

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

AMBASSADOR DENIS LAMB

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Initial interview date: September 29, 2005
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INTERVIEW

I. Joining the Foreign Service

Q: Denis, great to be doing this conversation with you. Looks to me like you entered the Foreign Service in about 1964. Can you let us know what interested you in the Foreign Service, where you grew up, what was your background before entering the State Department?

LAMB: Thank you, Ray. I'm pleased to be here.

Let me take you back to the 1950s, a much-maligned decade. We had Eisenhower, rock 'n' roll, prosperity, and upward mobility. It doesn't get much better than that. (As a teenager, I leaned toward Stevenson; dad, a life-long Democrat, voted for Eisenhower. Lesson: listen to your elders.)

I grew up in Cleveland, Ohio, where, to make a short story even shorter, I was an indifferent high school student but an omnivorous reader. As a kid, I went to bed with a

book and a flashlight and read under the covers. After graduation from high school I worked and took night school classes with the Jesuits at John Carroll University. Two years later, I was hired by a New York firm that audited information about outdoor advertising. The two questions the company sought to answer were: How visible are the billboards and how many people can see them? The job entailed traveling throughout the country by car. I visited 40 states in the course of two years on the road.

I was vaguely interested in the Foreign Service at that time. My interest crystallized during a week I spent in Savannah, Georgia, working for an outdoor advertising company managed by a retired FSO. The father of CNN-founder Ted Turner owned the company. When his father committed suicide, young Ted expanded the business into Atlanta. The rest, as they say, is history.

I spent a lot of time with the manger, including lunches, some dinners, and many hours in the car examining billboards. I don't know what he saw in me, but he encouraged me to prepare to join the Service. From that point on, I focused my reading on diplomatic memoirs and tomes on international relations. In all candor, I was also attracted to the Foreign Service when I learned that it was possible to join without a college degree, simply by passing an exam.

Here is a rather stilted biographical sketch that I submitted in conjunction with my application to join the Service. In rereading it after the passage of several decades, I note that I did not own up to having been an indifferent student.

February 20, 1961

My parents had been married a year when I was born in September of 1937. My father, then employed as a shipping clerk with a paint and varnish manufacturer, had graduated from high school some years earlier and gone immediately to work to help support his family. My mother, who was thirty years old when I was born, a year older than my father, had left her clerical position with a publishing house during pregnancy. I was born in Cleveland, Ohio, as my parents had been, and was to live there for twenty of my now twenty-three years.

My early years were spent in a pleasant South Side neighborhood where we rented the downstairs half of a two-family home. As an older family man, my father was not drafted in World War II. And since my mother had not returned to work after my birth, I was favored with a stable home environment during the war years. Besides the hazy memories of an active, happy childhood, I remember only one thing of significance that happened about this time. At the age of six, I contracted meningitis while in the hospital recuperating after a mastoid operation. Thanks to some of the first penicillin to be diverted from military uses, I recovered completely.

In the winter of 1945, when I was seven, we moved into a single-family house my father had purchased on Cleveland's East Side for \$7,000. We were now much closer to his new job in the production control department of a heavy equipment manufacturing concern.

This is the home where my parents and my two brothers (Timothy is 18; Robert 16) now reside. I entered Christ the King parochial school, where I completed my elementary education.

My chief outlet as a boy, in addition to school and a newspaper route, was sports. I did a great deal of swimming, played baseball in the municipal baseball leagues each summer, and participated in the baseball and basketball programs at school. Although I was already an avid reader and my budding intellectual interests were encouraged at home, I remember that at this time my one ambition was to emulate Lou Boudreau and become the youngest player-manager in the history of the Cleveland Indians.

I entered St. Joseph High School in September 1951 and received my diploma four years later. I had been persuaded to take a strong academic program and I count myself fortunate for the quality of instruction I received. Sputnik had yet to frighten America into a reassessment of secondary education, but I was gaining a solid background in science and mathematics and turning in themes regularly in my English courses. During those four years I contributed toward my expenses by working after school and Saturdays, and during vacations. Although my time was limited, I was able to participate in extra-curricular activities and enjoyed doing so.

After graduation, my family and I did not have sufficient funds to enable me to continue my formal education on a full-time basis. I enrolled at John Carroll University as a part-time student and went to work for the WHS Lloyd Co., importers and distributors of wall coverings, at their branch office in Cleveland.

Within a year -- partly due to my own efforts, partly to circumstances -- I was assistant manager of the branch and had doubled my modest salary. My position was especially valuable to me, as a young man seeking experience, in that, as a semi-autonomous unit of the company, the branch performed almost all of the sales and marketing functions involved in serving its dealer, decorator, and architect accounts.

