investment, though not all that much. Thailand had always been an independent state. So, it was kind of a political/economic relationship. The two went together. They wanted to maintain that independence. The problems between us were not deep problems.

Q: Were we competing for rice or anything like that?

WEINTRAUB: Yes, it was an issue, but I'm not sure it was all that deep an issue. It's the way PL 480 has always been an issue.

Q: What about Thai silk and all that? Was this a major export?

WEINTRAUB: It was an important export. It wasn't Thailand's main export, but it was an important export. The Thai silk industry got a big boost by a man named Jim Thompson. Jim Thompson helped them get the right dyes and the right designs and set up quite a flourishing business which then got emulated by a lot of other Thais. They were building up a jewelry business. Their big exports though at that time were agricultural products of one kind or another. They hadn't reached the boom period yet.

Q: Were they at all concerned about an indigenous Communist movement there? They had all of Indochina.

WEINTRAUB: Yes, I'm sure they were. I'm sure there was some concern. As far as I can recall, there was no serious expectation that the Thais would succumb to some of the things happening elsewhere in Indochina. There was a good deal of, not animosity, maybe that's too strong a word, but there was no love between the Indochinese states and the Thais. The Thais tried to keep themselves somewhat distant from that. There were insurgencies in Burma, but that didn't affect the Thais too much, except along the northern part of Thailand. There were insurgencies in Malaya the time, not too far from the Thai border, but, again, they did not deeply affect the Thais..

Q: You left Thailand when?

WEINTRAUB: I left in '61. I came back to Washington.

Q: Where did you serve then?

WEINTRAUB: Originally, I was assigned to be the Thai Desk Officer. The Economic Bureau, which had a hold on me, objected and they wouldn't let it go through. So, I went into the Economic Bureau in commercial policy.

Q: Who was the head of the Economic Bureau in those days?

WEINTRAUB: I don't remember. I can tell you who it was in subsequent times when I was there. I remember who my bosses were, but I don't even remember that too much.

I came in as a deputy in the Commercial Policy Division. It wasn't an Office, I don't think. It was at a lower level. I liked the Economic Bureau. My training was economic. The place was filled with quite talented people.

Q: Wasn't there a woman Executive Director at the time?

WEINTRAUB: Yes, Francis - . She was the one who made sure that I wouldn't get out of the Bureau.

Q: I was going to say, she, from what I understand, not only ran a very tight ship as far as making sure that she got the right people and hung on to them, but also was responsible for having extremely talented-

WEINTRAUB: She was very good and very effective. All of what you heard of that reputation was well-deserved. She kept track of people. She followed them. I'm ashamed of myself, not remembering her second name. I will in a few minutes. Frances Wilson. She was very good and she made sure that the Economic Bureau was filled with talented people. At that time, the Economic Bureau had a lot more authority in government affairs than it has today. We ran trade policy out of the Trade Office in State. This was before the creation of USTR. We played a fairly big role in some of the other activities. It was a strong Bureau.

Q: You were there from when to when?

WEINTRAUB: I left there in 1965 to go to the Senior Seminar.

Q: So this would have been '61 to '65?

WEINTRAUB: Yes. When I left, I was Chief of Commercial Policy in State.

Q: What were the major commercial policy issues while you were there?

WEINTRAUB: Oh, they were going on all the time. There were GATT negotiations. The amendment of the GATT to take account of some of the less-developed country problems. UNCTAD was formed in 1964, as I recall. I played a fairly big role in backstopping it. Indeed, at one point, I became the senior backstopping guy for UNCTAD in Washington when the fellow who was Deputy Assistant Secretary at the time, Isaiah Frank, left to go to Johns Hopkins, SAIS. It was a busy, busy place, with constant negotiations, constant meetings on trade matters, and dealing with really what was becoming increasing competition from Europe and Japan.

Q: The chicken war going on?

WEINTRAUB: The chicken war was while I was there, yes.

Q: Could you explain a bit about- Did you get involved in the chicken war?

WEINTRAUB: Yes, I did. I can't remember details any more, but we were trying to get the Europeans to permit imports of U.S. chickens and parts of chickens. It was necks and so many other things I can't even remember. I used to get teased a good deal about some

of those things. It was essentially a battle against the European restrictions under their common agricultural policy. I got involved in that.

There were a good many conflicts with Europe over agricultural policy at the time. The U.S. essentially supported the European Community, but that didn't prevent us from trying to get it open. After the formation of the European Community, there were negotiations under Article 28, compensation for raising duties. I think they were mostly done by then. The principal negotiations were with Europeans and Japan. There were a good many of those going on. This was a time also when the developing countries in UNCTAD were pushing for what later became the General System of Preferences, under which the U.S. gives tariff preferences to developing countries. I played a role in that whole process.

Q: Speaking of the normal but rather intense battles with Europe over things, did you find- Douglas Dillon, of course, was a major figure at that time, and he was Mr. Europe personified as far as wanting it, but he was still an economist.

WEINTRAUB: George Ball was Mr. Europe personified. He always sort of felt that Europe could do no wrong, but he was a talented, able man. You might or might not agree with everything that George Ball did, but I think almost all of us recognized that he was a talented man, who knew what he was about.

Q: Did you ever feel his hand, saying, "Let's not put too much pressure for economic reasons on our tariff fights" or something like this?

WEINTRAUB: There was some of that, yes. It usually got resolved without pushing beyond the brink. That was there.

Q: How about Congress? Did you find yourself dealing with Congress?

WEINTRAUB: I dealt with Congress less frequently than some of the others in the Bureau did. But, yes, we had to deal with Congress all the time. It used to amuse a lot of us when the press and others discovered that foreign and domestic affairs merged in a good many areas. There was a famous articles in Foreign Affairs on "Intermestic Affairs" once. Everyone working on trade policy knew that.

Q: You mention UNCTAD. Could you explain what UNCTAD was and what the issues were?

