

Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project

LESTER E. EDMOND

Interviewed by: Raymond Ewing
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INTERVIEW

Q: This is an Oral History interview with Lester E. Edmond. This is being conducted under the auspices of the Association for Diplomatic Studies and Training at the National Foreign Affairs Training Center. It's the 24th of April 2001, and my name is Raymond Ewing. Les, it's good to have a chance to have a conversation with you this afternoon..

Les, you, according to my notes here and what you provided to me, joined the Department of State in 1950 as an international economist. I assume at that point you were not a Foreign Service Officer. I wonder if you can tell me just a little bit about your background, what you had done up until that point, and then we'll go from there.

EDMOND: I was a member of the class of 1942 of the College of the City of New York and had taken a break between my junior and senior years to work in Washington. I was a file clerk in the General Accounting Office. Some time during the summer of 1942, I enlisted in the Reserve Corps, returned to college, and was called up on March 17, 1943, St. Patrick's Day. I eventually ended up as a combat infantryman and saw action in Luxembourg, Belgium and Germany. The only aspect of my military experience of general interest is that my outfit, the First Battalion of the 271st Infantry Regiment was one of the first, if not the first, to meet the oncoming Russian Army at the Elbe River. I have always thought I might have been one of the earliest Americans to see the beginnings of the Cold War when after a day or two of carousing joyfully with the Russians, all fraternization and even contact between soldiers of the two sides was prohibited.

While serving abroad I learned of the passage of the GI Bill of Rights and concluded there would be a flood of applicants to the nation's colleges and universities in the immediate post-war period. I therefore thought it prudent to apply promptly to Harvard before the prospective flood of applications arrived. I was accepted for entry into the Graduate School of Arts and Sciences "for the first post-war class following my discharge." I actually received the acceptance letter at a time when we were still in active combat in Germany.

Upon arrival in Cambridge, I discovered that the Littauer Graduate School of Government, the predecessor of the Kennedy School maintained a very close relationship with the Graduate School of Arts and Sciences and that a candidate for the Doctor of Philosophy degree in economics could also be enrolled in Harvard's Littauer School of Public Administration. One in fact could obtain degrees issued by both the Graduate School and Littauer. I chose first to enroll in Littauer which offered a Masters Degree in Public Administration I had a familiarity with government service since my father was a chemist who headed the Eastern Division Laboratories of the Department of Agriculture and was primarily involved with meat inspection issues. I also developed a very positive attitude toward living in Washington during that year long interlude that I have mentioned. To a large degree that favorable attitude was due to the fact that I met Shom during that year. Our wedding took place approximately two weeks after my discharge, and we left

for Cambridge after a very short honeymoon.

After obtaining the MPA I continued my studies at the Graduate School of Arts and Sciences and ended up with an MA and a Ph.D. in Economics. The three years that I spent at Cambridge were undoubtedly the most challenging intellectually that I have ever experienced.

The academic challenge, particularly after more than three years of non-intellectual activity took all my time and energies and our Cambridge stay quickly became a joint effort. Shom was the breadwinner working as a research assistant to the well known political scientist, Carl Friedrich and later taking on the task of being Administrative Assistant to the Harvard Government Department.

The Harvard Economics Department faculty was legendary. My professors included world renowned figures such as Joseph Schumpeter, Wassily Leontief, Alvin Hansen, and Edward Mason. Two future Nobel Prize winners, James Tobin and Robert Solow were members of the student body. After graduation the question then arose as to what I would do next.

Despite my earlier comments about government service, I found myself leaning towards college teaching, undoubtedly influenced by the fact that it was the road that most of the newly minted Ph.D.s were taking.

As I thought about it, I realized that I had gone from college directly into the military and from there to three years of graduate studies and that if I were going to teach, I really had no practical experience to offer any future students. I would just be regurgitating what I had been told in the classroom. I therefore thought that a year or two of practical experience in a non-academic environment would benefit me and equally might prove to be advantageous to any future students that I might have.

I therefore decided to visit Washington to see if anything of interest to me might be available. Washington was an obvious choice since the Littauer School's bent was to direct its graduates toward the public service. I carried with me several letters of introduction and recommendation from professors including one written by Charles Cherington who was the Secretary of the School at that time. After having undergone several interviews it appeared that I would receive an offer from the Bureau of the Budget which I was prepared to accept. However, I still had not made use of the Cherington letter and I thought it would be very embarrassing to return to Cambridge and to report this after he had been so generous as to provide me with a warm letter of recommendation. He had written to a State Department official by the name of Robert Schaetzel who at the time was I believe Special Assistant to the Under Secretary for Economic Affairs.

At Harvard I had developed a particular interest in an area of economics known as Industrial Organization and Control, which dealt in the theory and effects of monopoly and monopolistic practices on the economy and public well-being. My doctoral

dissertation was entitled “Market Dominance in the Shoe Machinery Industry which was completed under the supervision of Edward Mason who was the country’s leading academic in that discipline. When Bob Schaetzel learned of my interest he noted that the State Department’s Bureau of Economic Affairs contained a Restrictive Business Practices Division that dealt with international aspects of the subject. I then was struck by the fact that none of my research or study in my area of specialization involved the international area and that if I were going to teach in that field I ought to fill that gap. It was primarily for that reason plus a general interest in international affairs that led me to accept an offer to join the State Department’s Restrictive Practices Division which at that time was headed by Roger Dixon.

Q: And Bob Schaetzel, I might add, just went on over many years and was probably the authority or one of the authorities in the State Department on integration of the economies of Western Europe, and eventually was US Representative to the European Community and very much involved with Atlantic issues over a long period of time.

EDMOND: That’s true. Bob and I ended up being rather close friends although we never served together. I started at State in early spring of 1950 as it took a couple of months for the security clearance to be completed. The principal task of the Restrictive Business Practices was to deal with the aftermath of the effort to break up the German cartels that followed the close of World War Two. Most of the work had been concluded by that time and it primarily involved tying up loose ends. After the demise of the Morgenthau Plan which proposed to limit Germany’s industrial growth, the decartelization program never received very strong support.

I quickly saw that this division had very little influence and did not play a great role in the Department’s deliberations. It so happened that at that time the Bureau of Economic Affairs was beginning the second year of an Economic Officer training program that was designed to broaden the horizons of a group of promising young officers by moving them every four to six months to differing parts of the Bureau so as to provide them with a broad perspective of the Department’s economic activities. I believe all of the ten or so officers so chosen with the exception of myself were actually specifically recruited by the Department for this program. Due, however, to one of the Department’s fairly frequent budgetary crunches the training program was terminated after about two years.

Q: I might just interject, Les, that in 1958/’59 I was a new Foreign Service Officer at that point and we had a similar rotational program in the Bureau of Economic Affairs. So I think the experience was remembered with your group, somewhat different probably, but the concept of a year and a half or so of rotating four times was resurrected. It didn’t exactly work that way in my case, but I think it was a good program. What motivated it in your time and my time was, I think, the old idea that the State Department needed to find a way to have more economic expertise.

EDMOND: And also I’d like - in the event somebody ever reads this - I’d like to put in a word for the Executive Director of that Bureau, Frances Wilson, who--I know my

experience is limited - but in my mind was perhaps the greatest executive director of a bureau and she felt strongly about that program and promoted it to the fullest extent.

Q: I can only say 'amen' to that. I had exactly the same impression of her and considered her a very good friend as well. So did you actually rotate?

EDMOND: Yes, I rotated two times, once into the International Trade area, which was perhaps the heart of the Bureau. That was not a particularly happy six months for me. In fact, of my 30 years or so in the Department and Foreign Service, that was the only time that I was not confident that I had chosen the proper career path. However I knew I'd go on to the next rotation which happened to be the final one, as the program was then disbanded. I then was assigned to the Office of International Commodity Affairs which was headed by Willis (Bill) Armstrong with George Alexander serving as his deputy. Although the Office dealt with a wide array of commodity issues, the bulk of the Office's attention was devoted to foreign policy issues that involved tin and rubber. I worked primarily on issues that concerned rubber as a commodity in international trade. Developments affecting that commodity were of particular importance to several Southeast Asian countries that included Indonesia, Malaysia, and Burma.

One of the major unresolved questions involved the disposal of the synthetic rubber plants that were constructed by the United States Government during the war in an effort to meet the critical requirements for rubber which primarily had been obtained from Indonesia and Malaysia (the Dutch East Indies and Malaya). Both territories, of course, had been conquered by Japan in the opening days of the war.

The United States Government had retained ownership of those plants in the years immediately after the war, but by 1951 was prepared to dispose of them. Considerable political pressure was being exerted to offer them to the companies that operated them during the war at prices that some thought might be far lower than their true value. The natural rubber growing countries were deeply concerned that their economies, which then were heavily dependent on rubber exports, could be adversely affected by US domestically produced synthetic rubber. They feared that if the factories were disposed of at give away prices that would permit the manufactured rubber to be heavily subsidized and sold at prices that the natural rubber producers could not meet.

While working in the Commodities Office, I received an unexpected but attractive temporary assignment to NATO which then was headquartered in Paris and was about to undertake one of its so-called "Wise men" reviews. I was invited to join a team of about four Economic Affairs officers who would participate in the exercise. The US team was headed by Walter Salant. That assignment lasted for approximately three months. In addition to the experience I gained by working with foreign officials in an international organization, I became aware of the beauty and attractions that a peacetime Paris could offer. I also have to report that the Paris sojourn awakened me to the pleasures that a sophisticated cuisine could provide. I was fortunate to have been assigned to a section of the NATO secretariat headed by a British Foreign Office official seconded to NATO

whose family had not accompanied him to Paris. He was kind enough to take me in hand and show me some of the attractions of Paris. One Sunday we drove out to a country inn named l'Auberge du Cheval Blanc where I experienced two hours of culinary delight which led to a life time avocation of searching out the world's fine restaurants.

Prior to leaving for Paris, I had been asked by the Office of Philippine and Southeast Asian Affairs (PSA) if I would accept a position as an International Economist in that Office which formed part of the Bureau of East Asian and Pacific Affairs. I had made the acquaintance of representatives of PSA while working on rubber issues which were of great interest to that office. The three month hiatus from the Commodity Affairs office made this a logical time to make the shift. Thus in early 1953 I joined the Office of Philippine and Southeast Asian Affairs as an International Economist.

Q: In that capacity you were there for a couple years then or longer?

EDMOND: I was there from early 1953 to 1956. The name of the Office demonstrated its focus. The Philippines had only achieved its independence from the United States on July 4, 1946 and the US dominated the country economically and continued to maintain overwhelming political influence.

There are two things that I recall working on during that period. One was the revision of the so-called Laurel-Langley Agreement, an agreement that we had concluded with the Philippines at the time they obtained their independence. The United States had received free trade status for a period of eight years and also received national treatment for its investments in the Philippines. This meant that US firms were to receive the same treatment as did Philippine firms. The Laurel-Langley obligations severely limited the ability of the Philippine government to make changes in its laws and regulations that might disadvantage American economic interests. With the 1946 trade accord coming up for renewal, it had become apparent that the Agreement needed to be revised so as to permit the playing field to be a bit more level, although US firms still would retain a very favorable economic climate in which to operate and would continue to receive national treatment in terms of investment.

These discussions provided me with my first significant opportunity to negotiate with other US agencies. Agriculture, Commerce, and Treasury were obviously deeply involved in the negotiations since the subject matter directly affected the well being of the domestic industries that formed their constituency. Since American firms opposed most of the Philippine proposals the negotiating team found it necessary to assess the Philippine positions, judge which were reasonable and consistent with US obligations elsewhere, ascertain how adverse the proposed changes would be to US commercial interests and to place all of the above within the context of overall US domestic as well as foreign policy. In effect a dual negotiation took place, first to develop a coordinated US position, and then with the Philippine negotiating team.

Q: Were there other parts of the State Department also that had a strong interest in those

matters, particularly the Bureau of Economic Affairs? Or were you able to handle it pretty much directly with other agencies?

EDMOND: PSA did the backstopping of the negotiations for the Department. The negotiating team was headed by a Presidential appointee and the team was made up of representatives of other interested agencies with PSA serving, in effect, as the coordinator of the US Government's position. Several economic officers from PSA were involved since the Office of Philippine and Southeast Asian Affairs was structured in an unusual way. There were no economic officers assigned to specific country desks and the Office maintained a group of economic officers who were assigned to deal with individual country issues when they arose although some informal specialization existed. Thus there was an overall Economic Section at the Office level which was headed by Leonard Tyson, an extremely capable individual. Len Tyson, just as an aside, directed the section while suffering from leukemia, which for a time was under remission. It was widely believed that he had caught the disease because he had been ordered to inspect the damage in Hiroshima within days after the atomic bomb was dropped.

In addition to working on US-Philippine affairs, the principal item of interest for me during that period was to be involved on the periphery of the Vietnam conflict. The United States had been aiding the French in the latter's efforts to defeat the Vietnamese revolutionaries. After the French suffered a major military defeat at Dien Bien Phu in May 1954, it became apparent that the French were losing heart for the struggle and the US decided to provide its assistance directly to the Vietnamese authorities rather than through the French Government as it had been doing. As a result the Bureau of East Asian Affairs became the key player within the Department replacing the European Affairs Bureau. Our decision to support the South Vietnamese necessitated the renegotiation of the economic arrangements that existed between Vietnam and France. The Vietnamese did not have many economic experts and on several occasions would consult us informally as to positions they might wish to take in their discussions with the French.

Q: Had we, the United States, begun assistance, economic assistance, to the Vietnamese government while you were still in that office, or did that come a little later?

EDMOND: We began providing assistance directly. In fact one of the first questions that had to be resolved was whether aid should be provided directly or whether it should continue to be given using the French as intermediaries. Some of it, if not most, was in the form of commodities. I can recall an officer from the French Embassy coming to see me with a request that textiles that were being provided for uniforms be purchased from French mills rather than from American ones. I must still have been rather naive or idealistic for I remember being shocked that the French were concerned with what appeared to me to be such a mundane matter so soon after their having received such a painful and costly defeat on the battlefield.

Q: I guess the next significant development in terms of the personnel of the State

Department in general was the Wriston Report and the Wriston Program. Is that something that affected you?

EDMOND: Without question. I applied quite early, either in 1954 or 1955 to join the Foreign Service. The decision was an important one for Shom and me which we thoroughly reviewed since it signified a definite change in direction in my career path as well as the life style for ourselves and our children. Up to that time I had not viewed my State Department employment as necessarily constituting a segment of a long term career track but still possibly as a prelude to a career in college teaching. This was true even though I had not seriously followed up tentative inquiries as to whether I would be interested in applying for one or another teaching position. The decision to accept “Wristonization” made me realize that I had, without fully appreciating it, implicitly committed myself to a long term career in the field of foreign affairs.

Soon after being sworn in as a Foreign Service Office Officer a controversy occurred that appeared as if it would radically alter the direction of my Foreign Service career. Some months earlier Vice President Nixon had taken a trip to Latin America that had gone very badly. He had been publicly jeered and his entourage may have been stoned. This deeply affected him and was at least one factor that caused him to be convinced that the State Department was paying insufficient attention to Latin American affairs in general and to Latin American economic affairs in particular. As a result the Foreign Service was instructed to strengthen its staffing in our Latin American embassies. The Bureau of Personnel was, I believe, tasked with developing a list of well thought of economic officers who might be assigned to Latin America. I was pleased to be among them and wondered to which major South American capital I might be assigned. I was quite chagrined to learn that I was ticketed to be going to Tegucigalpa, the capital of Honduras. My ego was deflated for I had imagined being proposed for posts such as Rio, Buenos Aires, or perhaps Santiago. The Far East Bureau was very supportive when I advised it of my disappointment, and informed Personnel that the Bureau would be reluctant to lose me and that it wished to assign me to Tokyo, an assignment which pleased me greatly.

Q: So you're out to Tokyo in 1956, I think.

EDMOND: That's right August 1956. Travel was more leisurely then. Shom, the three children and I flew to San Francisco where we boarded the American President Line's President Wilson for a thirteen day voyage to Yokohama.

Q: What was your job there, and how did you find things?