While carving out a career in the business world (to overstate the case just a bit) I was carrying a full schedule of liberal arts courses in the evening and, surprisingly enough, handling both with relative ease.

Early in 1958, when I felt I had advanced as far within the Lloyd Co. as I was likely to for some time, I began to consider other opportunities. I examined the possibilities carefully before accepting a position as a field representative with the Traffic Audit Bureau, Inc., a small firm headquartered in New York and organized for the purpose of authenticating and publishing the circulation data of outdoor advertising companies. The Traffic Audit Bureau engages in nationwide recruiting to fill the few positions on its field staff (four at present). They seek intelligent men of demonstrated maturity and stability who are free to travel extensively throughout the United States and Canada.

In two years of nearly constant travel, I visited forty of the fifty states and broadened my knowledge of this country and its people considerably.

This was the first time in some years that I wasn't both working and attending classes. I put my spare time to good use in a reevaluation of my educational and career goals. My knowledge of the business world, previous education, and the wide reading I had done gave me a wealth of material to consider. It was at this time that I decided to explore the possibility of a Foreign Service career.

At the time I went to work with the Traffic Audit Bureau, I told them that, because of the draft, I would be available for about two years. In May of last year, when I was reclassified 4F by my draft board, I informed them that I desired to leave anyway, in order to continue my formal education. As an alternative, they offered me a promotion to the New York office as an administrative assistant to the Managing Director. I accepted and came to New York in September of last year to take up my present duties.

Having learned I would be moving to New York, I arranged to transfer my credits to Columbia University. After attending Columbia for a semester as a special student, I was accepted as a degree candidate and a member of the junior class.

To go back some months, I had done some work for one of the small outdoor advertising companies in Alabama in May of 1959 and met the daughter of the owner. At that time, she was completing work toward her BFA degree at the University of Georgia at Athens. My schedule kept me in the area for several months and there began one of the more ambitious courtships on record -- and what with transcontinental telephone calls and plane flights, surely one of the more expensive. This chapter of my life came to a happy beginning on December 31, 1960 when Helen Turner and I were married.

My wife is employed as a textile designer and colorist for a division of Burlington Industries. We live in Manhattan and, having come to terms with the metropolis, enjoy it immensely.

On October 22 1962, President Kennedy addressed the nation on what became known as the Cuban Missile Crisis. He began by saying that "This government, as promised, has maintained the closest surveillance of the Soviet military buildup on the island of Cuba. Within the past week, unmistakable evidence has established the fact that a series of offensive missile sites is now in preparation on that imprisoned island. The purpose of these bases can be none other than to provide a nuclear strike capability against the Western Hemisphere."

I reacted the following day in a letter addressed to the New York Times (which the paper did not publish). I kept it to remind myself of my state of mind as I prepared to enter the Foreign Service.

To the Editors:

With the blockade of Cuba initiated and announced to the nation and the world last night, the United States, assisted by the Soviet Union, has carried the logic of the cold war one further step toward its inevitable and rapidly approaching conclusion.

In his speech, President Kennedy chose not to mention that our cold war posture includes over 1,000 foreign bases, many located along the rim of the communist world, and that these had invited the Soviet riposte in Cuba. Now our response, unavoidable as it may be, has been allowed to take on the superficial aspect of a moral commitment to the “free world.”

But it more accurately reflects the failure of the United States and the Soviet Union to achieve a modus vivendi in the seventeen years that have elapsed since the end of World War II. The early decision to salvage what we could of the status quo antebellum, by over-extending ourselves in order to militarily contain the USSR and its allies in the cold war, had the effect of creating and encouraging the potential outward thrust this policy was designed to prevent.

Now, as so often in the past, we are engaged in a contest of wills that, considering the forces available to the contestants brings the imminent threat of destruction once more to hang precariously over the heads of all mankind.

Assessing the past and reflecting on the sequence of events that has brought the world to its present unhappy state, poised unsteadily on the very edge of expiration and defeat, it seems only too palpably evident that all the powers, both great and small, have had ample opportunities to begin the painful adjustment to the consequences of the two world wars and the advent of the nuclear age. This adjustment, and the succeeding accommodations between East and West, that offers the only plausible basis for the achievement of peace, has never been effected. It would be presumptuous to suppose that we have much more time.

When I left the road and moved to New York, I took the Foreign Service written exam, which is open to all. At the time, or at least so it seemed to me, it was an exam that could be passed readily by someone who kept up with current events and read widely. I had no difficulty with it.