WEINTRAUB: It was the United Nations Conference on Trade and Development. The whole push started before I got there by developing countries who thought GATT was not for them because of the way GATT was structured, and they wanted an organization for them which could act like a labor union or lobbying pressure group against the developed countries. A preparatory conference was agreed on, towards creating a new organization. That all had been done before I ever got there. When I got there, the preparatory conference came into existence and I was one of its delegates. It was a small group of

people, maybe four or five of us from the United States, who really dealt with the preparatory conference negotiation. By then, it became clear that we were going to concede somewhat to the creation of this organization, although there was no particular joy in the U.S. government about consenting. The U.S. position shifted, particularly during the first meeting of UNCTAD, which was in '64, towards limiting the damage. There was no love lost either, between U.S. government policymakers and UNCTAD. The first head of UNCTAD was a man named Raúl Prebisch. Prebisch was an Argentinean who had earlier run the Economic Commission for Latin America - an intelligent man whom I got to know very well, admired in terms of intellect, but I didn't think he was necessarily right in what he was doing. In any event, UNCTAD came into being. It was quite instrumental in getting the U.S. and other countries to institute preferential programs that wouldn't have happened without UNCTAD. UNCTAD later played a big role in the U.N. General Assembly and other places on the whole North-South divide and the group of 77 less-developed countries was born at that time in the United Nations.

Q: When you say "preferential treatment," what did this mean?

WEINTRAUB: It was sort of an affirmative action program for less-developed countries, to give them easier access to the markets to the developed countries under preferential terms. This was done. It still exists to this day. The group of 77 - there were initially 77 developing countries that got together in the General Assembly -was helped by UNCTAD toward getting various benefits. A lot of other things developed in subsequent years out of this effort. A good part of the seventies was devoted toward dealing with some of the problems or some of the pressures generated by that whole North-South conflict. The beginnings were in the sixties though, the beginnings of the institutional setup. I used to go to a lot of U.N. meetings.

Actually, there had been a big fight in the State Department, where the International Organization Bureau wanted to control the process. Those of us in the Economic Bureau, I guess me in particular, argued that this shouldn't be allowed to happen, because that Bureau would give the store away. We won. I wish, in a way, they had won because it became a pain in the neck.

Q: Was the concern that if IO took it over, that they would have other fish to fry and the economic things might be traded away for political concessions, votes on China, or that type of thing?

WEINTRAUB: Oh, yes. It was a concern and there was plenty of evidence to support it. In other words, we didn't think they would pay much attention to the economic policy concerns that we thought were deeper than a particular vote.

Q: I like to get a feel for the bureaucracy of something. Then, within the State Department, there's always the economic issues and the political issues. Sometimes, particularly if it's in the hands of the people dealing with political events, this is obviously a prime concern.

WEINTRAUB: That's right, and people dealing with economic issues, trade concessions, become more hard-nosed than those who are concerned about relationships more broadly. It seems to me, it's a classic divide.

Q: I wonder if you could talk a little about while you were there, about a couple of my favorite subjects dealing with certain countries. Let's take the French first. The French always seem to be, on almost anything, sort of a burr under the American saddle. Was this true in your eye?

WEINTRAUB: Yes, it was. Remember, we were dealing not with the French. We were dealing with the French as part of the European Community. On foreign policy, the French were difficult, but then so were the Germans. Whenever you negotiated in either GATT or the OECD, the French would have a different twist on it from the way did and we had to sort of negotiate those issues. Yes, the French were a pain, but I don't think our different slants ever developed into deep animosity.

Q: What about with the Japanese? Were they-?

WEINTRAUB: The Japanese would concede nothing. It was quite clear to me at that time, something that other people later complained about, that the Japanese would have 5,000 reasons why they couldn't do anything to open up their markets. That existed then. It became very difficult for any of us dealing with Japan to have any sympathy for their sense of an international trading order. I guess I sort of developed at that time the expectation that the Japanese would always be difficult. Whether that was profound or not, looking back, I don't know.

Q: You felt you were up against a cultural thing or was this just the Japanese not wanting to give?

WEINTRAUB: I think both go together. I think there was a cultural thing and the cultural thing sort of didn't want them to give. It also represents a self-centered a way of doing business. I don't think you can separate one from the other.

Q: I've heard from people I've talked to that one of the most difficult people to deal with on commercial/economic relations are the Canadians. Did you find this to be true?

WEINTRAUB: Yes. The Canadians had some very able people on trade issues, among the most able around the world. They would make wonderful speeches about their devotion to GATT, their devotion to open trade policy, and never concede a darn thing. Most of us came to expect that from the Canadians, that they would concede very little.

Now, during that period, one of the more important trade events took place with the Canadians, the agreement on an automotive pact that involved much free trade in this sector. I was not the negotiator. Phil Trezise in the Economic Bureau was. I guess Phil at

that point was Assistant Secretary of State for Economic Affairs, although I am not sure. This was a case where Canada was trying to attract investment and it would give concessions, depending on the export level, on auto parts going to The United States. The U.S. brought a subsidy case against Canada. It looked like the conflict was going to become very heated. My judgment was that the Canadians were clearly in the wrong on the GATT aspect. In any event, probably at the instigation of George Ball, that conflict was transformed in '65 into a negotiation for the Automobile Pact of 1965 between Canada and The United States. That has transformed the North American auto industry. I don't know whether Phil Trezise was the author of the way out of retaliation and counter-retaliation, but I think the conceptualizing was more George Ball than anybody else. It was one of those things that I've always sort of admired, how you turn a real donnybrook into something that serves a constructive purpose.

Q: From you perspective, were there any other problem countries that you had to deal with?

WEINTRAUB: I had to deal a lot with developing countries, but it didn't matter that much in overall economic terms, at least not then. By then, I spoke Spanish pretty well, so they used to send me to a lot of inter-American meetings, although I never served as anything other than as a junior officer in Mexico City. But it didn't matter. Our trade with Latin America was then modest. The meetings were often difficult because the Latin Americans were quite rambunctious on trade policy. It was not a big deal. The Japanese and the Europeans were essential. The heart of the game was taking place there. Southeast Asia had not developed to the point where-

Q: We had rather tense relations with Indonesia. The Vietnam War was going. Most of this time was President Johnson. He was really pushing for getting more countries involved in our effort in Vietnam and using almost every tool he could think of.

WEINTRAUB: I was never affected by that.

Q: You didn't find that this was ever, you know, "If so and so will send in a battalion, we'll take our whatever."