EDMOND: Obviously I was assigned to the Economic Section of Embassy Tokyo. Again I have to say that I have been, I think, blessed with the quality of the officers for whom I have worked during most of my career. The Ambassador at that time was Douglas MacArthur II, the nephew of General MacArthur. The Economic Minister was Frank Waring who was followed by Ben Thibodeaux. In addition to serving as Economic Minister, both also served as heads of the US Aid Mission to Japan which was still in

existence, although winding down. When we think of Japan today it is difficult to appreciate that when I arrived it was still an aid recipient. In fact one of the assignments given to me during my first years there was to negotiate a PL 480 agreement to furnish rice to Okinawa.

In 1956, Tokyo was immeasurably different than it is today or even when we returned for our second tour in 1970. The city itself had been largely reconstructed after the fire bombings of 1945 which had largely destroyed it. The buildings, however, had been hastily built and were architecturally unimpressive. As an aside it also not widely appreciated that the loss of life in Tokyo, as a result of the bombings, exceeded the loss of life caused by the atomic bombs dropped on Hiroshima and Nagasaki. In the pressure to rebuild and rehouse the displaced Tokyo residents the authorities did not alter the narrow winding streets which served Tokyo adequately in the seventeenth to nineteenth centuries but which even by 1956 had become clogged with small three wheel trucks.

The only western style hotel available to foreign visitors was the Imperial Hotel designed by Frank Lloyd Wright and which was one of the few survivors of the massive 1923 earthquake. The high rise office buildings which dominate today's Tokyo skyline were in the future. In 1957, about a year after my arrival Phil Trezise arrived to serve as Deputy to Ben Thibodeaux and then to replace him as Minister for Economic Affairs. In my opinion which is shared by many of his colleagues, Phil was the finest Economic Officer that the Department has produced, certainly during the thirty or so years of my experience.

The assignments given to me were rather general in nature. One area that I was told to follow and report on concerned Japan's economic relations with other Asian countries I also did a bit of bilateral negotiating of minor agreements. One that sticks in my mind, because of an embarrassing incident dealt with disposal of the yen proceeds of an aid agreement. I was in the Embassy on a Saturday, when a cable arrived from Washington which reversed the negotiating position that we in Tokyo had developed and which I personally had promoted to the Japanese. In my view it appeared to put the entire agreement in jeopardy. I went charging up to the Ambassador's office. Under normal circumstances I would have expressed my concerns to my immediate superior so my seeing the Ambassador directly was a bit unusual. But on this occasion, since Phil Trezise was not present, I barged in and remember saying something like, "Mr. Ambassador, we're in great trouble, we have a real problem." He said, "What is it?" and I explained it to him. He said, "Well, what do we do about it." I said, "I really don't know. The message has just arrived." Ambassador MacArthur leaned back in his chair and rather briskly said "Les don't ever come into my office again just to tell me we have a problem. I have problems all day long. All I deal with are problems. When you come into this office with a problem, you tell me what you think the suggested solution should be." That was another lesson that I learned early in my career.

Shortly after Phil Trezise became Minister, I unofficially took on many of the tasks of a special assistant, primarily in the sense that I was his note taker for most of the meetings which required records to be kept and follow up messages prepared. Phil Trezise had

regular weekly sessions with the chief of the Economics Bureau of the Japanese Foreign Office (the Gaimusho), and often with the Director General of the Gaimusho's American Affairs Bureau, as well as intermittent meetings with senior officials of other agencies, such as the Ministry of International Trade and Industry (MITI). It was a somewhat onerous assignment but it provided me with the invaluable experience of observing the interplay between highly professional diplomats as well as providing me with insight into the wide range of politico-economic issues facing our two countries.

Q: This was your first overseas assignment, first Foreign Service assignment abroad. At that time the Economic Commercial Section, Economic Section, was pretty good sized. There were people from other agencies.

EDMOND: It was one of the more sizeable Embassy economic sections. Treasury furnished the Embassy with a Financial and Assistant Financial Attaché. Agriculture also had at least two representatives. The Science Attaché's office had representatives furnished by the Atomic Energy Commission. Commerce had not yet established the Commercial Service. Therefore the Commercial Section was staffed by Foreign Service officers from State.

The differing relationship between the United States and Japan during the two periods of my assignment there is worth noting. During the 1956 to 1961 period, particularly in the early years, the United States acted as an elder brother attempting to assist a younger sibling. In the trade area, we actually spent time and effort to encourage Japanese firms to export to the United States and to Europe. I recall making speeches to Japanese industrial associations, lecturing them as to the importance of quality control if they were to sell to the wealthier industrialized countries. Little did we realize that in a very few years some of our bitterest trade disputes would be about what we would then regard as excessive Japanese exports to the United States and reputed unfair Japanese trade practices.

Another area of responsibility that was assigned to me was to encourage Japan to expand the level of its foreign assistance, particularly to the countries of Southeast Asia. This was an issue that did not arise too frequently but it had a significant political component as it was often interconnected with the delicate issue of reparations.

Q: The other thing that I [remember], of course - having served with you at least part of the period in Tokyo; I came in 1959 - was the planned Presidential visit by President Eisenhower, which was supposed to take place in June of 1960, and the demonstrations going on connected with the security treaty signature and so on. Do you have much recollection of all of that?

EDMOND: One could never forget that incident which was certainly the most dramatic development in my entire first tour in Japan. As you noted, the President was scheduled to visit Japan in June 1960. The visit was, I understand, strongly recommended by Ambassador MacArthur and was to be a political triumph for Prime Minister Nobusuke Kishi who was a great favorite of the Embassy. The immediate occasion for the visit was

the revision of the United States-Japan security treaty. One of the conditions of the peace treaty which had been signed, I think, in 1951 had been the acceptance by the Japanese government of a mutual security treaty that provided for extraterritorial status to the American forces stationed in Japan. Some months earlier a Japanese woman collecting spent shells at a US firing range had been shot and killed by an American soldier. The incident quickly became a public relations nightmare and a political issue between our two countries because the United States military insisted on trying the soldier in a US military tribunal as was provided for in the treaty. Eventually the soldier was sent home with a dishonorable discharge but it left a residue of Japanese resentment at the “unequal” treaty that the postwar politicians were obliged to accept.

After this episode the White House was persuaded that the security treaty should be renegotiated to meet the principal objections raised by the Japanese Government. It was believed that the outcome would strengthen the Prime Minister. The treaty was revised in 1960 to satisfy Japan’s principal concerns. Unfortunately the treaty’s revisions occurred at about the same time that Prime Minister Kishi managed to outrage public opinion and alienate many members of the Liberal Democratic Party by proposing a return to a much detested prewar police system.

President Eisenhower had agreed to pay a state visit to Japan to dramatize the new stage in United States-Japan relations. Unfortunately it was not the hoped for success. Kishi, with a huge majority in the Diet, insisted on pushing the new treaty to a vote without allowing the debate that the opposition considered its right and Japanese custom expected. At about the same time, May 1, 1960 to be exact, the Russians shot down the U-2 spy plane that was piloted by Gary Powers. Leftists world wide, encouraged undoubtedly by the Russians, railed at what they regarded as untoward US aggressiveness during the Cold War. All these developments set off mass demonstrations in Tokyo, particularly near the Embassy and the Diet area.

With the demonstrations in full swing, Jim Hagerty, President Eisenhower’s Press Secretary and the President’s advance man for the Tokyo portion of the visit arrived at Haneda Airport outside of Tokyo. His arrival had been well publicized and a large mob managed to halt the cavalcade of cars near the airport and Hagerty’s car was jumped on and treated violently before the police were able to rescue him. The news and photos made the front pages of the US and Japanese press and compounded the already negative public relations aspect of the visit. In addition at one of the demonstrations in front of the Diet a girl student was trampled to death in a confrontation with the police. As a result of these developments Kishi lost his nerve and asked the Ambassador to request that the visit be canceled. I suspect it might well have been by mutual consent for I find it hard to believe that Hagerty would have continued to support a visit after the reception that he received. The violent aspects of the demonstrations were extensively publicized and US television made it appear as if all of Tokyo was up in arms.

I saw a somewhat different version of the protests. I was in the embassy working after hours, and I guess it must have been about seven in the evening or so. I ordinarily walked

to work because we lived in apartment called Perry House, which was within easy walking distance. When I reached the embassy gates, a sizeable but organized and well disciplined demonstration was taking place just outside the Embassy, effectively blocking entrance or exit. The demonstration's leader was using a bullhorn and leading chants about American perfidy. I didn't quite know what to do and I had no idea how long the demonstration was going to last. I don't think I would do this today but while standing at the front gate I attracted the attention of the leader of the demonstrators and then pointed at the gate, letting him know that I wanted to leave. He looked at me and nodded, and I persuaded the Marine guards to open the gate just enough to permit me to squeeze through. The leader of the demonstration then turned, raised his hands and stopped the crowd from chanting and let me pass. I turned and bowed to him in thanks. He turned and bowed to me in turn and then continued with the vocal demonstration. I don't know what conclusion one draws from that, and I don't mean to imply that the demonstrations, the riots, were not serious, but my one experience differed considerably from what was viewed as the norm.

Q: I've heard of other stories like that, and certainly my own experience was similar. I can't quite remember an incident as clearly as that, but I think one point is that they were demonstrating against a cause for ideology, for ideas, while having, I think, real honest respect and affection for individual Americans, whether they were official Americans at the embassy or somebody else.

EDMOND: I agree, and there's another factor which is perhaps somewhat applicable as an aside. It's that the television images emphasize the violence, and the impression is given that the violence is rampant throughout a city when actually the violence is not as wide spread as it appears. Now, I worry a bit about saying this, because we now live in different times with far more violent terrorism and I don't wish my comments to lead some to think that I am minimizing the dangers that exist in many parts of the world to our Foreign Service personnel. This was just one limited experience in one unique country at one particular time.

Q: I certainly agree with that. On the other hand, I think, again having been there at the same time, I certainly did not - I may have been naive - did not have a fear of violence that it would be directed at me, partly because I knew university students and I kind of knew what they were thinking about, also because the demonstrations were very well organized and disciplined, if you will. We may have been all perhaps not aware of dangers that could be in other settings, but certainly at the time I didn't have that trepidation at all. Well, when did you actually leave Tokyo, Les? That was in 1960 or '61?

EDMOND: I left Tokyo in 1961.

Q: That was after the change of administrations. The Kennedy Administration had come in. MacArthur had left?

EDMOND: Yes, MacArthur had left, but I left soon thereafter, prior to the arrival of the new Ambassador, Edwin Reischauer. After serving two consecutive tours totaling almost five years in Tokyo, I was informed that my next assignment would be as Economic Counselor in Helsinki. Now that I look back upon it I realize that this was my only Foreign Service assignment in which I had no input into the decision. It was entirely a Bureau of Personnel decision.

Q: And nobody asking your opinion.

EDMOND: Nobody solicited my reaction. I was pleased about the assignment for several reasons. It would be my first supervisory assignment, albeit a small section in a small Embassy. Also, after having spent the previous ten years dealing with Asian affairs I was pleased to experience working in a European embassy, even one that was geographically far from the heart of Europe.

Q: You were in charge of the Economic Section?

EDMOND: The economic and commercial sections were, in effect, one. There was a Commercial Attaché who reported to me.

Q: Were you given and Finnish language training before you went?

EDMOND: No, I was not, and I think the Department was very sensible in that. In the first place, few people speak Finnish aside from the relatively small population of Finland. Finnish as a language has a relationship only with Hungarian and even in that connection one has to be an expert linguistic scholar to observe any relationship between the two tongues.

Q: And English is very widely spoken?

EDMOND: And English is widely spoken. I served under two ambassadors. The first, Bernard Guffler was a very conservative and traditional Foreign Service Officer and the other, Carl Rowan was a complete contrast. Carl Rowan was a black journalist who had been appointed Ambassador to Finland by President Kennedy. Kennedy had earlier appointed Carl to be Deputy Assistant Secretary of State for Public Affairs. Today an assignment at that level would not be considered newsworthy but in January 1961 it was considered noteworthy since Carl's appointment meant that he was the highest ranking Black officer in the State Department.

After serving for two controversial years as Deputy Assistant Secretary at State, Rowan was appointed to be Ambassador to Finland. Carl commented at a later date that he had been given a lucrative offer to become a columnist and that when he offered President Kennedy his resignation, the President, who wished to keep him in the administration, offered him the Ambassadorship to Helsinki.

It was only after we had become rather close that Carl told me the story of how President Kennedy came to ask him to join the administration. Carl had been given an assignment by his publisher to interview Kennedy as well as Nixon. President Kennedy knew that John Cowles, the publisher was a strong supporter of Nixon and he assumed that Carl was assigned to do a hatchet job on him.

When Kennedy saw that the articles were eminently fair, he said he never forgot Carl's name I also was told that Kennedy read the published stories while traveling on a campaign plane and turned to the reporters who accompanied him to say "How is it that this guy can understand what I am like and what I hope to accomplish so much better than those of you who are accompanying me and seeing me daily."

It is difficult to imagine two assignments in juxtaposition to each other that were as different as were the economic assignments in Tokyo and Helsinki. There is no need to belabor the physical differences of the two countries which are apparent. One was a country with a very high population density, a populace living together in a confined area. The population of the second approximated four and a half million living primarily in a few medium sized cities scattered through a largely empty forested countryside. Japan was a country with which we had recently fought a great war and which aside from our increasing involvement in Vietnam was at the center of our overall political and economic interests in Asia. In contrast Finland, due to its small population and relatively isolated position was of relatively little economic or commercial interest to Washington or to American industry, with the possible exception of the paper industry. Economic and commercial matters thus were not paramount in our relations with Finland.

Due to its proximity to the USSR, Finland was a significant listening post for the US. There was a substantial CIA contingent and within the Embassy we had military personnel monitoring aircraft takeoffs from nearby Soviet airfields. There was little doubt that the Soviets knew what we were doing for it was an open secret that the Russians occupied a building overlooking the Embassy where they monitored what we were monitoring. Serving in Finland was a most interesting professional assignment due in large measure to the continuing tense relationship between the Soviet Union and Finland.

The Cold War still was in full play and dominated our overall relationship with the Soviet Union. Finland had fought two wars with the Soviet Union, the first when the Soviets attacked in November 1939. After having achieved independence from Russia at the close of World War I the Finns seized a portion of eastern Karelia. The Finnish-Soviet border was thus set at approximately twenty miles from Leningrad. Russia asked Finland at that time to give up a strip of territory on the Karelian Isthmus north of Leningrad and some islands along the approaches to the city but the U.S.S.R. was not strong enough to press its claims. The Soviet Union continued to regard the proximity of the border to Leningrad as a serious strategic weakness, particularly as Finland traditionally looked to Germany for support, rather than the Soviet Union with whom its relations continued to be strained.

In 1939 the Soviet Union attacked Finland. Its unprovoked aggression was moved by

strategic and not ideological considerations. It wished to protect Leningrad and deny Finland being used as a base for anti-Soviet aggression. The Finns fought valiantly and won world-wide sympathy but eventually surrendered rather than face a complete loss of their independence. In 1941, when the Germans attacked the Soviet Union, the Finns allied themselves with the Germans in order to revenge their earlier defeat. When the tide of battle turned against the Finns, the Soviet Union and Finland signed an armistice that restored the altered 1940 borders. This apparently reasonably generous treatment was tied, however, to Finland's acceding to a mutual defense treaty with the Soviet Union plus the U.S.S.R.'s demanding an onerous level of reparations payments that would strain the Finnish economy for years to come. Finland, however, retained its independence and its democratic government in contrast to Estonia, Latvia, and Lithuania which were reannexed by the Soviet Union. Finland continued to face Soviet interference in its domestic and international affairs. The need to tailor its domestic and international policies so as not to offend the Soviet Union became known as "Finlandization," a term that the Finns detested.

Soon after our arrival in Finland, I was able to observe a significant example of Soviet interference in Finnish affairs. Finnish President Urho Kekkonen had just completed a successful official visit to the United States, where he had been well and warmly received. Upon reflection, I now wonder whether the Soviet timing of its demarche might have been related to the warming of US and Finnish ties. Kekkonen's conversation with President Kennedy had gone well and the joint communiqué noted American understanding for the reasoning behind Finland's policy of neutrality. President Kennedy stated that the United States would "scrupulously respect Finland's chosen course" adding pointedly that all nations should avoid interference in the affairs of Finland.

President Kekkonen was still in the United States when word was received that the Soviet Union demanded that military consultations between the U.S.S.R. be undertaken under terms of the 1948 Soviet Treaty of Friendship, Cooperation, and Mutual Assistance that had been signed upon conclusion of the Finnish-Soviet conflict. The treaty called for the two governments to confer with each other if it were established that the threat of an armed attack on the Soviet Union or Finland existed on the part of Germany or its allies. The demarche particularly complained about preparations that were underway for the establishment of a "so-called joint military command" between Germany and Denmark.