The difficult part was the oral exam some months later. I was interviewed at the UN Mission by a panel headed by Smith Simpson, an old Foreign Service hand with one of those charming reversible names. Simpson was devoted to the Service. He focused on institutional issues and was a frequent contributor to the Foreign Service Journal. By then I had learned enough about the Foreign Service and world affairs to able to handle the oral reasonably well. My travels had given me a good sense of America’s cities and regions, and our people. That exposure weighed in my favor. But after the exam, Simpson took me aside and said, in effect, “I had to pass you but I really don’t think you should come into the Service without finishing your education. So why don’t you think about that?”

I did think about it. In addition, I had landed a new job as editor of an aspiring guide to international advertising media. The job paid well -- \$15,000 a year was serious money in the early 60s -- and Helen and I were enjoying New York. So I did not accept the offer to join the Service when it was tendered. As I will explain later, this refusal had interesting consequences. When the publishing company folded -- they had enough capital to publish my book, but not enough to market it -- I enrolled full-time in Columbia University's School of General Studies, where I had been taking evening classes. It took me about a year to complete my course work and qualify for a B.S. degree in government and public law.

An indelible memory of my Columbia years persists: On November 22, 1963 I crossed Amsterdam Avenue and walked to a point above the quadrangle separating Butler and Low Libraries. Students and faculty were gathered in clusters of ten to twenty around transistor radios. President Kennedy had been shot in Dallas.

Q: When was it that you finished?

LAMB: My diploma was delivered in 1965, after I paid my tuition bill, but I had completed my studies by mid-1964. I was 26 years old. I received a superb education. The faculty leaned left; a World Federalist activist taught one of my courses. A fair amount of revisionist Cold War history appeared on my reading lists. Notwithstanding the sentiments expressed in my letter to the Times, I did not conclude that it was entirely our fault.

I vividly remember a seminar on the relation between constitutions and politics: the issue was whether a constitution created the polity or whether the causality ran the other way. (The question remains unanswered. Think of Iraq, for example.) I wrote my senior thesis on management reform in the British Foreign Service and passed an oral exam in order to graduate.

I retook the written Foreign Service exam while still in school, passed it again and was invited to come to Washington for an oral interview. The panel gave me a grilling. The members pointed out that I had rejected the Department after it offered me a job. Was I serious this time? It was a painful experience, but I managed to pass. At the end of the interview the chairman said, "We see you've been working for a number of years. How would you like to be put on the administrative roster?" There were no "cones," which today organize Foreign Service officers (FSOs), into specialties. "If you do that, we will be able to bring you in as an FSO-7." The lowest grade was FSO-8. "You'll get a little bit of extra money." I did not fully understand what I was agreeing to. I needed the extra money. I said yes.

My decision actually worked out well for me in the end, but it set me off on a career path that I hadn't intended to take.

Q: You then fairly soon thereafter came into the Foreign Service Institute, in the A-100 orientation class?

LAMB: Yes I did. Our small class of 26 convened in October 1964. Of the 26, a number were entering the U.S. Information Agency (USIA), whose overseas arm was the U.S. Information Service (USIS). Three of my classmates were women, one of whom managed to stay in the Foreign Service and have a full career. The other two married early on and had to leave the Service under the then-prevailing rules.

(Years ago, orientation classes convened in room A-100 of the former State Department building, now the Eisenhower Executive Office Building, adjacent to the White House. The designation stuck.)

Dean Rusk was secretary of state; George Ball was the under secretary, the number two position at the time. The foreign policy issue of the day was something called the “Multilateral Force” or MLF, which was espoused by Mr. Ball. The notion was that we would give the Europeans a key which, when inserted along with one of our own, would enable them to launch missiles from ships on station in the Atlantic.

This proposal struck our class as ridiculous. Clearly, the U.S. would retain ultimate control over the decision to launch, and we had missiles under our exclusive control with which to defend our interests. It all amounted to a lot of expense and an empty show. In the end, the world agreed and the idea disappeared. Although the episode led some of us to wonder what kind of an outfit we were joining, we esteemed George Ball despite this one bad call. His views on Vietnam were cogent and courageous.

[To be fair to Mr. Ball, he was addressing a real problem in the day. The conclusion of the Limited Test Ban Treaty in 1963 had the effect of permanently ruling out West German access to nuclear weapons. This put the Germans, whom we had rearmed, at a political disadvantage to Britain and France, both of which had tested nuclear weapons by that point. By now we are long accustomed to a non-nuclear Germany, and the Germans would not have it any other way, but at the time, relegation to second-class status rankled the Adenauer government.]