WEINTRAUB: I was never particularly affected by that. I knew things that were going on, some trade offers that were made that were pretty crass - not just on Vietnam. I still remember when Tony Soloman, together with Averell Harriman, was sent to Chile to promise some foreign aid if Chile reduced copper prices, because that would keep down inflation rates in The United States. At the time, after I learned about it, it became clear that the laborious conditions the United States demanded for its large program loan were largely a charade.

Q: Did The Soviet Union play any role in what you were doing?

WEINTRAUB: Not directly. We had some negotiations on how to deal with state trading companies. The Poles wanted to get into GATT, as I recall, at that time. We had to figure out a way to deal with that. A tariff does not mean very much if trade is done on political grounds by a state trading company. I got a little involved in that, but I was not the main player.

Q: Are there any other issues we should talk about on this particular time?

WEINTRAUB: I can't really remember that well anymore.

Q: Where did you go after this?

WEINTRAUB: I went to the Senior Seminar for one year.

Q: This was fairly early on in the Senior Seminar, wasn't it?

WEINTRAUB: Yes, it was about the sixth class or thereabout.

Q: Yes, because I was in the seventeenth and I went in '76.

WEINTRAUB: We had a choice actually. The Assistant Secretary at the time was Griffith Johnson. I wanted to go to one of the senior training programs and when he nominated me he asked, "Would you rather go to the War College or the Senior Seminar?" I said, "Let me go to the Senior Seminar. It's smaller."

The fellow running it at that time was a man named Lewis. I enjoyed the Senior Seminar. I enjoyed it immensely. People there were talented. Everyone was serious. People were taught. It was a small group. I can't remember what size it was.

Q: It was about 20 when I went through. Probably about 50% were State and 50% from CIA and others.

WEINTRAUB: We had one from each of the military services, one from Defense, a civilian. The Senior Seminar gave me a chance to read some things that I had not read before. Traveling at the time - I guess we were a little freer with money then than we are today in the Senior Seminar - and I got around a good deal. We made a foreign trip and wrote it up. I chose as my topic looking at modern art in the Soviet Union and Eastern Europe. One, because I knew something about modern art; two, because it gave me an opportunity to get to those places. I enjoyed that immensely. I had finished all my course work for a Ph.D. some time earlier and toward the end of the year I had enough time to spend all of my nights writing a dissertation. So, I finished my Ph.D. at American University while I was there. All in all, I found it a very, very rewarding experience.

Q: Going back to when you were in the Economic Bureau, what was the role of the Department of the Treasury from your perspective?

WEINTRAUB: Treasury always played a big role, in monetary affairs in particular. In the trade field, while they were important, we really were more dominant in those days in State. My relations were so-so with some of the people and reasonable with others. I had much more relations with the Treasury in later jobs than I did at that time.

Q: Where did you go next?

WEINTRAUB: I went to Chile.

Q: You were in Chile from when to when?

WEINTRAUB: I was in Chile from '66 through '69.

Q: What was your position in going to Chile?

WEINTRAUB: I had two responsibilities. When I went there, I was Economic Counselor of the Embassy. In a sense, that was the less important of the two positions. Also, when I went, I was the Deputy Director of the AID Mission. I had both responsibilities. Chile was one of the big recipients of foreign aid at that stage in the Alliance for Progress. That was a far more important job, in a way, because the AID Mission had many more economists, had much more money, than the embassy. The aid program and all that went with that was my chief responsibility.
Q: First, to sort of set the stage, what was the political cum economic situation during these times in the Sixties?

WEINTRAUB: Chile had a Christian Democratic government. The president was Eduardo Frei, the father of the current president of Chile, who is also named Eduardo Frei. There were three big aid recipients in Latin America at the time, each getting program loans. Program lending is balance of payment support and is used to support policy change. Brazil, was the most important country. Colombia. Chile. Those were the three big recipients under the Alliance. Chile was a democracy. It was doing reasonably well economically, but not all that well. Economic performance varied when I was there, depending largely on the price of copper.

Q: Who was the Ambassador at that time?

WEINTRAUB: When I got there, it was a man named Ralph Dungan. Dungan had been in the Kennedy White House where he helped in making political appointments and therefore was well connected.

Q: How did he fit into the situation there? He was not coming from either an economic or a political-

WEINTRAUB: He was a political person. He liked the Christian Democrats. He was a good Catholic and he liked the orientation of the Christian Democrats. He was a political animal most of all. He got along quite well with the people in the administration. The AID Mission at the time was run by a man named John Robinson, who has since died. In a sense, I was a more important contact for Dungan than Robinson, who was very good, quite an exceptionally able fellow. But I, coming out of State with that background, I think spoke Dungan's language more than Robinson. He left about a year after I arrived. He became head of the AID Mission in Vietnam.

Q: How did your job work, as an economist dealing with this very large program?

WEINTRAUB: Well, remember, it changed. When I was Deputy Director, it took one form. A year later, I became Director of the AID program. We had a joint AID-Embassy economic mission at the time. Except for one person who acted as liaison, who was actually physically present in the Embassy, the rest of the economists were with me at the AID Mission. I mixed up the State and the AID economists. We largely brought together the AID analytical functions, the State reporting functions and the balance of payments function. I liked the operation because I could use the economists for functions in which they were most able, almost regardless of which agency they came from. I'm not sure all of them liked it, but I did.

Q: Speaking about economists, in the present day and in the last decade, the Chilean economists became quite prominent. Most of them were considered loans of the Chicago boys. They came out of the University of Chicago with its particular economic caste and have made, from all accounts, quite a success out of directing the economy of Chile. But, at the time you went there, was there a cadre of Chilean economists? Did we have much dealings with them?

WEINTRAUB: Oh, yes. The main reason why a lot of these fellows got their education was that the Ford Foundation had a big program. Arnold Harberger, who is now the president of the American Economic Association, was the critical man in Chicago who brought them there. Not all the “Chicago boys” went to Chicago. A lot of them came from other universities. Of the two key people that I dealt with, one of them who is now the head of the central bank and was then head of the central bank, actually got his graduate training at Chicago; the other one at Colombia. AID actually had a program training Ph.D.s in economics. Washington fought it. They said it was too expensive. It takes a lot of money to train people for three or four years, to get a Ph.D. in economics. But we had a good deal of influence in helping train the people who later took over the Chilean economy.