Publication of the Soviet note aroused world-wide speculation as to the future of Finland as an independent non-Communist nation. Within Finland there was widespread concern and fear. I observed weeping women on the streets and throughout the country men and women stayed huddled before their radio and television sets.

The Soviet motivation for the demarche soon became clear. Military consultations could be avoided if Finland "assured" Russia that its foreign policy of neutrality based on friendship with Russia would be maintained in the future. This was the first indication that the Soviet Union was concerned with developments within Finland and not with happenings in the Baltic area.

In a dramatic gesture, President Kekkonen ordered new parliamentary elections to assure the Russians that the Finnish people favored friendly relations with the U.S.S.R. and thus military consultations would be avoided. Kekkonen, who was the leader of the Agrarian Party calculated, undoubtedly correctly, that the Finnish people would reject the Social Democrats and the Conservatives who for the most part had been kept out of Finnish government coalitions due to the known opposition of the Soviet Union.

The Kremlin promptly served notice that President Kekkonen was too optimistic. The Soviets informed the Finns that since the sending of the first note, the threat of war had become more acute and the demand for immediate military consultations was reiterated. Kekkonen's response was to ask for a meeting with Chairman Khrushchev who agreed to meet with the Finnish President.

Only hours prior to Khrushchev-Kekkonen discussions, Olavi Honka, a relatively unknown, retiring, and colorless civil servant who was the presidential candidate of the Social Democrats and three other parties, withdrew from the Presidential race. The candidates in the January 1962 election thus would be limited to Kekkonen and a Communist party candidate. Honka had surmised, or perhaps had been informed, that the Soviet Union feared Kekkonen's possible defeat even though he and the parties backing him had made clear their advocacy of good relations with the Soviet Union.

The Soviet press agency Tass widely publicized the following comment of Chairman Khrushchev. "I shall say frankly-and evidently this is not news-that the activity of rightist groups, the Tannerites (the Social Democrats) in Finland, aimed at undermining friendship with the Soviet Union...causes us serious concern."

The communiqué issued at the close of the conversation included the following. "The Chairman of the USSR Council of Ministers...believing in his (Kekkonen's) good will and ability to support and strengthen the present Paasikivi-Kekkonen foreign policy line, the line of Finland's neutrality, to which the Soviet Union lends support, declares that the Soviet Government considers it possible for the time being to postpone the military consultations it had proposed."

And so the German military danger which had arisen so unexpectedly evaporated equally unexpectedly. With only token opposition Kekkonen was re-elected President by the largest peace-time majority (71 percent) in Finnish history. Thus, just three years after overthrowing a Finnish Government through economic pressures, the Soviet Union used political and military pressures to play key role in determining who should hold the Finnish presidency.

In 1958, the Soviet Union again showed its distaste for the formation of a coalition Finnish Government headed by a Social Democrat by ordering a boycott of all Finnish imports. This would have devastated the Finnish economy. Finland was already suffering from heavy unemployment. Twenty percent of Finland's exports were destined for the

Soviet Union and almost all of Finland's newly built machinery and shipbuilding industries that were established to meet the Soviet Union's reparations demands were dependent on the USSR. President Kekkonen almost certainly persuaded the three cabinet members to resign which ultimately resulted in the formation of a minority Agrarian Party Government satisfactory to the Soviet Union.

The most important US visitor during my stay in Finland was Vice President Johnson. The amount of preparation that goes into the visit of a President or Vice President is astounding, and the requirements of the visit completely disrupted the normal activities of the Embassy. The details of the preparation required such things as planning and coordination with local officials, meeting the security requirements established by the Secret Service, finding appropriate hotel rooms for the large party that accompanied the Vice President and planning appropriate entertainment arrangements. Ambassador Rowan outdid himself when he decided to give the visit a Texan flavor by hosting a giant outdoor Texas barbecue. Sides of beef were flown in and barbecued in huge pits that were dug in a nearby park. The unusual party enchanted the Finns and would have been the highlight of the visit but for an unfortunate incident.

The meetings with President Kekkonen and other officials had gone very well and the visit was to be concluded with a solemn visit to a cemetery which contained the Finnish dead from their War of Independence. It is the equivalent of our Tomb of the Unknown Soldier and is considered hallowed ground.

Vice President Johnson's briefing papers made it very clear that Finnish protocol called for a moment of silence and precluded the making of any speeches. When the Johnson party arrived at the site a vast crowd of Finns were there for the ceremonies which I believe called for the laying of a wreath. Seeing the crowd, Johnson pulled some speech notes out of his pocket and started making an address. At the same time he waved the crowd to come closer to hear him and many rushed around the tomb stones to get closer to what had become the podium. Compounding the confusion, one of Lyndon Johnson's daughters who had accompanied him on the trip chose that time to give out as souvenirs, pencils which had the Vice President's name printed on them, which also created a bit of turmoil. The Finnish officials were in a state of shock and then anger at this performance. Fortunately the Finnish press downplayed the discourtesy in their coverage and thus it did not irrevocably mar the visit.

I consider myself most fortunate in being given the Finnish assignment. Although substantively the economic and commercial issues were not too demanding, it did provide me with the need to establish priorities and provide work assignments for my small staff. Perhaps the overarching issue for the Embassy was the maintenance of close and friendly relations with the Finns; to assure them of our moral support in their efforts to remain free and independent. In support of this effort, we engaged in a substantial amount of interaction, largely through social affairs. Most Finns were very friendly and pro-American and appeared to appreciate invitations to the Embassy and to our homes. With English being widely known, there was no difficulty dealing with the most abstruse

subjects. I still remember a luncheon at the Embassy, where I was seated next to the Minister of Finance who had written his dissertation on the general subject of central banking in Finland. We spent the entire luncheon, I fear to the discomfort of some of the other guests, dealing with the subject as to whether in a democracy, the central bank should be independent or under the control of the elected government. I have forgotten which side of the argument I took, since I saw merit on both sides and would argue either point of view.

What I gained most from my Finnish assignment was my acquaintanceship, which later burgeoned to friendship, with Carl Rowan, who arrived in Helsinki in May 1962. We soon developed a warm and trusting relationship. Carl had relatively little interest in economic affairs, per se, and appeared to be happy to leave that side of the Embassy's activities to me. He also became aware that he could trust me to be loyal to him and that I would defend his interests. I think he valued those considerations more than most since he had to struggle since childhood to overcome discriminatory barriers put in place by a discriminatory white society.

The Finns didn't know what to make of him. In part, they were enchanted by the idea. Their experience with black Americans was practically nil, and they were in many ways delighted to have someone who was such a public figure. Of course, he could handle himself well. As an example of their naivete of the American racial scene, I recall one instance when the cream of Finnish society gave Carl and his wife Vivien a welcome party. In trying to honor Carl, and to make him feel welcome, they all got together and sang "Old Black Joe." I happened to be sitting facing Carl, and it was almost impossible for both of us not to burst out in laughter. Despite his self confidence, he had never felt himself completely accepted in the State Department and now he was in an Embassy and in a country, both of which were lily white. For some unknown reason our chemistries clicked and we got along very well.

In late January 1964 President Johnson called Rowan to Washington and asked him to join the administration as Director of the US Information Agency. Carl had been back in Washington on consultations at the time of the Kennedy assassination and President Johnson had, I understand, intimated to him then that he would like Carl to return to Washington and join the Administration in some capacity. Carl never told me whether the Directorship of USIA was specifically mentioned at that time. Edward R. Murrow, who was suffering from lung cancer, had submitted his resignation in mid-December.

There is little question that the President also wanted Carl to be close to him as he had come to appreciate Carl's counsel. The President had become acquainted with Carl when the latter accompanied him on several Vice Presidential trips. It also did not hurt that the appointment of a prominent Black would send a signal to the Black community that he wished to have a positive relationship with them.

Upon his return to Helsinki, Carl flabbergasted me by asking if I would be willing to cut my assignment short and return to Washington with him and be his Executive Assistant at

USIA. I asked for twenty four hours to think it over. I was concerned that an assignment outside the normal career path could well be disadvantageous to my career. Such assignments generally are not viewed as the type that leads to rapid advancement. I already was handicapped by being a so called “Wristonee,” an officer who had not come into the Service by the traditional route. On the other hand, I liked working with Carl and believed that working intimately with him in the field of public affairs could only turn out to be a challenging and interesting experience.

In my naivete I said, “Carl, I’d like that very much, but my tour here is only partially completed and I am not sure the Department would release me. I recall Carl looking at me somewhat quizzically, saying “I don’t think that’s going to be a problem.” He then sent a message to the Department, with a copy to the Personnel Office in the White House and within seventy two hours I was informed that my assignment was being changed and Shom and I were given approximately ten days to make the necessary arrangements for our departure.

Soon after my arrival in Washington I could tell that the assignment was going to be a challenging one and that the staff of USIA was regarding the change in command with some suspicion. Carl was replacing as Director, a man who was idealized by the staff. Edward R. Murrow was viewed as the premier television newsmen of his generation, a man of unquestioned integrity whose very presence as Director of USIA brought that organization prestige that it had never had previously. Carl faced the suspicion, as he had in his previous assignments that he might have been appointed because he was black. On top of that, Carl selected a State Department Foreign Service Officer with no public affairs experience as his Executive Assistant.

Q: As executive assistant what sorts of things did you do? Did you try to put out fires for him?

EDMOND: This was the only job of executive assistant that I’ve held in my career, and I imagine that each principal officer sets the tone and establishes the rules for what he wants. I would say on the basis of my experience that one of the most important considerations is loyalty to the man who has chosen you. There always are arrows being directed at principals for substantive as well as for personal reasons. An executive assistant has to be prepared and willing to protect his principal’s back from those who might try to undermine him for personal or bureaucratic reasons as well as those who might object to the decisions that he is making. My job description, which tells one very little, was “to advise the Director and act on his behalf on complex and confidential problems that arise in the planning and administration of the US government’s international information programs. He represents the Director and could speak for the Director in agency committees. He has continual surveillance of agency operations and advises the Director on prospective changes.”

The Director of the USIA had a very competent Deputy Director named Don Wilson, and there were well qualified program directors who reported to the Director of USIA through

the Deputy Director. So the executive assistant had no formal supervisory responsibility over any of the agency operations. He, however, reviewed all the documents and other communications that came to the Director for his signature or for his information.

With Carl being required to spend a good deal of his time at the White House or being away from the office much of the time making speeches or participating in high level meetings there was no difficulty in keeping fully occupied. My principal role, I would say, was to review documents and recommended actions and to make him aware of the ones that I viewed as being routine or non-controversial and about which he therefore did not have to be concerned. There would be others that I would believe to be appropriate but which would appear to be close calls or which were likely to arouse opposition whether or not justified. Those I would recommend that he spend his limited time reviewing. And there were a few which I would question and suggest that he postpone consideration until he had the opportunity to give the proposals further review.

These conversations frequently would take place frequently in the late afternoons or evenings after Carl had returned from lengthy sessions in the White House and elsewhere. I thus acted as the Director's alter ego in signing off on many routine questions and bringing to his attention those items that were of major importance, or which had the potential of being controversial regardless of their intrinsic importance.

I recall an example of the latter type of issue. A line item in one of the budgets called for the USIA to help fund a United States art exhibit at that year's Venice Biennale. After questioning, I discovered that one or more of the paintings that was to be exhibited would undoubtedly arouse considerable derision in certain circles. I thought it likely that political controversy could well arise between congressional opponents of any government funding for the arts and those who would denounce any efforts to inhibit free expression. That was an example of a type of issue which in my view called for Directorial intervention even though it substantively and financially was of limited importance.

Q: Do you think it helped you to do this job that you had come from the State Department, that you were not part of USIA from a career point of view or previously that you had not been in one of the sections, that you could be more detached and objective perhaps.

EDMOND: I never thought of that. It certainly is true that I had no axe to grind about any of the USIA programs and that may have been a consideration in two of the assignments that Carl gave me during my time at USIA. The Agency was financing US exhibits in international fairs that were heavily trade oriented. The program appeared to be of much more direct interest to the Department of Commerce but USIA was bearing much of the financial and administrative costs. Carl ordered me quietly to inspect two of the fairs that were then underway in South America and to advise him as to whether I thought the exhibits were advancing US interests sufficiently to warrant the expense and also how the trade fair program fitted into the USIA mandate. I returned to Washington believing that the program needed considerable revision. Carl then established an Exhibits Committee

which he asked me to chair. The Committee developed a series of recommendations which significantly revised the program. I then was given the task of negotiating the changes with the Commerce Department since one of the major recommendations was to persuade Commerce to undertake a greater portion of the financing.

The second assignment was to chair a USIA Publications Committee. The Agency was financing publications that we were distributing in a great many of the countries in which USIA had programs. It was an expensive operation that absorbed a significant portion of USIA funds and it had not been reviewed in years. We feared that we might be publishing magazines that people received at no cost but did not read or consider their contents seriously. Carl asked me to form and chair a Publications Committee that would thoroughly examine the entire operation and come up with recommendations. That was an operation that made few friends for each of these publications was supported those who had a vested interest in their continuation. There were editors and staffs of the various publications who naturally felt strongly about any decision that would curtail or eliminate their particular publication. There were Public Affairs Officers who believed the elimination of a publication that they were using might hinder their mission. This was the most controversial task that I was given while at USIA. It was my work in these two areas that brought me a Presidential Citation for Improving the Efficiency of Government Operations.

Q: Just to talk a little bit more about the relationship with the State Department in this period, I recall former Secretary of State Christian Herter, I think, had chaired a commission in the early part, I believe, of the Kennedy Administration that recommended more interchange among the foreign affairs agencies, and as a result of those recommendations, if I understood them correctly, I was detailed to USIA in 1964 after an assignment abroad, and it was almost exactly the same time that you went to USIA in Washington apparently. Eventually, of course, the USIA has been integrated into the State Department. I treasure the two years that I had with USIA. I guess I think that bringing the two agencies closer together and now integrating them was probably a good idea, and it probably should have been taken a long time before. Do you have any views about that?

EDMOND: Carl was always a strong proponent of their being a closer relationship between State and USIA. I remember him working closely with William (Bill) Crockett, whose title I believe was Assistant Secretary of Administration at State to promote a greater exchange of officers. My recollection is that there was a general reluctance in the Department to a formal exchange program although some individual transfers or exchanges were worked out.

Q: Okay, this is the second session of the Foreign Affairs Oral History interview with Lester E. Edmond. It's the 3rd of May 2001. My name is Raymond Ewing, and this is being conducted under the auspices of the Association for Diplomatic Studies and

Training at the National Foreign Affairs Training Center. Les, when we finished last time, we had been talking about your period as executive assistant to the Director of the US Information Agency, Carl Rowan, whom you had also worked for when he was Ambassador to Finland. I think this was in 1964 or '65 or thereabouts. How did that period sort of come to an end? Was it basically just a one-year detail to USIA?

EDMOND: No. My assignment at USIA was open-ended and actually lasted about eighteen months. It was implicitly understood that my job would continue as long as Carl Rowan remained as Director or until he wished to make a change in Executive Assistants. The circumstances behind Carl's resignation are a little murky. He was increasingly becoming disenchanted with his role as advisor to Lyndon Johnson. When he was appointed Johnson included him as an unofficial member of the National Security Council. As time went on Carl believed that the decisions concerning Vietnam were being made by Secretary of State Dean Rusk, CIA Director John McCone, and Presidential Advisor McGeorge Bundy. Carl felt that the other members of the Council were being used as window-dressing by the President to rubber stamp decisions that he had already made. Carl's unhappiness came to a head when he felt that the President put him in an embarrassing position with the Thai Prime Minister at a time when Carl was spearheading a US effort to place a powerful US radio transmitting facility in Thailand. Also although Carl never informed me as such directly, I always believed that he felt increasing need to earn a greater income. He was forty one years old, had a wife and two boys and had never had the opportunity to accumulate any savings. You have to remember that Carl was the child of an impoverished McMinnville Tennessee family and was attending all black Tennessee State University when he was accepted into the Navy V-12 Officer Candidate School. After his discharge from the Navy, he returned to graduate from Oberlin and then to do graduate work at the University of Minnesota in journalism and then mostly worked as a reporter for the Minneapolis Tribune before joining the Kennedy administration in 1960. I am aware that he had received several financially attractive offers prior to and during his Ambassadorial tour of duty, as well as at least one during his tenure as USIA Director.