Q: And did you express that idea to yourselves or to anybody else?

LAMB: Amongst ourselves and to our trainers, who were cautiously loyal and didn’t join in the criticism.

Perhaps I should mention that the Foreign Service I entered had a certain musty quality to it. This was manifested in superficial ways, such as the practice (long since abandoned) of addressing FSOs in correspondence as “esquire.” Of real import was that the Service still thought of itself as the Foreign Service *of the United States*. But the post-1954 integration of State’s civil service with the Foreign Service, whose members had previously served exclusively abroad, had made it into the Foreign Service *of the Department of State*. While I believe that “Wristonization” was a needed reform, it inexorably led to demands by other agencies of government to station their own employees abroad.

Q: After the initial orientation course, what happened to you?

LAMB: Before I get to that, let me mention two things that occurred during orientation. First, having left Helen -- rather cavalierly as I see it in retrospect -- to wind up our affairs in New York and arrange for the shipment of our effects to Washington, I tended to hang out with the singles from our class. Our most interesting outing took place on January 20, 1965 when we walked up Pennsylvania Avenue from State to attend the inauguration of President Johnson. Without reserved places, we stood at the back of the crowd on what I remember as a bitterly cold day and listened to the president deliver his address. It was the first and only inauguration I attended. I was moved by the ceremony.

Second, in those days entering FSOs were encouraged to pay calls on their senators and their congressman. I do not remember who the latter was and I did not seek him out. I did, however, ask for and receive appointments with Robert Kennedy and Jacob Javits. When I called on Kennedy, he invited me into his private office, sat me down, and peppered me with questions about various foreign policy issues. The setting was both inspiring and intimidating. Kennedy sat at his desk with a Washington view visible in the window behind him (Was it the Capitol? I can't really say.). Framed photographs, many of which featured the senator and his slain brother, were arrayed on the walls on either side of the window. What did we talk about, exactly? I don't really remember. All that remains in memory is the setting, the interest expressed in me and my largely unformed views, and the intensity of the man in the room with me.

My call on Senator Javits was something else again. It took place outdoors, on one of the Capitol porticos, where a number of his constituents had been gathered. An aide ascertained my name and business and introduced me to Mr. Javits. Immediately on learning who I was and why I was there, his eyes darted over my shoulder to the next visitor. In an instant, he had moved on. At the time I concluded that of the two senators, Javits was the better manager of his time. But the meeting with Kennedy was special.

Now back to your question. At the end of the A-100 course, they announced postings. I was given the number two position (of two) at St. John's, Newfoundland, where a crusty old sea captain had served for years as Consul. I read the post report and learned that the only benefit accruing to vice consuls there was one license to shoot a moose, free of charge. I went to Cleveland for the holidays somewhat downcast. But in my absence one of my classmates, who had been assigned to Martinique, protested his assignment. He was 32 years old and said he didn't have time to learn French; he wanted to start making and implementing policy immediately. The system switched the two of us while I was on leave, which meant that I was able to obtain 16 weeks of French training to supplement my college courses. At the Foreign Service Institute, I received an excellent grounding in the one foreign language I was able to learn over the course of my career.

Q: And it also removed you from language probation, allowed you to be tenured.

LAMB: Yes it did.

Q: I wonder how much foreign policy your colleague was able to implement in St. John's, Newfoundland.

LAMB: The record is blank. And he didn't last all that long in the Service. Given your background overseeing relations with Greece in the Department and as Ambassador to Cyprus, you may find it interesting that my erstwhile colleague spent a tour in Athens and liked it very much.

II. Martinique

Q: But you did your French language training and then you went to Martinique, which was a fairly small post.

LAMB: Martinique was a two-man post but the Department had established a training position there, to which I was assigned. The consulate general, which has since been closed, was rather a sleepy place. The consular district included Guadeloupe and French Guiana, but there wasn't enough essential work for two vice consuls. I learned a number of things about the Foreign Service at my first post. To begin with, the Service has a way of assigning people who are not particularly effective to out of the way places where they can do little harm. The two consuls general I worked for fit that description nicely. One incident sticks in memory. The consul general arranged to sell the old consulate car to a local merchant when we received a new vehicle. But the merchant did not remove the consular seal from the car door, as had been agreed. The boss ordered his vice consuls to deal with the problem. We tracked the merchant's comings and goings and learned that he usually left the car parked near the central square on Saturday mornings. One Saturday, after acquiring a can of black spray paint, we located the car. While my colleague stood watch, I painted over the seal.