The Chicago boys took many bold actions - relying more on the private sector, going to the market, getting the government out of doing a lot of activities, trying to diversify the economy, opening the economy, getting rid of the old import protection measures- When I was Mission Director, I tried to get the Chileans to do some of those things, but in the political situation at that time the Christian Democrats didn't think in those terms.

Q: Was this problem, from our perspective, endemic within the Latin American scene, of too much government control, or was this Chile's problem?

WEINTRAUB: Are you referring to what the Chileans did or what we did? I'm not sure all the things I was suggesting were necessarily the same views that Washington had. I always had arguments with programs. At that time, State was much more concerned with the political side of things. The fellow running the program lending was a State Department Officer, a man named Palmer. I was close to him. I wouldn't have taken the job if it were not for his doing. He was the dominant person in the Washington hierarchy at that time on economic issues. AID itself was sort of dominated by the planners. I remember, they wanted us to make plans based on a series of variables that were uncertain, such as the savings rate and what was the investment-output ratio, the so-called "ICORs:" incremental capital output ratios, and then build models of where things were going. They gave us the parameters, in fact many alternate parameters. I remember that one of the things we did at the time was to set up a model of the type now quite common, using computer facilities at the University of Chile. So, when we got requests from the key people in AID Washington, we could plug in the numbers and send them back the projection they wanted. In point of fact, it was just stuff on paper. It had nothing to do with the actual dialogue or the running of the programs at the time.

I think what interested the State Department most about Chile was democracy and a long-standing democracy. Frei had the right kinds of beliefs in terms of democratic institutions that pleased Washington. A belief in the kind of economics that the Chicago boys had was not necessarily the position of either AID Washington or State or the Mission itself. We would have liked them to have done more to open the economy, but, in our own mind we never dreamed they would take the kinds of drastic measures that the Chicago boys later took when they came into power. They operated in a dictatorship and we did so in a democracy.

I left Chile in '69. Allende was elected in 1970. The Pinochet coup came in 1973. All of the measures you're talking about, those of the Chicago boys, took place under the dictatorship.

Q: In perspective, when you say we were particularly interested in the democracy there, this was because there really weren't any democracies. Or maybe Colombia.

WEINTRAUB: Colombia was.

Q: Colombia, and that was about it, wasn't it? We might be missing something.

WEINTRAUB: We might be missing something. Argentina moved in and out of democracy, depending on who was there at the moment. It was not consistent. Colombia was a democracy and Colombia had quite a dynamic leader at the time, a man named

Lleras Restrepo, who was an economist. And then there was Frei. The two men were actually quite close, the Colombian and Chilean presidents. But you're right.

Q: What was your impression of the pressure of the administration guidance of the Alliance for Progress during this time from the Washington point of view?

WEINTRAUB: It was slowly dying. I came in 1966. The AID amounts were still very substantial. We were spending $120 - 130 million a year in project and program money in Chile. These were dollars of those days for a little country. IMF was deeply involved, too. We worked very closely with the IMF. The World Bank was there, but they were a sideshow.

In '67, copper prices went up. The Chileans decided, in their own wisdom and independence, they could do better on their own and didn't need the conditions being imposed by the IMF or AID. So, in '67, the program loan, which had been $60 million the year before, disappeared. The project lending continued. It was in '67 when everything began to fall apart in the economy.

Q: Just to get the atmosphere, at the time, was their concern about forces to the Left of Frei?
Allende came in later on, but was there a concern that a more government-control type government might come in?

WEINTRAUB: By '68 there was. The presidential elections that took place in 1970 had three candidates. A Christian Democrat, a man named Radomiro Tomic, who has since died, he was on the left side of the Christian Democratic Party, more leftist than Frei. The second was a man named Alessandri, who had been president before. He was conservative, on the right, an older man by then. And there was Allende. When I left in 1969 - elections were going to take place a year later - we knew that there was going to be a three-way split. It was conceivable that any one of the three could win. There was some difference of opinion. I still remember writing a memorandum on that subject to Washington. The CIA analysis, and that was the one that Washington took most seriously, was that Alessandri, the right-wing candidate, would win. I wrote a dispatch saying that I thought the CIA analysis was wrong for a number of reasons, and I thought that the more likely winner would be Allende. I'm not sure that the Embassy had a strong position. But, whichever one was right, we knew that any one of the three could win.

Q: Did you have any contact with the three parties in talking about Chile as they were getting ready for this?

WEINTRAUB: Yes, we had a lot of contact, the Embassy did, the AID Mission in particular did. We knew all of the key persons in each of the three parties. The one group I personally did not know, and I don't think the Embassy did either, were the military people. The tradition was that the Chilean military stayed out of politics. When Pinochet

took over, what happened was that, except for the Army Attaché, who had some contact, the Embassy was caught flat-footed.

Q: How did you view Allende and the people around him as you were looking at this possible future leader for Chile?

WEINTRAUB: Remember, I left beforehand. Allende himself was a Socialist, nominally. There was a group within the Socialist Party that was more left wing than the Communist Party in Chile, which tended to be a more moderate party than parts of the so-called Socialist Party. Nobody in the Embassy or in the Mission had any illusions that, if Allende and his group came to power, that they would not try to impose a Communist or a statist society on Chile. That was the general assessment at the time.

I mentioned the difference between the CIA and the AID political analysis- Before I left, I tried to get a modest loan, which was intended to deal with import liberalization. I had long talks with the government. This was still the Frei government. I'm not sure whether the Chileans would have accepted what I was proposing. But it never came to that because Washington killed the loan proposal because the powers that be there had concluded that this - the Christian Democrats - was not going to be the future government of Chile. They thought the future government of Chile was going to be under Alessandri. I wrote in my memo that they were making a mistake. Would it have made any difference if I had prevailed? I doubt it.

Q: What about the Chilean bureaucracy with whom you dealt? What was your impression of the caliber and the outlook of this group?

WEINTRAUB: They were planners and they believed in protecting against imports, but they were a well-educated, qualified bureaucracy. Chile didn't lack qualified people to run things. As a matter of fact, my predecessor got into deep trouble with AID in Washington because he cut back, and I completed the job, a lot of the technical assistants we brought into the country. The reason we cut it back - not everything; for example, we had a big tax administration program - was because the advisors coming in were less well-equipped than the people they were advising.