My tour of duty at USIA was an exceedingly satisfying one for me, not only professionally and personally. Through Carl, Shom and I were able to develop a new circle of friends whom we would otherwise never have gotten to know. One, Chief Federal District Court Judge Aubrey Robinson actually officiated at the weddings of two of my children, John and Ellen.

Q: Did you feel that USIA could be pretty effective on occasion during that period, and was the Director, Carl Rowan, there long enough to make a significant, would you say?

EDMOND: Good question. Yes, I was impressed with USIA and the quality of the staff and the people who were involved. I'll just give you one name, the head of the movie section, George Stevens, Jr., whose career after leaving USIA has been an illustrious one in the United States art scene. Whether Carl was there long enough to influence the direction of USIA is open to question. He was instrumental in separating the question of

differentiating news from editorial opinion at the Voice of America when the issue of promoting US Government policies arose. I have already noted that he revised the trade fair program substantially. The committee recommended the changes, but obviously it was the Director who approved them. Similarly the publications program was substantially altered. But I think the implications of your comments are well taken, and I doubt that many individuals would in eighteen months or so alter the direction of an agency and propose radical changes, particularly to a well established organization that appeared to be fulfilling its overall mission in an adequate fashion.

Q: Where did you go when you left USIA?

EDMOND: My next assignment was to attend the National War College as a member of the class of 1966. The National War College is the senior educational and training institutions for military officers who are in line for General or Admiral rank. For many years the State Department assigned a few officers to each class. In those years the Department also regarded it as the most senior and prestigious training institution. More recently the Department has created its own senior training program, the Senior Seminar, which in effect has somewhat lessened the attractiveness of a War College appointment. The value of a National War College assignment was not due entirely or perhaps even primarily to the course work undertaken and to the study papers prepared. Working intimately with military personnel who were destined to be senior military officers and becoming aware of the culture of the various military services; the way the background and training affected participants views and their recommended solution to problems would prove to be of great value to those Foreign Service Officers who would eventually be working in tandem with Department of Defense personnel. In this regard, the National War College assignment was probably even of greater significance for the military officers attending, for it permitted them to view potential international problems through a perspective that did not look exclusively at military solutions. There is no doubt that the State Department participants added a dimension to the program by offering the military officers a way of thinking about the broad politico-economic aspects of the various foreign policy problems facing the United States. Similarly it was certainly helpful for future senior State Department officials, particularly those who would be operating in political arena, to be aware of the motivations and the concerns of the senior military.

The highlight of my year at the War College was the study trip that was given toward the end of the course year. I chose the Mid-Eastern trip, since it was an area in which I had no experience. The War College planners arranged for the team, which consisted of eight or ten, to meet with a number of Middle Eastern leaders, including King Hussein of Jordan and Gamel Abdul Nasser of Egypt. These occurred only some months prior to the 1967 war and we received some very interesting insights into the attitudes and passions of the leaders. The discussion that we had with Nasser was particularly sobering and I remember it until this day. He noted with considerable passion that the Arabs were a very patient people, and after going through a litany of how long it took the Arabs to rid themselves of the Persians, the Ottoman Turks, the British and the French, he then slowly stated "I don't know how long it will take us to get rid of the Israelis, but get rid of them we will."

Q: Where did you go after the National War College?

EDMOND: My next assignment was as Counselor of Mission to the Organization for Economic Cooperation and Development (OECD). Phil Trezise, under whom I had served in Tokyo, had been appointed Ambassador to the OECD in the latter part of 1965 and he asked me to join the Mission after I was graduated from the War College.

Q: The Organization for Economic Cooperation and Development in Paris. Counselor of Mission where did that put you in the hierarchy?

EDMOND: That was the third-ranking officer in the mission. The deputy was Weir Brown, who came from the Treasury Department. Treasury traditionally supplied the Deputy position. In recent years, the Ambassadorial position has been given to political appointees. In some ways being at the OECD was an unusual assignment. It's an organization that focuses on the broad range of economic activities that governments deal with on a day to day basis. It was the one place where twenty industrialized democracies - actually the ones of Europe plus the United States, Canada and Japan - worked together to deal with a broad range of economic and social questions which were of interest to them. The organization actually grew out of the Marshall Plan, when the United States encouraged European countries to cooperate in advancing European economic reconstruction rather than working individually. That organization became the Organization for European Economic Cooperation, the OEEC, which in turn developed into the OECD. For a variety of reasons the OEEC had few accomplishments to its credit. But by the end of the 1950s, Europe had recovered and it was thought that a new organization should be established that would be a forum to foster cooperation between North America and Western Europe. The two had become the world's leading economic powers.

The European Economic Community, which had been established in 1957, could not speak for Europe since the EEC originally had only six members, Germany, Italy, France, Belgium, Holland, and Luxemburg. Britain and the Scandinavian countries were standing aside and Spain, Portugal, Austria, Greece, and Turkey were not considered ready for membership. The OECD which had Ambassadors and permanent delegations from all of these nations, together with Switzerland, Iceland, Canada, the United States, and Japan, which joined in 1963, was seen as a place where the interests of most of the advanced market economies might be reconciled and common interests pursued. In reality the few commitments that members were asked to make were hedged with exceptions and in any event the OECD convention had no enforcement provisions. The institution, thus, was largely confined to consultation and studies. Subjects for consultation were many and varied i.e., economic policy, balance of payments, trade, education, agriculture, the environment, consumer affairs, anti-trust issues, almost any issue with the exception of defense.

The OECD had a sizeable and on the whole a very competent secretariat that supported

the many working groups that were established to deal with the various issues. The working group members were drawn from the permanent members of the missions as well as representatives from capitals. The European countries drew more heavily on officials from capitals since the time necessary to travel between the capitals and Paris was not great. Every so often the working groups would hold significant decision making sessions and senior officials from Washington and others capitals would come and participate. It normally was not difficult to persuade even the busiest official to attend, as the lure of Paris was considerable. Almost every department and agency in the United States government, with the exception of Defense and the Post Office discovered that they had an interest in the subjects being dealt with by the OECD.

In addition to being a discussion forum for government officials, the OECD was a major research organization for economic issues. My primary responsibility was to supervise the activities of many of the working groups in order to assure that the activities being undertaken were consistent with United States policies and to help assure that the work being undertaken was of as high a quality as possible. With working groups operating in areas as disparate as agriculture, manpower, social affairs, education, science and technology, industry, energy, restrictive business practices, transportation - in other words, the entire gamut of government operations - the work was challenging and intellectually stimulating. Governments used the OECD to develop common views in controversial areas and the delegations attempted to direct the work programs of the various committees in directions that promoted the views and supported the positions of their respective governments

Q: You mentioned that for important meetings of working groups or committees, officials would often come from capitals. That would include, I suppose, Cabinet officers on occasion as well. Is that right?

EDMOND: Cabinet members did not attend the working groups. Their attendance was limited to the annual ministerial meetings. Even at those meetings, the US representative generally was at the Undersecretary of State level. We did have an official visit of Vice President Humphrey, but even that formed part of a broader trip that he was taking.

Q: The US mission to the OECD was pretty large, to have experts for these various activities of the organization. Were other delegations also well staffed, or did they rely perhaps more than our case to experts' officials coming from their capitals?

EDMOND: It varied. The larger European countries followed the same staffing practices that we did, but their permanent delegations were not provided the same autonomy that the US delegation enjoyed for the officials could actually participate in a meeting and return to their capitals after the conclusion of the session on the same or following day.

One issue which took a fair amount of my time was what was known as the Technological Gap. There was believed to be a substantial and growing gap in technology between the United States and Europe. There was concern that Europe was falling further

and further behind the United States in technological prowess and that development would eventually lead to a substantially lower rate of economic growth in Europe with its becoming a technological backwater. It is difficult now to believe that this was a question of serious concern. It was feared that United States industry was going to dominate the world and international action would be necessary to prevent this from occurring.

Concern over the purported technological gap actually was one of the arguments used by supporters of the UK's membership in the EEC. The argument made was that Britain needed to join with the other Europeans so as to enhance their technological capability. This was an issue that if permitted to fester could very well have affected the United States adversely. We had a very gung-ho and ambitious Science Secretariat in the OECD who proved to be strong proponents of the need for Europe to take decisive action, and were attempting to promote courses of action that could have required American firms to transfer their technology to our OECD partners. Since the proposal called only for US firms to take action, it was widely supported by most of the other members.

Phil Trezise assigned me the task of engaging in protracted negotiations with the members of the Science Secretariat to attempt to revamp the parameters of the research effort so as to neutralize its possible adverse effect on US industry. These discussions proved to be difficult as the Science Secretariat relished being in the center of a politically popular program. While I was undertaking this effort Ambassador Trezise was discussing the issue with the other Ambassadors and the Secretary General. Of course, no proposal could be formally adopted by the OECD over US objections, but it would have been politically embarrassing to have had to veto a widely approved OECD document. The US veto would have been publicly portrayed as an act of ungenerous self interest. Eventually the OECD's technology gap report was issued with most of the objectionable features deleted and the entire technology gap issue disappeared from view. While researching this entire question in preparation for the discussions with the Secretariat and members of other delegations, it became clear that there was very little, or no hoarding of non-defense technological discoveries, which were either being freely licensed or were being made available through American investment in Europe. It became evident that the real objection was that American firms in Europe were making use of these technological advances and that the American computer industry, particularly IBM, was the principal target. There appeared to be a widely held view that a nation would fall behind technologically and economically if it did not have a domestically owned technologically advanced computer manufacturing facility. I became fully aware of this widely held view during my second tour in Japan.

During my assignment at the Mission I observed how an issue that would appear to have only domestic implications could unexpectedly have international ramifications. The question of automotive safety had in this period become a significant issue in the United States. Ralph Nader's book "Unsafe at Any Speed" had savaged the design of one of the General Motors cars, possibly the Corvette and its poor accident and safety record. The outspoken Nader and his book had captured the attention of the American public and led to the introduction of federal safety standards for vehicles sold in the United States. The

Europeans and Japanese awakened to the fact that our introduction of such requirements would, in effect, prevent them from exporting their cars into the United States unless they adopted the American standards. This could prove to be prohibitively expensive. The Europeans and Japanese argued that the unilateral introduction of the American standards without any consultations could well be regarded as a non-tariff barrier and should be considered in the Kennedy round of trade negotiations.

Phil Trezise asked me to try to come forth with a consultation program that would not delay the United States introducing automotive safety standards and yet would satisfy the Europeans and Japanese that we were not deliberately or inadvertently developing new non-tariff barriers. First, it was necessary to persuade Washington that it would be advantageous to enter formal discussions in the OECD on the grounds that the danger existed that we might be forced to use a forum such as the General Agreement on Tariffs and Trade (GATT) which did have enforcement powers. The subject then was made the focus of OECD discussion for some months, with technical experts from capitals participating. As a result of these efforts the question came to be viewed as purely a technical one and not a politically motivated one. Although some unhappiness continued to exist on the part of European manufacturers, the issue faded away as a matter of controversy among governments and in fact may have encouraged the Europeans to introduce their own safety standards.

Q: Any other examples come to mind in the period that you were there in Paris?

EDMOND: Well, yes, the two issues just discussed were those where we tried to blunt activities that appeared to be disadvantageous to US interests. I found it possible to make use of the OECD to promote views that appeared to be consistent with overall US interests. None of my initiatives, by any stretch of the imagination, could be regarded as earthshaking but they were consistent with US positions. I personally am persuaded, without doubt influenced by my academic studies, that America has greatly gained from its efforts to achieve a highly competitive industrial structure. I believe that US efforts to promote competition that began with the passage of the Sherman Anti-Trust Act of 1890 and continued under the "trust busting" policies of Theodore Roosevelt were important factors in promoting innovation and economic progress in the United States. The tradition of promoting competitive behavior has remained strong in the United States despite efforts by various administrations to weaken or even emasculate the laws, aided at times by a judiciary that often appeared unsympathetic to the need to promote competition. The benefits of competition were not that apparent to a Europe that primarily had been concerned with rebuilding the industrial base that had been destroyed in the War. Also the American tradition that equated competitive behavior with economic progress did not exist in Europe. e.g. the cartelization of German industry prior to World War II. I was authorized to promote, with the concurrence of Ambassador Trezise and the approval of Washington, an activity in the OECD designed to examine the implications of anti-competitive behavior on economic growth. I am unable honestly to say that this ever blossomed into a significant OECD activity, but it did get the subject discussed by the member countries. I like to think that the OECD activity was one factor if only a minor

one, that promoted the current active European Community anti-trust program.

The other issue that comes to mind was the introduction of the subject of consumer affairs. Actually, the idea of establishing a working group to examine the idea of consumer protection originated, I believe with the Netherlands delegation. A member of that delegation informed me of their thoughts and I concurred that it appeared to be a worthwhile OECD activity. There was then a growing interest in the United States as to the need to protect the consumer. A post of Presidential Advisor for Consumer Affairs, I believe, had been established and subjects such as the need for accurate product labeling; prohibition of predatory lending; sanitary conditions in food manufacturing facilities were being actively discussed. I obtained the concurrence of the Ambassador and the approval of Washington and pressed for the establishment of this activity within the OECD. The Netherlands delegation was delighted to receive the active support of a major delegation which considerably improved the likelihood of the activity being initiated. There may not have been too much opposition to this new undertaking, but there was certainly a lack of enthusiasm since it added a requirement for additional funding and placed an increased work burden on the Secretariat and the delegations. I am unable to tell you whether the activity continued after my departure or whether there were any accomplishments for which it could claim credit. I would like to believe that some governmental officials may have taken advantage of its efforts to support consumer protection.

Q: And what about the role of France? The OECD was headquartered, as it had been from the beginning, in Paris. Were the French more positive than they were in some other organizations of this period of the late '60s, or did they cause some problems on occasion?

EDMOND: No, I wouldn't say the French created any greater difficulties than did any other country. Their attitude depended on the subject being discussed, as was true for every delegation. For example, on the technological gap issue they were strongly supportive of the Secretariat. At that time the French were deeply concerned at the failure of their national computer firm, Machine Bull. Their principal concern and sensitivity dealt with the use of the French language in the OECD so as to ensure that English did not overwhelm the use of French. Most of the members, the northern Europeans, Scandinavian countries, Germany, Japan the United States and Canada used English as their language of choice. In addition to the French, only the Spanish, the Portuguese, the Italians, and I think the Greeks used French in meetings and preferred their documentation to be written in French. The French delegation would protest vigorously if the English version of a Secretariat paper appeared earlier than the French version, which might readily happen since the bulk of the Secretariat worked in English.

In summary, the OECD is a largely unheralded organization that deals with issues that do not appear to have a lot of sex appeal or attract a great deal of public attention. I believe it rarely received public notice except on those occasions when it issued its annual forecasts of economic growth in the various member countries.

Q: Okay. Is there anything else that you'd want to say about this period in Paris from 1966 to 1970 or thereabouts?

EDMOND: Only to note that it was a great place to be for an observer of the European scene. You will recall that the year 1968 saw two significant political developments in post-war Europe. One directly involved France, and that was the so-called Paris Student Revolt that almost brought down the DeGaulle Government while the other was the invasion of Czechoslovakia by Soviet armored divisions which obliterated the political liberalization movement in that country that has become known as the Prague Spring.

With regard to the Paris events, suffice it to say that a student protest movement broke out in Nanterre University. The proximate cause was the arrest of eight members of a National Vietnam Committee. One of the protesters was Danny Cohen-Bendit, a German student who proved to be a dynamic and articulate revolutionary. In recent years, he has remained a popular left-wing voice in the European political scene. In March, a number of students broke into the Dean's Office and occupied it. The following month, the eight students were to be brought before a disciplinary hearing at the Sorbonne. Student activists at the Sorbonne joined forces with the Nanterre protesters and there was a demonstration at the former University, which has a special place in the French educational system and in the hearts of the French people. It appears that the authorities may have overreacted. The much feared French riot police were called in and considerable violence took place and the police took some students into custody. This enraged the student demonstrators and thousands took to the streets on the Left Bank. Barricades were built by destroying cars; paving stones were torn from the streets and used as weapons. The Sorbonne had been closed, reportedly for only the second time in its history. The first was when the Nazis marched into Paris in 1940. The students demanded the reopening of the Sorbonne, the withdrawal of the police and the release of those arrested. The authorities would not agree to the last request.