The second thing I learned was that much of what goes on at remote Foreign Service posts involves mastering the territory, so that in the event that something *does* happen, there are people in place poised to act and advise responsibly and effectively. I also learned that Foreign Service reporting can simply be a device for organizing one's thoughts, valuable even if the report goes unread. Speaking of reporting, the only commendation I received during my year and a half tour was for an analysis of the logging industry of French Guiana, for which the Commerce Department expressed its appreciation.

Q: You traveled quite a bit, to Guadeloupe and French Guiana then?

LAMB: We did, and we had a diplomatic pouch run to Bermuda as well. Martinique is roughly six times the size of Washington, D.C. You can get "rock happy" unless you leave the island from time to time. So the opportunity to travel was welcome.

Q: Were there many American residents, American citizens?

LAMB: Very few Americans and almost no tourists except those who came on cruise ships and spent part of a day in the capital, Fort de France. The island had very little tourist infrastructure in those days. One of the chief diversions of the vice consuls was to meet the launches coming in from the cruise ships and wangle an invitation for lunch, preferably with the captain. Many of the waiters importuned us for visas, but we fended them off. We also received visits from American naval vessels. When a ship was due, we arranged calls for the captain and set up visits to the ship by local officials. Also important from our perspective, the visits gave us an opportunity to purchase food, especially American steaks, from the ships' stores.

Q: What sort of work did you do in the consulate? Everything?

LAMB: I did everything, but primarily administrative and consular work. There were some interesting problems involving Haitians seeking visas. The resident head of the *Tonton Macoute*, the personal police force of dictator Francois Duvalier (Papa Doc), was a bandleader at one of Martinique's few hotels. A disreputable character, to be sure, but he could be relied upon to vouch for Haitian residents of Martinique who applied for tourist visas. If he said they would come back to the island after visiting the U.S., they came back. There was one exception. I issued an "emergency" visa (without waiting for the response to our usual check with the embassy in Port au Prince) to a Haitian student whose documents said he was headed to France on a scholarship. He told me he wanted to visit an aunt in Detroit before taking up his studies. He was killed when his Pan Am flight crashed into a mountain on Montserrat. I subsequently learned that his documents were forgeries.

We also had some shipping issues; consulates in ports have particular responsibilities for U.S. vessels. I remember being called out one night to mediate after a fight broke out on an American ship. Dicey, but I worked through it. Another task was to organize modest disaster relief after hurricanes. Modest, because the French preferred that the Americans keep a low profile. We stocked tin roofing material in Puerto Rico and had our military fly it in after a storm passed through. As I recall, consulates had a \$25,000 fund for disaster relief that could be expended without prior approval. Thus we could move fast and did so.

We also had to deal with the deaths of Americans: notifying relatives, inventorying effects, and tending to the shipment of remains. One such case stands out in my mind because the decedent had been writing to his wife in the States boasting of his success in business. In reality, he lived life on the margins. Confronted in my reports with the reality of her husband's financial situation, the wife accused us, me, of stealing her estate. Fortunately, in these cases, we worked closely with the Martinique authorities and documented everything. When the wife traveled to the island to investigate, I was able to convince her that her husband had been spare with the truth.

Reporting on an island was interesting since almost all influences can be measured in some way. I and the other vice consul -- his name was Glenn Cella, by the way -- thought

we should meet everybody the consul general would let us meet and figure out how the island really ran. To a large extent, we succeeded.

Q: And you felt like you did a lot of it without a lot of direction or supervision from above. Certain work came to you and you used some initiative?

LAMB: Yes. For example, the two of us visited most of the mayors of the little towns on the island. It proved to be an excellent way to make contacts, get an intimate feel for the political scene, and put my French to work.

Another interesting experience I had concerned Vietnam. The consulate general received a packet of information from the Department describing the reasons for our presence there and what we were trying to accomplish. The French had a military detachment on the island, headed by a general officer, and I was dispatched to brief him on our Vietnam policy. As it turned out, he had been at Dien Bien Phu. He said, "Young man, sit down. I have a few things I want to tell you about what the United States has gotten itself into." I had followed developments in Vietnam at Columbia and read the early books on the situation there by Ellen Hammer and Bernard Fall. As a result, I tended to share the general's pessimistic outlook. We had a good, long conversation. In my view, at the end of the day, "spin" cannot sell a flawed policy or resuscitate one that has gone awry. As Churchill said, "Propaganda is all very well, but it is events that move the world."