Q: In many ways, did you find yourself thinking of dealing within a European environment, as opposed to a Latin American environment?

WEINTRAUB: Yes. It's part of Latin America, not Europe, but the environment was much more European than you would have gotten in places like Peru, Ecuador, or almost anywhere else other than Argentina at that time - maybe Colombia, too. Colombia was the exception in that it had a very sophisticated and solid economic decision-making process.

Q: What about the people within the private sector with whom you dealt? I'm thinking of the bankers, the academics at the University. How did you find that?

WEINTRAUB: Very good. The university community was very highly-respected. There were two main universities: the University of Chile and Catholic University of Chile. Of course, we dealt with them. They were well-trained, well-educated people. Private sector businesspeople tended to be conservative, but they were well-qualified and knew what their businesses were. Chile was, in a way, a lovely place to have been - nice climate, sophisticated people, democratic government. The only trouble was that they weren't achieving as much as they should have.

Q: What was the situation with the copper business there at that time? Was that still in non-Chilean hands?

WEINTRAUB: For the most part, no. One promise Frei made in his campaign to become president was that he was going to Chileanize the copper industry, and that meant taking over a portion, not fully nationalizing. I forget all the terms of how much ownership shares went to each side. So, you had the beginning of a movement toward nationalization of the copper industry, not fully. Terms of payment and things of that type were worked out. This was done with a guarantee from, at that time, AID, and later OPIC. But the full nationalization didn't take place until Allende became President.

Q: Was it sort of assumed that everything was going that way, but it was being done in a rational basis?

WEINTRAUB: Not necessarily, no. Had the Christian Democrats won, that could have ended the whole process, as long as they got some more new investment. At the time, the big weakness of Chile was that its exports were not diversified. Copper made up the bulk of all exports. That was obviously a weakness because it led the country into booms and busts depending on world copper prices that were out of Chile's control..

Q: What about the private business? One thinks of Chilean wines and that's about it. Was that even-?

WEINTRAUB: Chilean wines existed, but it was not a big export product. Chilean fruits existed, but they were not big in the export market. Chilean seafood of one kind or another existed, at least the shellfish. The salmon industry, which has since become so big, did not then exist, at least not the cultured salmon. So, all of the developments in these areas that we now think of really began to take off in the latter part of the 1980s .

Q: Were we pushing any particular types of development of businesses there, as opposed to mainly concentrating on monetary policy?

WEINTRAUB: We were focusing on monetary and fiscal policy. We had some projects, like ports. The reason I argued for Chile to loosen up imports was that the country could then diversify its exports. We knew all of these nontraditional export possibilities existed. Colombia actually antedated Chile in developing some of those exports. But, no, beyond

that, we weren't pushing any individual things, except the development model that should be followed.

Q: Did you feel the impact, though you were obviously very far away, on our policy and the way we did it because of our growing involvement in Vietnam?

WEINTRAUB: Not really. Later on, obviously, because funds became more scarce, but I can't say that I did.

Q: You left there in '69?

WEINTRAUB: I left there in '69. I came back to State as Deputy Assistant Secretary for what later was called International Finance and Development. There were three Offices in that area: one on international monetary affairs; one that backstopped all of our liaison with AID plus World Bank, Inter-American Development Bank, the EX-IM Bank, all the other banks; and then we established a brand-new office called the Office of Investment Affairs, looking at investment issues. That's what I did for the next five years.

Q: So that was '69 to '74. You'd been away from Washington for three years. Did you find any changes as far as the atmosphere in which you were working on financial affairs?

WEINTRAUB: Not really. Not at first. We went through some very profound changes in the early seventies. When I first got there, the in-basket I had looked very much like the in-basket when I left Washington.

Q: When you were dealing with these various international financial affairs, what were your main issues that you were working on?

WEINTRAUB: On the monetary side, State never took the lead on those issues. The lead really was in Treasury. State played a role though, a much bigger role than it does today. That really consumed most of my time. State was in charge of a lot of the debt rescheduling under the Paris Club when I was in charge of the monetary side.

Q: Could you explain what the Paris Club was?

WEINTRAUB: The Paris Club was a group of developed countries, meeting in Paris under the chairmanship of a senior official from the French Ministry of Finance - usually using OECD or other facilities - to reschedule official debt of less-developed countries that needed debt rescheduling. A lot of the debt rescheduling then took place in the Paris Club. There were other similar “clubs” that dealt with different debt rescheduling. There was one for Indonesia that came under another jurisdiction. Sometimes, it was just bilateral rescheduling. I remember a few. One involved Poland, another Egypt, and there were others. That was one of my duties. It was not the main function.

In about '69, '70, The United States' balance of payments really began to deteriorate. People who don't follow monetary affairs wouldn't know this, but it became clear that the international monetary system as it existed, with The United States playing the central role, was going to have to change. It did change in '71 and then, even more definitively, in '73. In 1971, the United States unilaterally decided it was not going to convert any dollars that were held by central banks into gold. The system up to that time hinged on that. The IMF system had fixed but adjustable rates, which allowed for narrow margins of fluctuation. In '73, we moved to a more flexible exchange rate structure. All of those things then led to much international discussion under the IMF as to what should be the core of the international monetary system. The key players in the U.S. government were Treasury - Paul Volcker, who later became Chairman of the Federal Reserve; the Federal Reserve; State, and I was the key State Department person there; people and people from the White House. Literally, we had two or three meetings a week as to what we ought to do, what the new system should be. I remember that because it was one of the more intellectually challenging things I've ever done in government.

The Office dealing with development sat in on the interagency stuff, the meetings, deciding whether we'd approve or not approve loans and what changes we'd want. We reacted to AID programs. We sat in on the meetings dealing with those. We reacted to EX-IM programs. I think the Development Office it played an important role.

Finally, we realized that direct investment, both into the United States and out of the United States, had a major foreign policy impact. We set up a new office from scratch to deal with those issues.

Q: Were there any particular issues between Treasury and State or were they both pretty much on the same force?