What made these developments particularly dangerous for the Government was a widespread feeling of dissatisfaction among the workers. Workers in factory after factory in France went on strike and occupied their workplaces. Renault, Peugeot, Sud Aviation were only a few of the companies shut down. Then the strike spread to non-industrial workers with the department store employees and the traffic controllers at Orly Airport following. Finally a general strike throughout France was called with the strike leaders calling for occupation of Government offices. These strikes and demonstrations had been organized and led largely by self appointed and unelected leaders and not by the traditional unions. It is interesting to note that the Communist Party initially had opposed the student demonstrations and the worker strikes, stating that they had been organized by provocateurs. Only after they had received such wide spread support did the Communist leaders support them in fear that they would lose all influence. The non-communist union leaders and those of other organizational bodies began seriously to fear that anarchy and revolution might result and organized counter demonstrations to defend the government offices from occupation. General Charles DeGaulle addressed the French nation on May 24 in which he called for a national referendum calling for a mandate for renewal.

Cohen-Bendit was deported on May 25 and on May 27 the Government announced a thirty-five percent increase in the minimum wage and a ten percent general wage increase. Elections were held in August, I believe, and the Gaullists won approximately 60 per cent of the vote. The crisis was at an end.

The Czech crisis I only watched from afar. The communists had obtained power in Czechoslovakia through democratic elections between the years 1945 and 1948. Economic conditions in Czechoslovakia continued to be difficult and the Czechs increasingly chafed at the authoritarian rule of the Communist regime. The Czech Communist Party named Alexander Dubcek as First Secretary and he began introducing a number of reforms and liberalizing measures that became known as the Prague Spring. These frightened the Kremlin, I assume, because the Communist leaders feared they might also be adopted by other Eastern European countries that they dominated. On the night of August 20, Soviet armor invaded Czechoslovakia and snuffed out the short lived Prague Spring. I have always noted the difference in the treatment that Soviets showed to Finland and to Czechoslovakia in the post World War II period. I continue to suspect that Finland maintained its independence because the Soviets knew that the Finns would defend themselves, even if such action appeared suicidal in nature in contrast to the Czechs who would far more likely accept the inevitable defeat.

Q: Where did you go after that in 1970?

EDMOND: In mid 1970 I returned to Japan for four years, serving as Minister Counselor for Economic and Commercial Affairs.

Q: Which meant that you were in charge of all of the parts of the mission concerned with economic commercial affairs, and you were the number-three ranking official in the embassy.

EDMOND: That's correct. The Minister for Economic and Commercial Affairs had overall responsibility for economic, commercial, agricultural, transportation and even science and technology. He had the support of an Economic Counselor directly supervising the Economic Section, a Commercial Counselor undertaking the same task for the Commercial Section, an Agricultural Attaché and staff from the Department of Agriculture as well as a Financial Attaché's Office, the representatives of which came from Treasury and a Science Attaché and deputy supplied by the Atomic Energy Commission. The Agricultural and Financial Attaches reported back directly to their departments as did the Science attaché but all coordinated their activities closely with the Minister who had overall supervisory responsibility.

Q: Let me ask you first, did you have Japanese language capability, and how did that affect you in terms of doing your job?

EDMOND: I did not have language capability, which, of course, would have been very helpful. Although several positions within the Economic Section were classified as

language essential, the Minister's position was not. I assume the view was held that to limit the candidates who would be eligible to fill that position to the relatively few Japanese qualified language officers would have been too restrictive. Becoming a qualified Japanese language officer required several years of full time training and the pool of language officers was quite small. Thus there were very few language officers who also had the necessary substantive background to fill the position of Economic Minister effectively. I took daily language lessons for about an hour a day before the start of the work day in order to achieve sufficient language fluency to permit me to cope with day to day affairs but certainly could not hold a serious conversation in Japanese,

Q: When you had those serious conversations or were negotiating or presenting US views, you would use an interpreter, or did you find that many of the senior officials that you dealt with in the Ministry of International Trade and Industry and wherever else in the Japanese government were pretty good in English or combination?

EDMOND: The senior officials in the Ministry of Foreign Affairs who were concerned with American economic or political affairs were almost all virtually bilingual. They frequently had been sent to American or English universities by the Foreign Office to improve their language ability. The language facility of Ministry of International Trade and Industry (MITI) was not at all comparable to that of the Foreign Office, but the lack of Japanese speaking officers did not prove to be too great a handicap for effective communication. I hosted and attended many luncheons and dinners with academics and newspapermen and the widespread knowledge of English in those circles continued to impress me. I must hasten to say that this was not true among the general population, even among the well educated, English was widely studied but not so as to promote conversational ability.

There was a need to use interpreters when discussing issues with senior members of the Japanese business community. On those occasions I was fortunate to have as an interpreter, the senior Japanese national employee in the Economic and Commercial Section named Takemori. He had worked for the Embassy for many years and was highly respected in Japanese business circles. Takemori was a trusted advisor and directly supervised the Japanese staff members who were assigned to the economic and commercial sections. I had known him when he worked in a similar capacity for Phil Trezise during the latter's tenure as Economic Minister, and I was fortunate to have been able to persuade him to postpone his retirement until I had concluded my tour.

Q: Who was the ambassador during this period from '70 to '74?

EDMOND: There were two. Armin Meyer who had arrived in 1969 had been appointed by President Nixon. He was a Middle East expert, and this was his first assignment in East Asia. It was a surprising appointment. Previous ambassadors to Japan had been experienced in Far Eastern relations and had been well known personalities. Joseph Grew, a very senior American diplomat had been appointed to Tokyo in 1931 and had remained until the beginning of World War II. Ambassador Meyer's immediate predecessors had

been Douglas MacArthur II the nephew of the General, who had been the Ambassador during my first tour in Japan. He had been succeeded by Edwin Reischauer, perhaps the leading academic expert on Japan and East Asia in general, who in turn had been followed by U. Alexis Johnson, perhaps our most senior diplomat, and highly thought of East Asia hand, who at the time of the Meyer appointment was Under Secretary of State for Political Affairs. As an aside, Phil Trezise was also a prominent candidate for the position of ambassador. I was told that U. Alexis Johnson argued that Phil be named Assistant Secretary of State for Economic Affairs on the grounds that he was uniquely qualified for that position, whereas the Tokyo slot could be more easily filled.

Armin Meyer was succeeded as Ambassador in April 1972 by Robert Ingersoll. Bob Ingersoll at the time of his appointment was Chairman and Chief Executive Officer of Borg Warner. He was close to the Nixon Administration and was also being considered as a replacement for David Packard as Deputy Secretary of Defense.

It is interesting to note that both the Meyer and Ingersoll appointments were greeted with disappointment in Tokyo and with some doubt as to their wisdom in the United States. The Japanese apparently felt that the appointments indicated that the United States government was considering Japan's relations with the United States to be of secondary importance. Japanese officials were accustomed to holding policy discussions with Ambassadors who were knowledgeable about Japanese affairs and who therefore might display an understanding of Japanese concerns. Criticism in the United States generally took the view that the Japan-US relationship was too critical to leave to inexperienced hands who would learn on the job. For example, Carl Rowan wrote in his syndicated column under the headline "New Envoy Leaves Japan Cool," that knowledgeable Asian hands "know that Japan is today a critically sensitive post, and they argue fervently that if there is one post in the world that needs a well-trained Japanese expert or Asia expert or someone with a special claim to rapport with the people, it is Japan." George Ball in an article entitled "We Are Playing a Dangerous Game with Japan" in the New York Times magazine stated that "In less obvious ways, the Nixon Administration has also signaled to the Japanese that their friendship is low on our list of priorities. Disregarding their expressed desire that we send as Ambassador to Tokyo an experienced diplomat with whom they could carry on a dialogue in depth, the President instead appointed Robert S. Ingersoll, a businessman with no prior diplomatic experience. Suffice it to say that by the time he left that post, the Japanese had come to have had a high regard for Bob Ingersoll, and regretted his departure. Ingersoll's performance was regarded so highly that he was named Assistant Secretary for East Asian and Pacific Affairs and within a few months Deputy Secretary.

Q: Well, Japan had probably changed a lot in the 10 years or so that you were away. Why don't you say a bit about impact that had on the work of the embassy and what were some of the main issues, the problems, that you dealt with as Minister for Economic and Commercial Affairs.

EDMOND: It might be argued that my second tour in Japan encompassed the most

challenging post war period in US/Japan political and economic relations. Japan, itself, of course, had changed radically.

During my first tour, Japan was still recovering physically and economically from the devastation caused by the World War. We were acting as an elder brother assisting a younger sibling get back on its feet and prosper. I recall making speeches to Japanese industrial leaders in which I stressed the need for Japanese firms to promote quality control in their manufacture as they needed to overcome the perception that Japan only exported cheap and poorly made imitative products. Japan's living standards had only recovered to the level of the 1930s and per capita income approximated \$300 per annum. Japan's Gross National Product approximated \$30 billion. Japan was in a payments crisis and foreign exchange reserves had dwindled to a vanishing point. There was a half-billion dollar trade deficit with the world and a \$700 million trade deficit with the United States. The U.S. Export-Import Bank was lending Japan \$175 million to finance agricultural imports; the International Monetary Fund had approved a drawing of \$125 million or 50% of Japan's quota, and Japan had applied to the IBRD for assistance. The United States continued to maintain a very protective attitude. Japan was generally considered to be resource-poor and to have a vulnerable economy, highly dependent on the United States, and it suffered from widespread discrimination in other export markets.

In contrast by the time of my 1970-74 tour, Japan was regarded as a respected and feared competitor that was in the process of replacing the United States as the leading world model for achieving economic growth. Japan's GNP had grown to almost \$200 billion, the third highest in the world. It's per capita GNP exceeded \$2000, while exports attained a level of more than \$13 billion, growing at a rate nearly twice as fast as total world trade. Japan had become a world leader in key industries such as electronics, shipbuilding, steel and automobiles, while the yen was regarded as one of the world's strongest currencies.

Finally, there was the unprecedented fact that by 1969, the year prior to my arrival, Japan had achieved the largest payments surplus of any country in the world and the second highest trade surplus. Books were being written with titles such as "Japan as Number One" Terms such as "Japan Incorporated" were being bandied about, inferring that some sort of unholy alliance existed between the Japanese government and Japanese industry. Japanese industrial leaders were being credited with having long range policy orientation in contrast to American executives who were only mesmerized by short term profit considerations. Futurologists, such as Herman Kahn were making estimations as to when the Japanese gross domestic product would surpass those of the United States. All of these perceptions were colored by a feeling that somehow the Japanese were not playing fair and that they were taking advantage of an open US society.

The strains in US-Japanese relations were compounded by the existing protectionist measures that Japan continued to enforce and which we had tolerated and perhaps even encouraged when the Japanese economy was still fragile. The Japanese, on their part, regarded our new tough line as being unfair and demonstrated a lack of appreciation of what they still believed to be a weak economy. They seemed to be taken aback by their

economic advances and strenuously argued that their economy required protection from outside forces due to Japan's almost complete dependence on imported raw materials.

Thus I returned to Japan during a period when both countries were displaying growing resentment toward one another. We were, as I have indicated, psychologically shocked by the rapid development of Japanese industry and our fears that Japan's growing industrial might would overtake that of America. One could count nearly forty major Japanese corporations which ranked among the largest and most productive in the world. This new apprehension was perhaps most evident in our reaction to Japanese automotive exports to the United States and our growing concern that Japanese automobiles increasingly were being considered as technologically superior to those of the United States. This development was taking place in an industry that most Americans regarded as quintessentially American.

But of even greater popular and political concern was the growing trade imbalance between Japan and the United States. I think the trade deficit with Japan was somewhere in the neighborhood of \$3,000,000,000 annually. There was little point in making the argument that a negative bilateral trade imbalance had little or no economic significance. Despite all the efforts of the leading world economists beginning with Adam Smith, mercantilist theory still dominated popular thinking and the almost unanimous view was that a negative trade imbalance was a sign of economic weakness and that drastic action was necessary in order to see it eradicated or at least sharply reduced. Resentment on both sides grew as our manufacturers increasingly complained about the difficulties they were facing in exporting to Japan, which they blamed, primarily if not exclusively, on Japanese policies and practices designed to thwart imports.

Developments in certain industries were particularly politically sensitive. I have already mentioned automobiles. Textiles were another which led to bitter disagreement between Japan and the United States. The textile industry is a politically powerful industry in the United States, particularly in the South. It employs large number of relatively unskilled workers, who would find it difficult to obtain alternative employment. A substantial block of Senators and Congressmen made up the so-called textile lobby and all administrations are appreciative of the political clout of the textile industry.

As we began pressing the Japanese on these issues they grew increasingly resentful over what they thought was an overbearing attitude on the part of the United States; of their belief that we were continuing to press them unwarrantedly to open up their economy, which they felt still was weak. They began to question the dependability of the United States as a steadfast friend and ally. This was the atmosphere that existed during the period of my assignment.

I have little doubt that the position of Minister for Economic and Commercial Affairs in Embassy Tokyo probably was the most challenging, the most interesting, and I suspect the most demanding of the economic positions available at that time at any of our embassies. And I was excited to be there. Relations with Japan were soon to undergo

even greater strain. This was caused by what has become known in Japan as the Nixon shocks.

The first Nixon shock was a surprise announcement issued by the White House on July 15, 1971. It was brief and simply stated that Henry Kissinger had held talks in Peking and that knowing of the President's "expressed desire" to visit the People's Republic, Premier Chou En-lai had extended an invitation which the President had accepted. The purpose of the Peking meeting would be to "seek the normalization of relations between the two countries" and "to exchange views on questions of concern to the two sides." Although the question of Japan's relations with China was a continuing burning political issue in Japan, the Japanese Government had largely followed the United States lead and had continued to recognize the Government in Taipei as representing the Government of China. The sensitivity of this issue in Japanese eyes might be appreciated by a comment that Ambassador Koichiro Asakai made during his stay in Washington in the 1960s where he served as Ambassador. It was widely reported that he stated that he had a recurring nightmare that one day he would awaken and read in the Washington Post that the United States had recognized Peking and was negotiating diplomatic relations. The Japanese Government and public felt, in view of the importance of the question to Japan and our close relationship, that the United States had treated Japan disrespectfully and shabbily. They believed we demonstrated little concern at what would be their obvious embarrassment at not receiving advance notification of our reversal of policy. We had broken our repeated pledges to consult and to coordinate our actions.

One month after that, almost to the day, on August 16, President Nixon announced "a new economic policy," which suspended the dollar's convertibility into gold and called for the imposition of a ten per cent surcharge on all imports into the United States. The statement stated that continuing restrictions would be needed to correct the massive imbalance in trade between the United States and the rest of the world. Since the United States trade imbalance primarily resulted from our trade with Japan and since we had been discussing this issue with Japan almost continuously in an effort to find means to rectify it, the Japanese, not unreasonably, believed that the restrictive measures were largely directed at them. In an effort to minimize the anti US feeling that the new measures aroused, I engaged in a public relations campaign, which involved giving speeches before business and economic organizations throughout Japan, and holding dinners with reporters from Japan's leading newspapers. I pointed out that the President's action was not without precedent and that it was a procedure that had been followed by European countries I also noted that the Japanese Government had been told that the trade imbalance was continuing to grow dangerously, and that the Japanese continued to maintain unwarranted import barriers that hampered our efforts to rectify the situation My efforts were designed to secure an appreciation that the President's action was needed, not merely to assist the United States, but was essential to protect the world's trading and monetary structure which strongly benefitted Japan and where problems were reaching crisis proportions. I must say that the Japanese press reported these remarks fully and fairly.

The third shock was the completion of negotiations on a textile agreement between the United States and Japan in which the Japanese agreed to restrict the level of their synthetic textile exports to the United States. I can't think of another issue that was as contentious as the question of Japanese textile exports to the United States. The issue was heavily overlaid with political considerations in both countries. In Japan, the textile industry leaders were strongly influential in Japan's ruling Liberal Democratic Party. In the United States, the textile industry's political influence in both parties is legendary. In the early 1960s President Kennedy's administration, consistent with campaign promises, was successful in attaining an International Cotton Long term Agreement (LTA) which limited the importation of cotton textiles into the United States (as well as in other developed countries). By the mid-1960s manufacturing in the United States had shifted heavily to synthetic textiles and pressure was rising for an LTA type arrangements for man-made fabrics and apparel.