We had a United States Information Service (USIS) operation in Martinique and a small outpost on Guadeloupe. Despite Vietnam, our public affairs activities were successful. We had a library. We had opportunities to send people to visit the U.S. We sponsored English language courses, which were very popular. The State Department and USIS worked well together on the island, cooperatively identifying future leaders to cultivate, among other things. Some of my best contacts were former recipients of visitors' grants who maintained contact with the consulate.

Q: Was there an American officer as the head of the USIS operation?

LAMB: Yes. She was supported by several local employees.

Q: And no other U.S. government activity on the island besides that?

LAMB: None apart from the Shell Oil representative, whom we thought worked for the CIA, although he never admitted it. He was the only undeclared operative I ever ran into, if in fact he was one.

Q: At that time, this was the mid-1960s, was the French role very strong? It was, of course, a French colony. Were the native Martinique people pretty much running everything themselves?

LAMB: Well, Martinique, Guadeloupe, and French Guiana are overseas departments of France, so they're administered the same way as the other 96 departments, with a *préfet* and a French administrative structure.

Q: And they vote in French elections.

LAMB: They are French citizens and vote in French elections. The *Martiniquais* comprise two groups. There are the *Békés*, the descendents of the original white settlers who slaughtered the Indians and began importing slaves from Africa to exploit sugarcane. The *Békés* preserve a privileged position in the local economy. The black *Martiniquais*, who constitute the vast majority of the population, control local politics. They are a conflicted lot. They chafe at being governed from Paris but are addicted to the benefits they receive from the French system: social security, *allocations familiales*, infrastructure investment, and other payments. So their political orientation runs towards autonomy, which means "give us the money but let us run our own show." The French government has not been willing to do that. I went back to Martinique in 1985 and found that the mood on the island was even more conflicted than it had been when I served there. The population had grown, the economy had not developed beyond what the French were willing to subsidize, and the local residents had not accepted the island's vocation as a tourist destination.

Q: Martinique has a volcano.

LAMB: It does indeed.

Q: Which didn't erupt while you were there.

LAMB: No, Mount Pelée last erupted in 1902. The eruption wiped out the then capital, St. Pierre. The American consul stationed there at the time had performed heroically for the population and there is a small monument to him. On one of the anniversaries of the eruption, I gave a little speech to an appreciative audience in the new St. Pierre, which is quite small and undistinguished.

Q: Laid a wreath?

LAMB: Exactly.

Q: All right and you were in Martinique about 18 months, leaving, what, late '66?

LAMB: Yes, late in 1966. Supernumerary posts like mine were suppressed for lack of funding. A cable was sent to those who held such posts at consulates instructing us to proceed to the capital of our host country, where we would be reassigned. I waited for clarification, which didn't come. Then I sent a cable saying, "My capital is Paris. Is that what you mean?" And the response was "Yes, that's what we mean, and we'll look around for a job for you and let you know." Eventually I was informed that I would be

the administrative advisor at the U.S. Mission to the Organization for Economic Cooperation and Development (OECD).

I booked passage on a small French passenger ship that traveled between Le Havre and the French department ports in the Caribbean. Some time later, I received a phone call from an agent of the shipping company who said that my passage had been cancelled because the boat wasn't going to make the trip. He added that they had a back-up offer if I'd be willing to consider it. The luxury liner, *France*, was going to be in the Caribbean on a cruise and would subsequently make the crossing to Le Havre from New York. They could take my wife and me, at no additional cost, if we would be willing to spend seven or eight days cruising the Caribbean. I thought for a moment -- maybe a nanosecond -- before accepting. We had a wonderful cruise, sharing a big table in the dining room with friends from Martinique enroute to metropolitan France. During the cruise, we invited colleagues from the embassies and consulates on the islands to come aboard for lunch.

Q: Early in our careers a few of us were able to sail, usually on U.S. flag vessels. Of course that ended pretty early, but I don't remember too many that sailed on the France.

LAMB: That's certainly true. Since no U.S. vessels made the Martinique-Le Havre trip, the regulations allowed the voyage.

III. Paris

Q: Okay, so you got to Paris when?

LAMB: It was November '66.

Q: And you were assigned as administrative advisor to the U.S. Mission to the OECD, the Organization for Economic Cooperation and Development.

LAMB: That's right.

Q: About which you probably didn't know too much when you got there.

LAMB: I knew virtually nothing about the organization, and my responsibility was going to be to manage the U.S. contribution to the OECD budget. (Our contribution in 2006 will be \$92 million. Allowing for inflation and exchange rate movements, we were spending a comparable amount in the mid-60s.) There were internal administrative matters to handle as well.