WEINTRAUB: No, there were always issues, always disagreements. On the monetary issues, Treasury was the main player, but we had a voice. I think we had a lot of influence, particularly since Treasury people at the time were quite naive about foreign policy aspects. We had enough people who were equipped to argue with them on their own technical grounds. I'm not sure that would be true today for a lot of reasons.

I can't remember any deep disagreements on the monetary issue. I remember a lot of disagreements on debt rescheduling matters, not deep, but enough that we had to fight them out. We didn't always agree on who should get loans and who shouldn't get loans through the multilateral development banks. But these weren't intractable issues.

Q: I would assume that on debt rescheduling and who gets loans and all, normally Treasury's primary concern would be "Are we going to get the money back" and State's concern was "What will this do to stability of the country in question?"

WEINTRAUB: Both, except that we were in charge of the debt rescheduling, rather than Treasury, for the most part, not fully. Remember, we were not regional bureau types. We

were the Economic Bureau. That makes quite a difference. So, the outlook really wasn't all that different from Treasury on issues of finance. We also were not quite prepared to use money if we didn't think we'd get it back. Some of the minor cases, yes, we knew it. Poland over the years had received, a good deal of PL 480 money from the sale of surplus agricultural commodities. The repayments were supposed to be in local currency. After a time, though, they would be convertible into dollars. We knew, whenever they had to start repaying this money in hard currency, they were going to come and ask for a debt rescheduling. We all knew that and just sort of took it for granted. So, we knew we were going to have to renegotiate their debt. The critical issue really wasn't that. The critical issue was what the exchange rate would be because we have a lot of retirees in Poland - what they would get when they cashed their pension and social security checks in Poland. We had to negotiate with the Russians, how they would pay back some of their lend-lease debt. Those were the kinds of issue that arose. Political factors were involved in all of them, but they were essentially financial negotiations.

Q: What about Congress? Did Congress play much of an overseeing-?

WEINTRAUB: No, not really. Not on the monetary system. Congress really wasn't equipped to deal with that. Direct investment issues to a certain extent, but a lot less. On development assistance, our office had to do a lot of the testifying to try to get appropriations. Congress played a big role in that. We weren't the lead agency. AID was on bilateral assistance and Treasury on multilateral development banks. But we testified frequently. In general, though we used to testify before Congress a lot, it was not a burdensome proposition, except to get aid appropriations.

Q: In your dealings with international monetary and fiscal matters, did Israel have sort of a special relationship? Was this treated differently?

WEINTRAUB: Well, the issue in Israel wasn't so much monetary as the size of the AID program and what conditions would be imposed. Yes, it was different. We didn't play a big role. Discretion was pretty limited. We occasionally got involved, and I made several trips to Israel, trying to get them to make some economic policy changes. Israel was in a different category though.

Q: The Vietnam War was winding down and ended in a collapse just about the time you left there. Was there much reflection of our trauma that was going on in Vietnam in the type of work that you were doing?

WEINTRAUB: There was and there wasn't. I had one person on the monetary staff who used to advise AID on some of the monetary issues involved. Money was generated through an import program and then you generated the local currency and that was used to meet Vietnamese budgetary expenditures. I actually received three requests from the people who dealt with this, in the main, asking of our office would play a bigger role in the monetary aspects of all of these issues. But I turned down the offer. I didn't want any part of it. My reasoning was not necessarily that I favored or did not favor the Vietnam

War. I didn't like what we were doing, but that wasn't my reason. My reason was that it would take up all of our time and it wouldn't make any difference.

Q: What about banks, Chase Manhattan and other banks?

WEINTRAUB: We spoke with them regularly.

Q: How would you deal with them?

WEINTRAUB: Just by being in touch with them all the time, knowing what they were doing, what kind of lending they were doing. Most of these things really were relations with industrial countries. I used to travel to London a lot because of the growth of the Eurodollar market. I knew many bankers in New York. They would come to consult with us, as well as we with them, since we knew more what was happening in some of the countries, particularly in Eastern Europe. They were lending - flying blind. It was in that period that I realized that bankers didn't know all that much. I used to think that they knew more.

Q: This is not the period when the banks were lending too much to Mexico and to Brazil and other places like that? This came later?

WEINTRAUB: What you're talking about came later.

Q: Again, you said that they really didn't know what they were doing.

WEINTRAUB: They didn't realize the risk they might have been running in Eastern Europe. We were able to give them some indication. "Be careful, and do your homework" was really what it was. I'm not sure they learned it then, though they've learned it since. The banks did not lend much to developing countries. But, in those days, it was not the developing countries we were looking at. It was mostly the industrial countries and those in Eastern Europe.

Q; Did you find that, as you were sitting on, say, the Paris Club and all, the French had an outlook that was different than the American one? Were there any differences between us and the British?

WEINTRAUB: Yes, there were differences. In a way, we were willing to be more generous than the Europeans, but within limits. There were differences, but they were always bridgeable. In a sense, the solutions were technical.

Q: I can't remember when the so-called "Nixon shock" came over gold.

WEINTRAUB: That was in August 1971.

Q: Did you have knowledge beforehand? How did that affect things?

WEINTRAUB: We knew something was coming. We'd been talking about that for some time. The decision was made at a meeting at Camp David, one weekend in early August of 1971. State - not the Secretary of State and not the Under Secretary of State, a man named Nathaniel Samuels, not me, none of us - was invited. Quite deliberately because they took some measures they knew we would oppose. Treasury wanted to end the auto agreement with Canada and decided at Camp David that they would end it. That was killed because someone from State saw their press release in the basement of Treasury, and we blew our stack. Two, and much more universal than that, they decided at Camp David to put a surcharge on imports coming from other countries as a pressure mechanism to get the other industrial countries to let the exchange rates get modified. That was a negotiating tactic and they knew State would oppose that because it put us in violation of our GATT obligations. So, they didn't invite us.

Q: That would have blown everything apart, wouldn't it?

WEINTRAUB: They did do it. It didn't last for very long. Everybody around the world screamed. John Connally, who was then Secretary of the Treasury, really thought this was a good negotiating ploy. Maybe it was. I didn't think so. The Under Secretary of State then, a man named John Irwin, understood these issues. He wasn't invited either. The surcharge issue, by the way, had never been raised with State before the announcement at Camp David.