It was commonly believed that the unusual attention that the Nixon Administration paid to the question of textile imports resulted from a campaign promise that the President made when he was a candidate. Although President Nixon was known to be a public advocate of liberal trading policies, during the campaign in an effort to enhance his southern support, he promised to restrain the importation of synthetic textiles. With another Presidential election on the horizon, Southern Republican Senators were raising the fear that in the next campaign the Democrats would charge that only they could be counted on to support the textile industry's demands. Although the actual negotiations took place in Washington and occasionally through special emissaries sent by the Department of Commerce to Tokyo, I believe, that these negotiations absorbed more of the Embassy's attention than did any other single issue with the possible exception of the Okinawa reversion negotiations.

The textile negotiation is an example of a negotiation that went badly. There were misunderstandings on both sides. It is difficult to believe now that an issue of such relatively unimportant substantive significance could arouse such resentment. Headline after headline were generated in Japanese papers where it was stated that the United States was exerting overweening economic pressure to demand unwarranted concessions from a small loyal ally. On the US side, the view was held that Japan did not understand the importance of this issue to the United States which already was suffering from discriminatory treatment of its exports to Japan and that Japan in at least one instance had reneged on promises that it had made. I believe that the entire trade in textiles between our two countries probably amounted to no more than \$60,000,000 annually. I may be in error on that, but it certainly was a modest amount in context to our entire trading relationship.

We did not wish to impose import quotas, which would have been highly questionable legally and probably would have forced the United States to offer Japan other trade concessions so we asked the Japanese to use "self restraint," and to develop "voluntary" restraints. The Japanese dug in their heels believing that it was unfair to require them to restrain their exports when, in their view, there was no economic justification for the

demand and that the entire question arose only because of an internal political problem that Mr. Nixon himself had created or aggravated.

On one occasion Commerce Secretary Maurice Stans, visited Japan and demanded publicly that Japan deal with the issue promptly. The Japanese, always sensitive, believed that he treated them disrespectfully and not as an equal partner. This did nothing to move the negotiations forward as the Japanese dug in their heels, always sensitive to the view that they might not be being treated with the respect that they deserved. Another untoward development came when Prime Minister Sato visited the United States on a state visit and President Nixon raised the question of voluntary restraints with the Prime Minister. It is not clear what occurred. The Prime Minister may have promised more than he found he could deliver on his return to Tokyo.. On the other hand there are those who believe, that the misunderstanding resulted from faulty translation; that the Prime Minister used the phrase "I will do my best," and President Nixon took this as a commitment. In any event, we took it as a promise and concluded that Prime Minister Sato failed to keep his word.

This incident soured relations between the leaders of the two nations and fostered the belief that Japan could not be trusted.

I too, personally, had a diplomatic misadventure as a result of the textile negotiations. During my first year in this assignment, I had cultivated MITI Minister Miyazawa and had developed a good working relationship with him. During a conversation on other issues, he informed me of what appeared to be a significant offer that he was prepared to make in the textile negotiations. I promptly informed Washington. I was therefore shocked to receive a phone call from Minister Miyazawa within twenty four hours, in which he quite agitatedly informed me that I had misinformed Washington of his views and that I had placed him in a very embarrassing position. Upon investigation, I discovered what I believe had happened. The Commerce Department negotiators, excited about this apparent breakthrough, had informed their negotiating partner in the Japanese Embassy, that Miyazawa had informed Edmond of this new position. The Japanese negotiators, not being aware of this development, cabled Tokyo to determine the accuracy of the report. I believe Miyazawa, was just a little ahead of himself, and had not yet received Cabinet approval for his new offer. As I have already indicated, the textile question was an exceedingly sensitive issue in Japan. My relationship with Minister Miyazawa never fully recovered from that incident. He, however, left that position in a few months as a result of a Cabinet reshuffle.

Much of my time was spent attempting to promote United States exports to Japan which directly would benefit the affected American firms and farmers as well as alleviate the tensions that existed between our two countries as a result of the trade imbalance. These efforts were largely devoted to attempting to persuade the Japanese to remove import restrictions that appeared important to us as much for domestic as well as for economic considerations. At times, for example, Washington ordered us to press for the liberalization of commodities where the likelihood of success was infinitesimal. Undoubtedly there were political pressures being placed on the Administration. One good

example was the time and effort that the agricultural attaché and I spent in trying to persuade the Japanese to permit increased rice imports.

It was an oversimplification to believe that Japan's restrictive rice import policy solely was due to the Liberal Democratic Party not wishing to antagonize its rural base of supporters, although that certainly was a highly significant consideration. But in addition, a deep rooted belief continued to exist within Japan that it remained a very vulnerable nation that could be blockaded or starved into submission due to its almost complete dependence on imported raw materials. Thus, Japan's incredibly expensive rice support policy was supported by almost all spectrums of Japanese society, by urban as well as rural dwellers, because of the wide spread view that Japan should not depend on imports for this basic food source. I frequently was informed that Japan's need to import almost all its raw material requirements was a source of weakness and that Japan therefore could not afford to import finished items that it could itself manufacture. It had to conserve its resources to import essential raw materials. I was told, for example, that Japan's burgeoning steel industry which was almost entirely dependent on imported coal, iron ore and scrap was therefore inherently weaker than the United States industry. I could argue to no real avail that, in actuality, Japan's steel industry benefitted financially from its ability to import the required raw materials since it cost the American iron and steel firms more to transport coal by rail from Appalachia to the US mills than it cost the Japanese to ship the coal from Hampton Roads Virginia by bulk carrier to Japan where it would be offloaded at the mill site.

With this background it becomes easier to appreciate the shock that occurred in Japan when the United States announced on June 28, 1973 that it was placing an export embargo on soybeans, which is an essential part of the Japanese diet. To us, soybeans are primarily an animal feed. At that time, the United States was the world's largest grower of soybeans. In the previous year, the US placed price controls on beef in the expectation that these would reassure the US consumer and yet would not distort the market for the world market price for soybeans was falling and US agricultural experts anticipated that the lower cost of feeding the cattle would increase the available supply and lower the price of beef. Unfortunately, we misjudged the world's demand for soybeans and soybean prices rose to three times the level of the previous year, and we introduced an export embargo. The US action fed exactly into the fear that I have described. The Japanese were astounded and shocked to see their strongest ally, the one country which we stated they could depend on, suddenly enforcing an embargo on a basic foodstuff. It actually developed that the Japanese did not suffer from the embargo as Japanese trading firms had anticipated and in fact may have partially caused the shortage and had contracted for a sufficient quantity of soybeans to carry Japan until the next harvest.

It was apparent to us at the Embassy that if the trade imbalance was going to be rectified emphasis should be placed on persuading Japan to liberalize the importation of products where the potential demand was substantial and not items such as rice, where even if we were successful, the beneficiaries would be low cost and nearby rice producers, such as Thailand and Burma. This meant focusing on high tech products, such as computers and

integrated circuits. I have already mentioned the mystique that computers seemed to exert on the Europeans associated with the OECD. I saw this again when I discussed the issue of computer liberalization with MITI Minister Miyazawa. I had been attempting to persuade Minister Miyazawa to look sympathetically on my request to liberalize a number of commodities, when I mentioned the desirability of loosening import controls on computers. It was as if I had hit a sore tooth, This normally mild speaking man was leaning back in his chair when he suddenly sat upright, and as I recall, said “Mr. Edmond, let me tell you one thing. We will liberalize many things because I believe it is in Japan’s interest as well as that of the United States for us to do so. But don’t expect any liberalization in computers. Computers will be the brains of the world’s future leading economic powers. If Japan is not a leader in computer manufacture we will fall behind and never be more than a second rate power. If there is one item we will not liberalize it is computers.”

Q: Is it fair then to say that much of your activities there were basically trying to put out fires and control conflict and find a way forward?

EDMOND: Ray, it was that in large measure. In reviewing press clippings for this conversation, I was amazed at the number of speeches that I gave throughout Japan before economic groups, business organizations, and opinion makers at universities designed to assure Japan that we were a dependable friend; that our proposals would not harm their economy but actually would be beneficial to them as well as to us. I guess the phrase used today for that aspect of my duties would be the exercise of public diplomacy. I took advantage of the very impressive residence that went with the Economic Minister’s position to give dinners for small groups of opinion makers such as the editors of Japan’s leading economic newspapers, the Nihon Keizai and the Sankei Shimbun.

A considerable portion of my time was spent attempting to persuade Japanese decision makers both privately and publicly to deal with issues such as capital and trade liberalization. These initiatives were individually not of earthshaking importance, but progress would largely take place only through a series of relatively minor actions that individually would not arouse serious domestic opposition within Japan. This at least would be true until the two governments were prepared to enter into major bilateral or multilateral trade negotiations. For example one of my initiatives was to persuade the Director General of the Ministry of Trade and Industry (MITI), the highest ranking civil servant in the Ministry, to agree to permit foreign firms establish wholly owned wholesale companies to enable them to distribute imported products and bypass the powerful Japanese trading companies. Now, this was deemed to be an accomplishment since one of the hurdles for foreign firms was to get their products accepted and distributed by the incredibly complex Japanese distribution system, which deliberately or inadvertently favored Japanese products. In actuality, not very much was accomplished by this development Although it enabled American firms to overcome one obstacle there were many other hurdles that thwarted American exporters.

One such was the existence of Japanese law which limited the floor space of any new

department store. The law, which reflected the political power of small shop owners was not designed specifically to hinder major foreign retailers, but in effect had that result, effectively preventing large American retailers from opening outlets in Japan. The Embassy's Economic and Commercial Section noticed that many Japanese were importing products directly from mail order firms, such as Sears and Montgomery Ward, despite the complexities of getting such items cleared through Japanese Customs. The entire idea of catalog sales was foreign to Japan at that time. This was a combined Embassy effort. After some negotiation, the Japanese Government agreed to simplify customs procedures on consumer goods imported by private individuals. Ambassador Ingersoll held conversations with officials he had known from Sears, Montgomery Ward, and J.C. Penny to encourage them to devote increased attention to the Japanese market. Sears did join with the Seibu Department Store to open a catalog sales counter. The opening ceremony took place on August 31, 1973 with the opening ceremonies being attended by the Chairman of Sears, Arthur Wood, the President of Seibu, Seiji Tsutsumi, Ambassador Ingersoll and I.

Our Embassy initiatives were, of course, only secondary to the much more significant efforts made by senior Government officials based in Washington. Bill Eberle, the US Special Trade Representative visited to Japan almost every two or three months to negotiate trade matters with the Japanese. Our efforts to reduce the trade imbalance received a large boost when Paul Volcker, then Undersecretary of the Treasury, after a difficult and secret negotiation in Tokyo persuaded the Japanese to support the Japanese yen at about 260 to the dollar, up from 308. The final meeting of the biannual Joint Japan-United States Committee on Trade and Economic Affairs was held in Tokyo in July 1973. The US side was headed by William Rogers, Secretary of State and the Secretaries or Under Secretaries of all the Departments and Agencies concerned with US-Japanese relations were present together with their advisors. The strain on the Embassy staff in general and the Economic Section in particular to backstop such a session must be imagined. As a footnote Kenneth L. Lay, then Deputy Under Secretary of Interior and later of Enron fame was one of the attendees. I believe this was the final meeting of that committee as it had become increasingly difficult to develop a schedule that would permit so many Cabinet members or their deputies to coordinate their schedules and free them for the several days required for the meetings. Also the urgency of holding the sessions lessened as the bilateral trade imbalance began to improve.

Q: Did you have a structured relationship with the representatives of American companies? Did you meet with them once a month or in a committee?

EDMOND: No, there was no such structured relationship. There was no apparent need for one since there was an active US-Japan Chamber of Commerce in Tokyo which I frequently attended. Furthermore, I am not sure that most of the American businessmen would have welcomed such formal sessions. Many of their activities were in their minds proprietary in nature and they did not wish them discussed. Also, several held the view that the embassy personnel really could not help them and that the Embassy's interests were not necessarily consonant with theirs; that perhaps the Embassy was too concerned

about maintaining good relations with Japan and not in serving their commercial interests. On the other hand there were others, who stayed close to the Embassy and with whom we shared information and ideas and who believed that our efforts were beneficial. I attempted to maintain good relations with all members of the American business community, but I specially valued several, whose knowledge and insight into the Japanese scene provided me with an awareness of developments and views that I, otherwise might not have obtained.

For example, in the Fall of 1973 an international oil crisis erupted which was caused by the Arab states having instituted a 20 per cent cutback in oil exports. Although all industrialized nations were adversely affected with rising oil prices and shortages, the concern in Japan over the possibility of a further embargo was intense, for all the psychological considerations referred to earlier. Of all commodities internationally traded, except perhaps for foodstuffs, oil undoubtedly was the most sensitive. It is after all widely accepted that one of the reasons that persuaded the Japanese to attack Pearl Harbor was the fear that Japan would be cut off from a major source of petroleum, the Dutch East Indies.

Although I did not know it at the time, Japan was being pressured by Saudi Arabia to alter its Middle East policy so as to support the Arab position in the Israeli-Palestinian conflict. Japan was being asked to sever diplomatic relations with Israel if Israel did not agree to a public demand that called on Israel to withdraw its military forces from those Arab lands that it had occupied during the 1973 Arab-Israeli war. Unless Japan made such a statement, it would be considered an “unfriendly” nation and the 20 per cent oil cutback that was being applied to Japan would be continued and perhaps even increased to 40 per cent. Japan succumbed to the pressure and on November 22, announced its public support of the Arabs in their conflict with Israel.

One of the best sources available to me concerning developments taking place within the Japanese oil industry, as well as within governmental circles, was a representative of a US oil company who had close ties to the Japanese petroleum industry and with whom I developed a close friendship which continued after both of us left Japan. With the Arab boycott continuing into 1994, the United States started to organize a western coalition to counteract the effects of the oil embargo and to attempt to share the available oil equitably. It clearly was important to attain Japan’s cooperation although the Japanese were reluctant to participate in any organization that might be deemed hostile to the Arabs. My source’s input was invaluable in helping me tailor my approaches to the Japanese government. He also was prepared to point out to his sources, which were in a position to influence Japanese governmental policy, the advantages that would accrue to Japan if it were prepared to cooperate with the oil consuming nations. Japan’s fear that its oil imports might be throttled delayed its participation in the coalition, but it did eventually become a member of the Energy Research Group which had been established to defend the West against the embargo.

Returning to the subject of trade, I think it is worth noting that the trade imbalance with

the United States was not entirely due to Japanese governmental restrictions. It was frequently difficult to persuade American business leaders that the potentialities for sales in Japan were great enough to warrant their making the effort that would be required for successful penetration of the Japanese market I recall intensive discussions that I had with representatives of Westinghouse and General Electric at a time when the Japanese were seeking large-scale turbines for their electric generation industry. The demand for power was growing rapidly and Japan was going to require a significant number of turbines in the immediate future. Japanese electric machinery manufacturers did not as yet have the technical knowledge to manufacture turbines of the size and type needed. It appeared that the only feasible sources were the two American firms. The Japanese approached the companies and stated that they wished to purchase one turbine that would be manufactured in the United States. They wished to manufacture additional ones in Japan and would be prepared to license the technology from the award winning firm.

I met with executives from both firms and urged them not to accede to the Japanese demand. I was aware that the Japanese needed the additional electric generating capacity and that they had no other realistic supply alternative. I also pointed out that by providing the Japanese with the manufacturing technology they would be assisting the development of future world wide competitors. Much to my regret my views were rejected. I remember being told by, I believe, the GE representative that their manufacturing facilities were operating at capacity and would be for several years and that in addition they could not be sure that Westinghouse would not agree to the Japanese demand. In that event they would be completely frozen out of the Japanese market. I watched the Japanese play these two American companies off against each other and observed how Japan inexpensively obtained the technology that enabled the Japanese firms to become world class competitors.

I also remember holding a discussion with senior General Motors representatives who were visiting Japan. I noted that there was a niche market for US cars in Japan, particularly for a sports car such as the Corvette. There were young well-to-do Japanese who were prepared to buy foreign sports cars, a type of vehicle that was not then being manufactured locally. It would not be a large market, but it would enable the company to break into the Japanese market and gain marketing experience that might promote greater sales of more traditional vehicles. I was thanked for my interest but was informed that the potential market was not large enough to warrant the effort and then was told “Anyhow, Mr. Edmond, if we were going to try to enter the Japanese market, we would probably use our Australian subsidiary Holden.”