Q: But the Embassy administrative section did the major part of the administration of the mission.

LAMB: Yes, general services and many aspects of personnel management services were provided by the embassy. I was fortunate that the embassy administrative counselors, Idar Rimestad and Jack Lennon, treated the mission and me well. As an inexperienced administrative officer, I appreciated their willingness to take me under their wing, show

me the ropes, and help me avoid mishaps. For example, when the U.S. delegation to the Paris peace talks on Vietnam arrived in town, I received a call from someone in the motor pool who asked, "Would you consider loaning us one of the Mission's cars for a few weeks?" I had three cars. I hesitated and then called someone higher up in administration for advice. "Whatever you do, don't do that! These talks are going to go on for years!" [Which they did]. "Your ambassador will kill you!" So I declined to provide a car. The delegation to the peace talks managed without it.

Q: Well, why don't you tell a little bit about the structure of the mission and some of the personalities and then maybe a little bit more specifically about the main things that you did as administrative advisor.

LAMB: The OECD was formed, if I can sketch in a little history, in the early Sixties. It succeeded the Organization for European Economic Cooperation (OEEC), which was set up at U.S. behest as a forum to enable the Western Europeans to collaborate in (a) determining how to spend Marshall Plan funds and (b) liberalizing their economies so as to further European integration in its early stages. We supplied the money -- \$13 billion between 1947 and 1953 -- but were not members of the OEEC. When the Marshall Plan ended, the OEEC soldiered on, reducing intra-European trade barriers and working toward currency convertibility and the elimination of capital controls.

There was a study made as to what should happen to the OEEC when the Common Market was established by the Treaty of...

Q: Treaty of Rome?

LAMB: Treaty of Rome, 1958, I believe.

Q: Maybe 1957.

LAMB: The treaty was ratified in March of 1957 and came into force on January 1, 1958. At that point the machinery of European integration began to move. The U.S. decided that it would support maintaining an organization to succeed the OEEC, and join it, in order to accomplish several objectives. One was to bring Japan in as a full member of the successor organization in order to tie it to the West. (Similarly, we wanted to bring in Australia, New Zealand, and Finland.) A second objective was to keep an eye on the Common Market as it evolved to help protect our economic interests.

Arrangements were made for the European Commission, the Common Market's executive, to have a seat at the OECD table, and to participate in committees and the governing Council. I must say that the Commission was somewhat wary of the OECD because they saw it as a rival. Decisions made in Paris, they felt, might preclude action in Brussels. That rocky relationship continues to this day. When I completed my tour as Ambassador to the OECD in 1990, I devoted a portion of my valedictory remarks to the Council to the issue of EC-OECD relations. The full text of those remarks is attached at Appendix A. This is the pertinent paragraph:

Over recent months, the Council has devoted considerable time and energy to the question of new members. This issue is important, but not critical. On the other hand, the question of the European Communities' role in the OECD is critical and merits a fresh and careful look. The OECD will not be able to set and achieve ambitious goals unless the EC, as such, sees it in its interest to participate. As present it, and particularly the Commission, does not. There are three problems. First, to some extent, and for reasons that are in part historical, the Commission has seen itself as in competition with the OECD. We should overcome its concerns in this regard. Second, the Commission, with its principal powers residing in the trade field, takes a particular approach to liberalization. It prefers to exchange concessions in balanced agreements rather than to embrace liberalization for its own sake. We need to find an accommodation with the Commission on this point. Finally, the Community will always have difficulty in representing itself in the OECD. The Commission is constrained by its mandates -- or the lack thereof -- and the Council of Ministers, by its very nature, can have no position on an issue until a final decision is taken. Recognizing these problems, we should nevertheless look for ways to enhance the Community's role in the OECD, beginning with full membership and arrangements for the Council of Ministers, represented by the country holding the presidency, to be heard in our precincts.

A third objective that the U.S. sought to achieve in OECD was to keep economic issues out of NATO, which for the most part has been the case. At one point, ironically, when NATO's fortunes were flagging in the Seventies, there was a U.S.-led effort to add an economic and social policy component to the NATO structure. The component was created but never amounted to much.

A final U.S. objective was to fold the stand-alone Development Assistance Group into the OECD as the Development Assistance Committee. At that stage the U.S. was by far the largest foreign aid donor and wanted a forum anchored in the OECD in which to persuade others to share the aid burden. In the early days I think that was successful.