Q: Who do you think was behind this? Was this Nixon in the solitude of his office?

WEINTRAUB: It was John Connally, I think. The fact that we were going to do make changes in the monetary system didn't surprise us. Those things we had already sort of planned on.

What I'm mentioning to you on the Canadian Auto Agreement and the import surcharges, I have a feeling they were last-minute decisions by the people in Treasury. They were pretty stupid decisions.

Q: Were you getting any of this afterwards? What was the attitude of the Treasury people you were dealing with when these things came up?

WEINTRAUB: They didn't come up until the last minute at Camp David.

Q: I mean, after it was done, what were you doing? How did you try to work? Did you work to undo it or to try to put the best face on it?

WEINTRAUB: We worked to undo it. We had to put the best face on the surcharges when we went to international meetings, where it had to be defended. We had a big role on those things in the GATT at the time. Most of the civil servants and technical people

in Treasury didn't like these decisions either. So, we were dealing with people lower down who were on our side. They did not want to defend the indefensible either..

After all of this was over, when the Nixon tapes began to come out, there was one tape, and this one I'll always remember, where Bob Haldeman was having a discussion with Nixon-

Q: Haldeman being-?

WEINTRAUB: Haldeman was the Chief of Staff in the Nixon White House. Haldeman was showing Nixon some memo and he said that Arthur Burns, who was Chairman of the Federal Reserve, was worried about the impact of what we were doing on the Italian lira. Nixon's response was "(expletive deleted) the lira!" I framed that and I kept it up in my office and explained to my wife, "Here's what I've been devoting a good deal of the last several years of my life to, and here's what my president thinks of all of this work." That was, by the way, one of the things that convinced me I wanted to get out.

Q: What about Treasury during this time? With whom were you dealing most of the time?

WEINTRAUB: Mainly with Volcker, who was the Under Secretary for Monetary Affairs, the Assistant Secretary there, and the fellows who really dealt with the monetary system. Those were my main contacts.

Q: Were they comfortable with some of these things that were coming out at that time?

WEINTRAUB: Well, they were comfortable with the monetary stuff. They were not the authors on the auto pact or the surcharge. They weren't comfortable with those things either.

Q: What was behind the auto pact there with Canada-

WEINTRAUB: In the practical trade balance of 1965, the trade balance was in Canada's favor and Canada maintained certain exceptions to free trade. A good many of the people there were sort of annoyed with the Canadians. They didn't like the adverse trade balance. They just figured that the best way to correct this was to break the agreement. Even had they succeeded, it wouldn't have lasted. The agreement was too important to the auto companies and the trade was growing. The two-way auto trade had become phenomenally large. Also, the companies were using the agreement to plan their production on both sides of the border. I learned during that period of time that government policymakers don't always know what the Hell they're doing.

Q: Sometimes it's just, a bee gets into somebody's bonnet, that they want to do something about this and they just charge ahead.

WEINTRAUB: I think it's that. I think also, what I sort of learned, is that while you're privy to a lot more detailed information than people on the outside, that doesn't give you a basis for analysis that is necessarily sufficient. The people on the outside know much that you don't know. That the realization came to me in those years. I said the bankers didn't know fully about what they were lending, but they knew something about the way money works - in a sense, better than we did.

Q: This was one of the criticisms in The Washington Post just the other day, that economists can seem to make a picture, but they don't understand that the regular people understand the impact of economic changes, as opposed to what the figures tell about the creation of jobs, when everybody knows somebody who's lost a job.

WEINTRAUB: I think that's true. We were dealing in highly technical issues. They were abstract issues, but they had an impact. We knew more about the workings of the international economic structure, but you're right. We just didn't necessarily know more than others. In most jobs I've had in State, outside consultants or commentators were not terribly useful, for the most part. INR used to commission all kinds of studies, mainly because these fellows were quite useful in dealing with some of the long-term implications of what you were doing. But on policy, on immediate issues, particularly in the economic field, advice on that kind of stuff from people who don't know much about the details is not terrible useful.

I'm making this point because when you deal in issues like what a monetary system should be like, outside people who have devoted their lives to studying this subject, can provide much guidance. The theory matters there. The theorists play a much bigger role than they realize because all of us who were trained are grounded in the kinds of theory that we weave from them. One of the reasons that this was an intellectually challenging time is that, really for one of the first times in my life, I was deeply involved in work on which I had spent a good deal of time studying in school. We used to bring in some of the very best experts to speak with us.

Q: This is the time where, on the political side, there was a great divide, probably the greatest we've ever had, between the academic and theoretical world and the political world over Vietnam. Did this carry over, this almost contempt for government, into the T-Rex that you were dealing with in the academic world?

WEINTRAUB: No, not really. We were trained in the same schools. Some of them had been colleagues earlier on. Some had been our teachers. For some of them, we had been their teachers. No, that didn't exist.

Q: It wasn't that charged an atmosphere either, for the work you were doing.

WEINTRAUB: No, it wasn't. It was an intellectual atmosphere. There was not that great divide between what the two sides, the insiders and the outsiders, thought.

Q: How about what later became known as the North-South dynamic, that the countries of the North were much better off and the countries of the South were poorer and that something should be done to compensate those in the South? Was this a dynamic at that time?

WEINTRAUB: Yes, it was. One of the offices under my supervision was the Office of Development Affairs. We were part of that whole process and yes, it did come up. In a sense, though, during that period of time, the Economic Bureau in the State Department, where I was earlier, it began to come up earlier in the '60s. Then when I came back as Deputy Assistant Secretary, I was very skeptical of the new international economic order. For the most part, those of us who had to deal with trade issues were not interested in negotiating these in the United Nations, and that's what it amounted to. We wanted to negotiate at the World Bank, the IMF, the GATT. We were a lot like the other economic agencies of the government. Our biggest conflicts really were not with other agencies, but with the Bureau that dealt with the UN, the International Organization Bureau in State. They were much more willing to cater to the desires of the developing countries, we less so. And with the regional bureaus, particularly those involved with Latin America and South Asia and Africa. The Economic Bureau was always more hard nosed.