In another instance I recall discussing the possible market for American consumer products with officers of American firms. I pointed out that Japan did not manufacture any large size refrigerators and that there was a rapidly growing middle class wealthy enough to make such purchases. I was told that the Japanese housewife liked to shop every day and that Japanese houses were too small to accept large size American style appliances and I was unable to persuade the US companies to promote such sales. Years later we saw that many Japanese were actually prepared to keep large scale refrigerators

in their living rooms, displaying them with a sense of pride. Thus I frequently observed what appeared to be a lack of interest and disinclination to make a great effort for what was believed to be potentially a relatively small market.

There are many additional issues that the Embassy followed that potentially would have affected the United States. One, for example, concerned the Soviet Union's efforts to encourage Japan to cooperate in developing raw material resources located in Siberia I trust, however, that I have provided some idea of the breadth and depth of the Embassy's activities in the economic and commercial areas. I'll conclude my comments by noting that I am unable to think of any Economic Minister's position that could have been more challenging, satisfying, or enjoyable than the one I was privileged to fill.

Q: So when your assignment to Tokyo ended in 1974, you came back to Washington, I believe. In what capacity?

EDMOND: Yes, I followed Ambassador Ingersoll's return by several months. Henry Kissinger persuaded him to take the position of Assistant Secretary of State for East Asian and Pacific Affairs and he left Tokyo in January 1974. I was appointed Deputy Assistant Secretary in May of the same year, almost exactly four years after my arrival in Tokyo. At the time of my appointment there were four Deputy Assistant Secretaries in the Bureau. The other three had specific geographic responsibilities whereas I was responsible for the Bureau's economic activities, reporting to and acting on behalf of the Assistant Secretary as well as directly supervising a regional Economic Policy Office that existed in the Bureau. In addition to my economic responsibilities in 1975, the Bureau lost one of the Deputy positions and Phil Habib, who had replaced Bob Ingersoll as Assistant Secretary assigned me to be responsible for the Bureau's Australia, New Zealand and the Pacific Affairs desks. This was not a burdensome assignment as our relations with those countries were excellent and the minor irritations that existed were primarily economic in nature.

Phil Habib had been serving as Ambassador to Korea before being named Assistant Secretary. It was a privilege to have been able to work closely with Habib who was an extraordinarily colorful and down to earth individual. He was a consummate professional who has been described by Dick Holbrooke as being the outstanding professional diplomat of his generation.

Q: What were some of the main issues and problems that you dealt with during this period?

EDMOND: The Bureau under Phil Habib's leadership focused its primary attention on sensitive political, military, and intelligence issues that directly affected US relations with key East Asian countries that included China, Japan, North and South Korea, and Indonesia, as well as Malaysia, Thailand, Singapore, Burma, and Australia and New Zealand. The work load was almost overwhelming. Thus after he was on the job for a couple of months he in effect told me he wished to curtail his direct involvement in the

economic questions that concerned the Bureau. I was to keep him sufficiently informed so that he never would be embarrassed by a lack of knowledge. If a question arose that was likely to be controversial or have significant domestic or foreign political consequences, he was to be advised as to my suggested course of action.

One of my objectives was to expand the influence of the East Asian Bureau in interagency deliberations when economic issues were being considered. This goal was not entirely a narrow bureaucratic power play. Each of the bureaucratic participants had a viewpoint that was colored by his or her responsibilities. The positions of the Departments of Commerce and Agriculture, for example, were heavily influenced by their desire to support their domestic constituencies. The Treasury Department often saw an initiative as being a drain on the federal budget, and therefore, at least in my view, frequently had a bias that led Treasury to oppose desirable proposals that would require additional governmental funding.

One example that comes to mind was the question of the replenishment of the international financial institutions. The World Bank's importance was widely known and it had a significant constituency, as did the InterAmerican Bank. This was not true of the Asian Development Bank (ADB). The State Department was not responsible for backstopping the ADB, although there was a branch in Economics Bureau that was given the task of following developments in the various regional financial institutions. The Treasury Department was assigned the responsibility for backstopping our relations with the international financial institutions. So the Department really paid relatively little attention to the ADB as an institution. I saw it as my task to raise the profile of the ADB in our internal deliberations and to stress the benefits that a more effective ADB could be to overall US political and economic interests in East Asia.

I like to think that I was successful in raising the profile of the Bureau within the Government. My academic and professional background helped as did the knowledge that I could call upon the support of a very strong Assistant Secretary if the need existed to move the discussions to a higher bureaucratic level.

On specific issues I had successes and failures. One problem that was dealt with successfully concerned the export of US cotton, a problem large enough to have adversely affected the financial well being, if not the existence of several US cotton exporters. As the result of an unexpected world wide recession, Asian textile manufacturers found their export orders drastically reduced. Textile firms in the Philippines, Thailand, and Indonesia earlier had contracted for a significant portion of the US raw cotton crop. US cotton exporters were being told that their contracts would not be honored and were threatened with considerable financial loss. The US firms pressed their congressmen for assistance who in turn dropped the issue in the lap of the White House. Officials there approached the State Department and eventually the problem was dropped into my lap since the foreign firms involved were located in the Asian Bureau's area of responsibility. I was led to believe that little was expected to be accomplished since it involved a commercial dispute that probably could be only settled in the courts or perhaps by

arbitration.

Despite that view, I decided to try to make an intensive effort since it appeared to me that the American firms' complaints were justified I first called in representatives from each of the Embassies concerned and noted that in contrast to many commercial disputes, this one had the potentiality adversely to affect, at least temporarily, the warm relationship between our countries. I noted that the White House had a direct interest in its solution as did a number of influential senators and congressmen. I asked them to report these views to their governments with a request that they try to persuade their national firms to fulfill their contractual obligations. I also noted that the United States was by far the largest export market for the textiles that were being manufactured from the raw cotton and that it was conceivable that attitudes toward the size of the various national quotas could be affected.

I also held conferences with Department of Agriculture officials, who of course were cooperative, and persuaded them to join with me in attempting to persuade the Commodity Credit Corporation to provide additional credits for these contracts, which would ease the financial burden on the purchasing firms. This required some negotiation and persuasion since the CCC understandably did not wish to use their limited financial resources on behalf of sales that already had been concluded. The Department of Agriculture officials proved to be very helpful in these discussions. During the many weeks that these activities were underway, I held numerous telephone conversations with the cotton exporters who became highly appreciative of the efforts that were being made. When the word came that the contracts would be honored, I was invited to Memphis, the home of the cotton exporters to be the guest of honor and speaker at a banquet hosted by the US Cotton Exporters Association. I was also given a tour of the city and a visit with the mayor of Memphis who gave me a key to the city.

Some months after my taking up the Deputy slot, the Bureau of East Asian Affairs was tasked with chairing the US interagency team that would renegotiate the US-Philippine trade and investment agreement on which I had worked as a junior officer some twenty years earlier. Phil Habib gave me the assignment. There was little protest from the other agencies as to the desirability of State chairing the negotiations since the need for an impartial chairman was evident. The other Departments wish to be assured that they would not be asked to make more concessions than necessary in order to reach an agreement. Commerce particularly wished to defend the favored trading position of American firms; Treasury wanted to support the investment advantages that American firms held over other foreign firms, and Agriculture naturally wished to preserve its markets. The internal US negotiations were bound to be contentious since the United States side had little to request from the Philippines and primarily would be concerned with making politically sensitive concessions. Thus the interagency negotiations were as difficult, if not more so, than the two week US-Philippine discussions that followed. They required the State Department to convince the other agencies that the concessions it was proposing were fairly allocated and were defensible.

A third time consuming problem, the outcome of which probably provided more direct benefit to United States corporate and labor interests than any other in my career, involved the construction of liquefied natural gas tankers. Japan, which always was seeking secure fuel supplies, had for some time been negotiating with Indonesia to obtain natural gas from the latter's vast although as yet undeveloped natural gas fields. The natural gas would be piped to coastal terminals where it would be pumped into large technologically advanced tankers that would have the ability to refrigerate and liquefy the gas and transport it to Japan. The necessary investment by Japanese firms was vast; the importance that both countries attached to a successful negotiation was great, and involved discussions at very high levels. Although our shipbuilding industry was in overall serious decline and could not ordinarily compete with foreign yards this was not true of these vessels as the necessary technology was most advanced in the United States.

The US firm General Dynamics had been following these negotiations closely and had been in contact with the Indonesian Government with regard to the provision of these vessels, which under the terms of the Japan- Indonesian negotiations would be Indonesian owned. At a late stage in the negotiations, the Japanese shipbuilding industry appeared to awaken to the importance that might be attributed to this particular shipbuilding contract. A world wide recession had caused a diminution of orders for Japanese yards, and secondarily, the contract would provide the Japanese yards with an ability to develop the necessary technology to construct this type of vessel.. The Japanese shipbuilders persuaded the Japanese negotiators to inform the Indonesians that the construction of the vessels in Japanese yards would be a prerequisite to signing the contract.

Loss of the contract would have been a disaster for the boat building division of General Dynamics, the yards of which were located in Massachusetts. No other orders were in sight and the yards would have closed with the loss of approximately two thousand jobs. I don't know to whom the Chairman of General Dynamics made the first approach for assistance. I became aware of the issue when Secretary Kissinger alerted Phil Habib who turned the matter over to me. After establishing a direct line of communication with the office of the chief executive of General Dynamics, I began holding a series of conversations with representatives of the Indonesian and Japanese embassies. Although we had little direct leverage, I again stressed that this was an issue that could not be looked at as merely a commercial one. It held far too great economic and political significance and was being watched by the most senior levels of the US government. Concern already existed at what was regarded as unfair Japanese commercial practices. The loss of such an important contract caused by Japanese governmental pressures would be viewed quite unfavorably, particularly since the adverse effect on the US could so readily be demonstrated.

In discussions with the Indonesian Embassy, in addition to pointing out the high level US interest, I noted that the entire thrust of the State Department's efforts as led by the Bureau was to further the relationship between our two countries; that we were attempting to expand our economic and technical assistance programs as well as support the US military's efforts to expand its relationship with the Indonesian military. The latter

were exceedingly influential and I hoped that they might actively support the General Dynamics bid. I spoke to the US advisor to the Indonesian oil industry as well as to US representatives of American oil firms operating in Indonesia to see what influence they could bring to bare. I have no way of knowing what role General Dynamics might have played privately but finally the Indonesian authorities announced that the \$2 billion contract would be given to General Dynamics. Two thousand jobs were saved and I received an appreciative letter from the Chairman of General Dynamics as did Secretary Kissinger and Phil Habib.

I think it fair to note that everything that I handled did not turn out to be as successful. In 1956, just two years after the fall of Saigon, the government in Hanoi began to display an interest in developing its oil resources, some of which were thought to be in offshore waters near southern Vietnam. American oil firms had done quite a bit of seismographic work during the period of South Vietnamese control. Thus, the American firms would have a significant advantage in competing with foreign oil companies which would have had to attain this information. Based on informal contacts, the American firms appeared to believe that Hanoi was prepared to accept them. Representatives of the US firms called upon me to request that they be permitted to make contact with Hanoi, possibly to initiate contract negotiations. After discussing the question with Phil Habib, the latter agreed that I might send a memorandum to Kissinger through him, advocating that he accede to the industry's request. Successful drilling would provide the US with another source of oil outside of OPEC's control and it could provide a first tentative step toward reconciliation with Viet Nam. Within a week I received the memorandum back with a hand scribbled note which had to be typed because the Secretary's handwriting was almost illegible saying "No. Disapproved. You know the policy. Carry it out." Clearly, Kissinger believed, probably correctly that the wounds caused by Viet Nam were still too raw to support such a move.

I mentioned earlier that in 1995, in addition to my economic policy assignment Phil Habib expanded my portfolio to cover the political as well as the economic aspects of our relations with Australia, New Zealand, Papua New Guinea and the Pacific Islands. This was not a burdensome addition. Our relations with Australia and New Zealand were excellent and few if any problems arose. As I recall my principal duties were to accompany the new Australian Ambassador to his presentation of credentials to President Ford in the Oval Office of the White House, and to attend one or two luncheons given by the Secretary for dignitaries such as the Australian Foreign Minister.

In May 1976, I was surprised to discover that President Ford had appointed me to be the United States Representative to the South Pacific Commission. I doubt that more than a handful of people in Washington had ever heard of the organization. The United States had been a member since its founding in 1947 and the US Representative's position was often given to a private citizen, the chief perquisite of the appointment being a Presidential commission that one could display on ones wall and a trip to an annual meeting held in one of the South Pacific islands. The alternate US representative normally was an officer in the US Department of Interior who was responsible for

supervising the US dependent territories in the Pacific, such as Guam and American Samoa and who served as the contact point for the Commission's secretariat. I suspect the decision to move the representation to the State Department resulted from the increased concern about the political situation in the South Pacific due to reports that the Soviet Union was displaying an increased interest in the South Pacific region. Soviet naval vessels had begun for the first time to sail in Pacific waters and Soviet fisheries vessels had begun to operate in the region. Many of these reports were probably overblown, but suddenly this part of the globe to which we had displayed practically no attention was being viewed as a possible arena of cold war competition.

The South Pacific Commission, the name of which has since been changed to the South Pacific Community, is the oldest and largest regional organization in the Pacific. It was established in 1947 under an agreement signed by Australia, France, the Netherlands, New Zealand and the United States as a mechanism to promote economic and social development in the Pacific Island territories under their administration. As the various territories attained independence, they joined in their own right. The SPC Secretariat is located in Noumea New Caledonia and that also was the location of the first SPC annual meeting that I attended.

My attendance at the meeting and the background of the new US representative was noted in the area. It was favorably commented upon as an indication that the United States was beginning to play greater attention to the problems of the small island states. It was also regarded somewhat cynically, if accurately, as being the result of the apparent increased Soviet interest. Taking advantage of my attendance at the meeting, I paid calls on the Prime Ministers of Fiji and Samoa. I recall that the banner headline in the weekly Samoan newspaper noted my arrival as being part of our cold war struggle.

I did develop a very modest program, I don't recall whether I was tasked with the assignment or developed it on my own initiative, that would display increased United States interest in the area. It was very limited in scope. It principally called for a greater number of officially sponsored visitors to the region primarily as part of USIA programs, and most significantly the establishment of a new resident Embassy to be located in Suva, the capital of Fiji which would also be accredited to Samoa. Prior to that change, our Ambassador in New Zealand had been accredited to the two island countries which meant that the only real contact between American officials and those of the countries took place during the brief annual visits of the US Ambassador. There also was practically no reporting about Pacific Island developments since we had no observers on the scene.

I recall an interesting conversation with the Prime Minister of Samoa when I informed him that we were planning to establish an additional Embassy that would be located in Suva and that also would be accredited to the capital Apia. I noted that as a result there would be much greater contact between our two governments since members of the Embassy would be able to spend much more time in Apia due to its proximity to Suva. I thought that this evidence of the United States placing greater interest in the region would please him. I was mistaken. He informed me that while he welcomed the greater US

interest, he wished to retain the present diplomatic representation arrangement where the accredited ambassador would reside in Wellington, if we were not able to put a permanent representative in Apia itself.

I learned that there were long standing tensions between Samoa and Fiji. The Samoans believed that Fiji, by far the largest country in the region, was frequently overbearing and insufficiently cooperative on questions of mutual interest. Although it was left unsaid, I sensed that the fact that Fiji's ethnic make up primarily was Melanesian and that Samoa's was Polynesian did not help.

Q: Now, at this time this was getting close to the beginning of the Carter Administration when you obtained your appointment as the US Executive Director of the Asian Development Bank: How did that come to pass? Those jobs usually are given to people from the Treasury Department, I thought.

EDMOND: I can't give you a definitive answer of how it came about but I am able to tell you what I was told. I was replaced as Deputy on January 20th, 1977, the first day of the Carter Administration. Dick Holbrooke, who came in as Assistant Secretary for East Asian Affairs, replaced the three deputies and appointed officers with whom he had served in the past or with whom he was familiar. I later developed a good relationship with Dick during the years that I served at the Bank for I would always call upon him during my consultation visits to Washington. I wished to obtain more effective State Department support for the ADB in any interagency discussions that dealt with the regional banks and wished to keep him advised as to how the ADB activities in East Asia might further US policies and interests. At the time of my appointment he accompanied me to my Senate confirmation hearings and introduced me to the Senate Foreign Relations Committee members who were attending the session. This was an unusual gesture on his part as the ADB Executive Director's position previously had been filled either by a Treasury Department official or by a non-governmental political appointee.