Q: What about personnel that you were getting? Did you feel that the Economic Bureau had a- There have been times when it said that it was too weak in economists and we started a program of training our own. What did you feel during this '69 to '74 period?

WEINTRAUB: The Economic Bureau was in pretty good shape on talent. The Executive Officer, Frances Wilson, used to tag the incumbents and pick them. She was good.

Q: She's one of those names that's sort of outstanding as somebody who really took what amounted to a relatively administrative-type job, but turned it into something of real value.

WEINTRAUB: Sure. I think I mentioned to you earlier, when I came back from Thailand in the early sixties, I was scheduled to be the country director for Thailand, but she had me tagged for the Economic Bureau and she wouldn't release me.

Q: She was still keeping things going well?

WEINTRAUB: At that point, yes. The economic training program you're talking about at the Foreign Service Institute was in part devised for the Economic Bureau, but it was much more to make sure that our Foreign Service Officers at embassies all over the world had a reasonable amount of literacy in dealing with economic issues. I personally think it was a good program. I think it did very well. But the Economic Bureau had people on trade issues who had devoted their whole lives to that, and on monetary issues. So, there was a lot of talent there. That was not a problem then. My guess is that it's a much bigger problem now because State has steadily lost power in the economic area, from what it had in my time.

Q: What about the support you were getting, either from details, from assistance, information, representation from the field in our various Embassies? What was your impression of how well you were being served?

WEINTRAUB: We were being served by embassies telling us what was going on in individual countries, but that was less important to us than it was to a country director working on a country. Remember, a functional bureau like the Economic Bureau is dealing on a worldwide basis on trade policy, on monetary policy, on development policy, on investment issues. A lot of what we had to do really dealt with the worldwide picture, but we still needed the individual country picture from important places. I think we were generally being served pretty well.

In a way, the field was not always being served very well. I remember, for example, during a lot of the monetary discussions and the issues on the way the structure would work, that people from the various agencies in town - Treasury, Commerce to a certain extent but less so, the Fed - would get on the telephone and speak to their counterparts. And the embassies would not know that. I'd know only because I was doing much the same thing. The then-Minister for Economic Affairs in our Embassy in Ottawa - we made an arrangement. He'd call me once a week and I would tell him what conversations took place. We knew more than he did about what was going on in some of those areas. At the same time, he could tell us what was going on in Canada in ways that we didn't know.

Q: You left that job in '74. Then what?

WEINTRAUB: I'd made up my mind I was going to leave. I was nominated to be Ambassador to the OECD but a political appointee got the job. I was assured I'd get an embassy overseas at that time. I thought about that. I took a job in AID as an Assistant Administrator for Inter-Agency Coordination, really looking to try to coordinate foreign economic policies aid and pull together aid, trade and monetary stuff, working for AID. It sounded on paper like a good job. It really wasn't, in large part because there was a Coordinator for Economic Policy in the White House and he didn't want AID bureaucrats getting in his way. That in and of itself wouldn't have been too bad, but we had an AID administrator who really didn't want to do things like that. He appointed me because he knew me and he thought I could be of help to him, but he wasn't willing to support me. I had already made up my mind that I didn't want to go out again as ambassador or otherwise. I was about 51 then. I guess I concluded that it was time to get out. So, when the moment came- actually, the moment came to me. I was offered several jobs. I only stayed in that job for one year.

Q: You went where?

WEINTRAUB: I went to the University of Texas as a professor. The Lyndon B. Johnson School of Public Affairs had been set up not too long before. I had one or two other offers from banks in New York. Rightly or wrongly, one of the conclusions I reached was that I

had had enough of bosses and bureaucracy and I'd rather be an independent teacher and do my own thing. That's what motivated me at the time.

Q: While you were at the University, did you find that you were bringing the practicality of what can be done, as opposed to the academic models? Do you feel that that was one of your contributions about how the system really worked, as opposed to the more theoretical, academic side, or not?

WEINTRAUB: Oh, yes. Remember, I took a job in the School of Public Policy, not in the Economics Department. I could have, but I didn't. One of the reasons I took it in public policy was that I wanted to do that. I wanted to get that mixture of academia and policy. But I wasn't unique there. I was unique in the LBJ School in foreign policy, but we had a lot of other people on our faculty who brought that same view. For example, some years later, Ray Marshall, who'd been Secretary of Labor, joined the faculty. Barbara Jordan was on our faculty and she obviously had some good experience in Washington.

Q: She'd been a Congresswoman, very prestigious.

WEINTRAUB: Wilber Cohen, who'd been the Secretary of HEW, joined us. John Gronouski actually was the dean for a while.

Q: Ambassador to Poland.

WEINTRAUB: That's right. So, the senior faculty at the School had policy backgrounds in various fields. They all had doctoral degrees, except for Barbara Jordan, who was a lawyer.

Q: She had a law degree.

WEINTRAUB: So, the answer to your earlier question is "Yes," but I was not unique.

Q: How long were you there?

WEINTRAUB: I formally retired just this past year, although I left two years ago. So, if you count the time when I joined them, which was the beginning of '76, until '96, that's 20 years.

Q: Good Heavens. What types of students were you getting?

WEINTRAUB: It's a graduate school.

Q: Where did they seem pointed? Do you see your creatures within government?

WEINTRAUB: There are now a lot of these public policy schools. At the time, there weren't that many. We were early. Harvard Kennedy School, Woodrow Wilson at

Princeton, there's a school in Michigan, there's a smaller one at Berkeley. There weren't too many then.

They've grown. Most of our students, I would guess, about 75% ended up in government positions. A lot of them at the state level.

Q: The states such as Virginia, Arkansas, that sort of thing?

WEINTRAUB: And Texas, yes. Texas was booming. California at various times. I guess about half ended up at various state or municipal levels. About 25% ended up in Washington, of which maybe a third ended up in international matters. The others moved into related activities such as consulting or working for big corporations and as Washington representatives. We were actually doing better in placing our graduates, or they were placing themselves, in public service - some went into elected office - than many of the other Schools, where many of them went into banking and things of that type. But, sure, these networks build, and the graduates of our school and some of the others are all over the place now.

Q: Why don't we stop at this point? I really appreciate this. Thank you very much.

WEINTRAUB: Thank you very much.

End of interview