I was told was that Mike Blumenthal, who had been appointed Secretary of the Treasury and Tony Solomon, who served as Under Secretary of Treasury for International Affairs had come to the conclusion during the Presidential transition period that we were paying insufficient attention to the regional multilateral banks and that the United states could use them to better advantage in the furtherance of US interests. I was also told that in the search for candidates, I had been suggested as a possibility by at least two of the individuals that they had approached for suggestions. In any event, after I was interviewed by Tony Solomon and vetted by Fred Bergsten, who had been appointed Assistant Secretary, I was offered the job. I don't know what position State might have offered me but since the ADB position was a Presidential appointment that required Senate confirmation, they readily concurred. The ADB position was rated by State as a Class Two Chief of Missions post.

Q: Did you have any problem with the Senate Foreign Relations Committee, or was it fairly routine?

EDMOND: It was about as routine as you can possibly imagine. If you hope for a routine confirmation hearing I recommend that you attempt to have it timed so that it occurs just before lunch and that you not be bracketed with some one's hearing that may be controversial.

Q: The job was in Manila? What sort of staff did you have?

EDMOND: The Asian Development Bank is located in Manila. This resulted from a compromise reached by the founding members. Japan, whose financial backing would be instrumental to the success of the institution, wished the Bank to be located in Tokyo, the financial center of Asia. The Southeast Asian members, still somewhat suspicious of Japan as a result of Japan's World War role and holding fears that Japan might exert undue influence on their economies wished the Bank to be headquartered elsewhere. Japan also was claiming the Presidency of the Bank. In a compromise, the decision was made to place the Bank's headquarters in Manila together with the understanding that the President of the ADB would be Japanese.

The birth of the ADB, which took place in 1967, was not an easy one. The Asian nations had been clamoring for an international lending institution of their own, that would be a source of borrowings additional to those that they were obtaining from the World Bank. It would also be an organization which might pay greater attention to the particular problems facing Asian nations and in which they would be able to exert greater influence. The United States had vigorously opposed this effort. We believed the proliferation of international institutions with overlapping mandates was clearly inefficient. We already were the dominant voice in the World Bank and we did not wish to bring into being another claimant for US funds.

It was primarily the Vietnam War that persuaded President Johnson to reverse the US position and to announce that we would favor the formation of the Asian Development Bank. First, he was stung by the criticism that our Asian policy only had a military component and that we were insufficiently concerned with economic and social progress in Asia. US leadership in establishing the ADB might encourage the Asian countries to be more favorably inclined toward the United States and the positions it was taking in Asian affairs, and also the ADB might prove to be an additional source of financial assistance to the Government of South Vietnam.

My direct staff was quite small and consisted of a Deputy who was a Treasury Department official, and two secretaries, one financed by Treasury and the other by the ADB. I maintained two offices, one in the ADB headquarters, and a second in the Embassy. The latter office enabled me to view the sensitive political and economic messages issued by our Asian Embassies as well as by the State Department. Although I had a standing invitation to attend the Manila Embassy Country Team meetings, I did so only infrequently as I deemed it important to stress the independence of the US ADB Mission. One of the criticisms that was made of me by some of my counterparts was I

may have been overly concerned with the broader politico-economic issues and that I paid insufficient attention to detailed makeup of the particular projects.

Q: Les, you said that some people felt that you were paying more attention to broader political considerations than minor points of particular projects and the economic criteria that generally should be the basis for decisions by a development bank. What kind of political considerations did you have to pay attention to? This was the Carter Administration. Was the question of human rights something that you had to support, even in a bank like the Asian Development Bank?

EDMOND: Before continuing, I am going to take minor exception to one of the premises behind your question. The economic criteria and requirements for the Bank's projects were of the utmost importance to me and I was one of the most demanding inquisitors of the Bank's staff in pressing them to defend the economic viability of the Bank's proposed projects. The criticism that was made was that I may have paid insufficient attention to the technical aspects of the projects; their physical and engineering aspects, subjects about which I had no special competence and which I therefore was prepared to leave a leading role to others.

Soon after my arrival in Manila, actually in October 1979, in response to growing American concern over human rights violations world wide, Congress passed a law instructing U.S. executive directors at international financial institutions to use human rights criteria in voting on development loans. We were to oppose loans for countries the State Department determined to be "gross violators" of human rights, unless the loans were aimed at basic human needs. Earlier in the month, U.S. executive directors at the Inter-American Development Bank and the African Development Fund had abstained on or opposed loans for Argentina and the Central African Empire. These actions attracted considerable attention internationally and my fellow Board members were alerting themselves to the possibility that a similar action would take place at the ADB. Then on October 31, under State Department instructions, I voted "yes" on a rural road project for South Korea, but abstained on a power development loan to the same country. That vote probably caused the largest outburst of anger ever displayed at the ADB Board despite the fact that the loan was otherwise unanimously approved by the Board. Many of the other directors including some who sympathized with our concern for human rights were angered because, in their view, the United States violated the ADB's Articles of Agreement which specifically forbade the use of political criteria in evaluating loans. Several directors wished to issue a formal expression of regret, a public condemnation that undoubtedly would have seriously strained US relations with the Bank. I literally spent hours attempting to assuage the ill feelings of some of the directors. I approached others, who were more sympathetic to the US position, to persuade them to argue in their caucus against taking any drastic position vis a vis the United States. I persuaded most that an open conflict would only serve to harm the ADB and that United States support for the institution would be bound to suffer. I kept the President of the Bank up to date on developments and urged him to use his influence to dampen the hostile atmosphere, despite the fact that he personally deplored the Bank's being dragged into a political

struggle. Eventually it was agreed that several directors would issue protests to me personally but that they would not make their approaches public. And so the issue was diffused. After that, I found it necessary to issue a dozen or more no votes or abstentions but they no longer created any controversy. Pat Derian, who President Carter appointed to be the point person in the Administration to promote our human rights program, some time later informed me that she regarded me as one of her most effective supporters.

Another issue to which I had to devote a fair amount of time grew out of the heritage of the Vietnam War. The United States' reaction to Vietnam's normalization of relations as it involved ADB operations was controversial and aroused serious tensions within the Bank. One of the relatively few Bank issues that exercised Washington was its desire that Bank delay the renewal of any lending to Vietnam. After Saigon's fall in 1975, the Socialist government of Vietnam took South Vietnam's seat at the ADB. It began pressing for the reactivation of several loans that had been suspended when the South Vietnamese government fell. These projects had been approved by previous Boards of Directors and it was difficult to find legitimate reasons to prevent the projects from going forward. In addition most bank directors favored renewed lending for Vietnam as a means of rebuilding the country and establishing normal political and economic relations with it. On the other hand Washington feared that ADB lending to Vietnam would arouse considerable political opposition within the United States and it also clearly rejected Vietnam's political orientation and economic policies.

Although there was never any possibility of rejecting the previously approved loans, Washington instructed me to attempt to delay their implementation. Most of my efforts took place outside the formal deliberative bodies of the Bank. I was able to persuade the President's office that it was in the Bank's interest not to provoke that segment of the United States Congress which already was increasingly sympathetic to the idea of curtailing appropriations to international financial institutions such as the ADB.

My personal experience had persuaded me that an early renewal of Bank lending to Vietnam might well weaken US support for the institution. For example, when during Washington consultations, I called on certain influential members of Congress to enlist their support for an increased ADB financial replenishment, I discovered that one of the most favorably received arguments that I could make to some was that Taiwan was an active member of the Bank whereas Communist China was not and thus received no assistance from the Bank.

The delays in reinstating the loans increasingly became an embarrassment to Bank management since the delays clearly came close to violating the Charter's precept that political considerations not enter into the Bank's lending decisions. Most, if not all the Directors were aware that the Bank's management was supporting the United States position in opposition to Bank's staff's recommendations and the views of a majority of the Directors that the loans be reinstated. When the issue occasionally was raised formally at Board meetings by the Director representing Vietnam and some of the more determined directors who supported him, I used the argument that current Vietnamese

political and economic conditions and policies differed so greatly under the Hanoi regime as compared to Saigon that the economic bases of the projects had to be reexamined anew.

Although I did not receive much vocal support from other directors, my private discussions with some of the key ones persuaded them to remain silent for close to two years. Eventually the Bank's management found it too embarrassing to continue to deny these loans as even directors who had displayed an understanding of the US position became increasingly restive at the Bank's treatment of Vietnam, which was a Bank member and was meeting all the obligations of membership. As a result of these efforts, the ADB's consideration and approval of the first loan did not take place until October 1978, three years after the fall of Saigon. The Bank continued to move forward in deliberate fashion in developing any new projects for Vietnam and I thus was successful in preventing any political controversy from arising.

I might as well mention now a third task which was laid on me by Washington and one which I personally believed to be less than fully worthy of the United States. To protect certain US agricultural interests, the Congress required that the United States executive directors to international financial institutions oppose loans for certain agricultural products that could compete with US exports. I therefore was instructed to oppose aid for projects that were designed to develop palm oil, sugar, or citrus fruits that could compete with U.S. vegetable oil, sugar or fruit producers.

I clearly was not going to receive any support from Bank management or other Board members if I were try to oppose such loans directly when they came up for approval. The approach that I took was to swallow my pride and to discuss the issue directly with members of the Bank Secretariat who were assigned the responsibility of developing projects. They appreciated that it was not in their interest to force me to oppose the projects which at a minimum would considerably delay them and might require their revision. I persuaded the project designers to alter their projects and their justifications in ways that the recipient governments did not find objectionable; would still meet the economic requirements and yet would appear to minimize the export potential. Some of the projects were so reconfigured as to emphasize the domestic consumption of palm oil rather than its export to world markets. I was well aware that much of this was sophistry and many of the changes were primarily presentational in nature. Washington found all these projects to meet Congressional requirements. At the same time I did not believe that any of the changes that I advocated seriously weakened the economic justification of the projects.

I am a little disturbed that my comments might lead a reader to believe that my principal activities at the Bank were to protect the United States interests from Bank programs that we might have found objectionable. This would be far from the truth. I spent the bulk of my time trying to promote activities that would promote economic development in Asia and thus directly advance US interests. Together with a few other like minded directors, we persuaded the Bank to alter its lending policies to support lending that more directly

assisted the countries in fields such as health, education and population. This was accomplished over the objections of many of the Bank's borrowing members who were reluctant to see a diminution of major project lending for such items as dams, power generation, and highways.

I believe it is not too self serving to say that I was one of the more instrumental parties in persuading the Bank to begin to finance small private enterprises in the developing countries in the belief that such seed investments could promote economic development.

And then there was one small item that has always intrigued me more because of the coincidence involved than its inherent importance, although it was significant for those directly concerned. I mentioned earlier that President Ford had appointed me to be the US Representative to the South Pacific Commission. The appointment was for a period of two years and thus I still retained my appointment during the first year of my assignment in Manila. I therefore received word that I was to attend the 1977 annual meeting. I had not received any advance word about the agenda of the meeting and discovered after my arrival that the principal item to be discussed was the proposed establishment of a South Pacific Fund to assist the development of the newly independent island states. Timely communication between Noumea and Washington was difficult, but I was well enough aware of Washington attitudes to realize that it would not look with favor on the establishment of a new international lending institution for this purpose. Although I did have sympathy with the needs of these tiny impoverished states it was not too difficult to persuade the other participants that the subject be removed from consideration at that meeting. I was, of course, not alone in my negative views. I did promise as an alternative that I would return to Manila and propose that the Bank pay increased attention to the needs of the island states. This fit in quite well with the Pacific island support program that I had worked on prior to the ADB appointment. With the support of other interested donor countries, such as Australia and Japan, the Bank agreed to establish a new office within its Operations Department that would be responsible for Pacific island affairs. The Bank, of course, was anxious to head off any proposals that called for the establishment of a new competing body, although I think such a development would have been extremely unlikely.

Q: I would like to just make reference to a very interesting lengthy front page article in the Asian Wall Street Journal of August 23rd, 1979, entitled "Diplomatic Touch: US Representative at the ADB is Man in the Middle." It quotes another executive director referring to you as saying, "He hasn't had an easy role here Relations between the US and the ADB could be a damn sight worse if not for him." Another is quoted "He's not just a political appointee picked up off the street and sent over. He has great contacts in Washington, plus knowledge, understanding, experience. He gets more authority to use discretion here than some of his predecessors either could or wanted to have." It sounds like quite a credit to you in terms of working problems out. If you had simply gotten up on your high horse, so to speak, and said, "Because of human rights or because of whatever, we will oppose this," they really would have had every reason to resent. Because of the way you handled it, things often worked and the institution was strengthened. Is that fair

to say?

EDMOND: I'd like to think so. That certainly was my objective. I was helped by the knowledge that I was a professional and that my academic as well as professional background made me reasonably knowledgeable and familiar with political as well as economic issues. I also think that it was important that both the Bank hierarchy and the representatives of the other countries were aware that I supported the ADB objectives. I clearly believed in what the ADB was trying to accomplish, and within the limitations of my instructions would endeavor to make it a stronger and more efficient organization, not only because I believed in its mission but because I thought it advanced US foreign policy interests to do so. I suspect that if you come in with that attitude, others will give you a fair hearing. If they believe that you come in just as a spokesman for an administration that may or may not be sympathetic with what the institution is trying to accomplish or whose principal objective is to limit the role of the institution because of a suspicion of multilateral bodies you undoubtedly would receive a different reaction.

Q: I notice that you received the Distinguished Service Medal from the Department of Treasury in 1981. I assume that was because of your service as ED, Executive Director, at the Asian Development Bank.

EDMOND: It was solely because of that. I was pleased to be recognized. I had no real knowledge as to how my performance was viewed in Washington, Regrettably, from my personal point of view; the State Department was only marginally following ADB affairs since the Treasury Department had been assigned the responsibility of being the principal backstopping agency within the US Government. I was therefore particularly pleased to discover that the citation which accompanied the Distinguished Service Award stated in part that "As United States Executive Director to the Asian Development Bank, Lester Edmond has been instrumental in shaping the character of this important regional institution. During his tenure, the ADB has moved energetically into many new and challenging areas. Mr. Edmond deserves personal credit for the Bank's growing involvement in the areas of population and private enterprise. Lester Edmond has shown a singular gift for effectively and persuasively presenting United States Government views to the Management and the Board of Directors of the ADB - a talent all the more noteworthy given the constraints on physical communications between Manila and Washington."

Q: Anything else we ought to say about this period as US Executive Director at the Asian Development Bank?

EDMOND: I might mention one additional initiative which was to alter the Bank's lending policies so as to permit it to undertake highly concessional lending to the Philippines, Indonesia, and Thailand for projects designed to improve their health and educational delivery systems. When I arrived at the Bank, such highly concessional loans were being offered only to a few impoverished South Asian countries. While serving as Deputy Assistant Secretary, just prior to the ADB appointment, one of the efforts of the

East Asian Bureau was to try to increase the level of economic assistance that the United States was providing Indonesia. Since concessional lending by the ADB to these countries appeared to be substantively justified and consistent with US foreign policy interests, I joined with the Executive Directors of a few donor countries which also had strong political interests in Southeast Asia, particularly Australia and Japan, to revise the Bank's lending policies. With such strong internal support within the institution, it was not too difficult to overcome the objections of several European countries to the change. The latter's opposition was not entirely unreasonable since they did not wish the most impoverished members of the Bank to in effect lose resources that otherwise would be available to them. On the other hand, we noted that these particular loans to the somewhat wealthier Southeast Asian nations would be directed to support the most impoverished segments of their populations. It also seemed possible to me that the broadening of such concessional lending might encourage donor countries to increase the amounts of their pledges in future Bank replenishments. In that I was disappointed as the United States proved to be one of the most reluctant members to increase its level of support.

My four year tenure at the ADB ended in May 1981. I had submitted my resignation to incoming President Reagan, as did all Ambassadors and presidential appointees and was asked to remain at post until a successor had been appointed. By that time, Shom and I had been serving abroad for twenty one of the previous twenty five years. In addition, I found it difficult to think of any new assignment that would provide me with as much satisfaction as did the one at the ADB and therefore decided to conclude my Foreign Service on that high note.

End of interview