Q: I'll just note on the latter point and also the role of Japan that you mentioned earlier, I was serving in Tokyo and I think it was in 1961 that I believe it was Under Secretary Ball came to Tokyo for a meeting, I think it may have been the Development Advisory Group at the time. It was seen, certainly by the Japanese, as one important step towards beginning to integrate them into the important industrial countries, developed countries. It followed a meeting of the contracting parties to the GATT in the trade area, General Agreement on Tariffs and Trade, which I think was in 1959 in Tokyo but I guess that was, I don't remember the details of what was discussed at the Development Advisory Group, but it was moving towards Japan becoming part of the OECD rapidly.

LAMB: To continue my historical sketch, it is significant that the OECD inherited the structures of the OEEC. Whereas the OEEC was a decision-making body, the OECD was largely a consultative body, in which governments were urged to adopt sound economic policies or were brought together to share experiences about how best to manage a market economy. Large permanent missions and full-time ambassadors had less to do in

the OECD than in the OEEC, yet they persisted. Jack Tuthill, who was the secretary to the wise men's group that looked into U.S. participation in the to-be-formed OECD and who became the first U.S. ambassador to OECD, wanted to fire everybody on the OEEC staff to achieve a fresh start.

In retrospect, this was a brilliant idea (although it did not address the problem of national delegations) but of course it never happened, bureaucratic inertia being a very powerful force in nature. (Jack had a thing about staff. In 1967, when he was ambassador to Brazil, he and his deputy, Frank Carlucci, proposed to cut the embassy staff by 25 percent. This was dubbed "Operation Topsy," and it caused quite a stir. As I recall, they did manage to cut back by ten percent or so.) I got to know Jack after I became ambassador. On his frequent visits to Paris we had many good conversations about the OECD and how to use it to U.S. advantage.

U.S. representation in the OECD is most effective when delegates from Washington come to Paris to meet with counterparts. So we inherited this rather heavy structure and had to figure out how to utilize it. That is something that I thought about long and hard, starting in 1966 when I arrived in Paris, and continuing through my tour as chief of mission in the late 80s.

The OECD also inherited a structure of sector committees (steel, paper, etc.) that had been part of the OEEC planning apparatus, but which served little purpose in the new organization. We worked to eliminate them, but had little success in battling their supporters in the concerned industries. Some of these committees were still in place when I became ambassador. I continued the fight and almost succeeded in eliminating the Pulp and Paper Committee. I failed, but concealed my hand so well that I received a handwritten note from Secretary of State James Baker, prompted by a communication he had received from the head of an industry association, thanking me for "saving" the Committee. (I did succeed in putting the committee on the skids. It was subsequently abolished.)

Another structure inherited from the OEEC was a pair of advisory committees for labor and business. These proved useful, both for the advice they provided and for the political support for the OECD that they generated. Labor in particular valued its connection with the OECD. George Meany, Lane Kirkland, and John Sweeney all participated personally in OECD work over the years. Through my administrative and budgetary responsibilities for the labor group I met the legendary Irving Brown, who represented the AFL, and later the AFL-CIO, in Europe. Seth Lipsky, a Wall Street Journal reporter, once called Brown "...American labor's leading organizer, philosopher and strategist in the vast contest waged after World War II, in which free working men vied with the communists for control of European labor." But his methods were often criticized, as was covert CIA funding for his efforts after it became public in the 70s.

Brown was a crusty type: he looked and acted very much the part of the man who hired goons to clear the communist-controlled Marseille docks so that U.S. goods could be offloaded to aid recovery after the war. He took a liking to me and, while keeping his

secrets, related many stories of his exploits in sustaining and strengthening a free labor movement in Europe. President Reagan awarded Brown the Medal of Freedom in 1988, the year before his death.

Q: Earlier and then later, certainly part of it was large delegations, important, influential delegations, coming from Washington and other capitals for meetings at the OECD at various levels. Now in 1966, when you got there, how big was the permanent mission to the OECD?

LAMB: I think if you counted everybody, the drivers and secretaries and so on, it was over fifty people. State, Treasury, Agriculture, Commerce, USAID and USIS were represented.

Q: USAID did the development?

LAMB: They did the development side, yes.

Q: And the permanent representative had the rank of ambassador at that time?

LAMB: Yes.

Q: And who was it?

LAMB: Philip Trezise. Phil was a skilled economist and a formidable Foreign Service officer. He'd been Wristonized, i.e., he had been a civil service employee and was integrated into the Foreign Service following the 1954 Wriston reforms. Prior to being named Ambassador, he was counselor for economic affairs in Tokyo.

Q: I think initially counselor and then minister-counselor. Somebody above him left and he moved up. I actually worked for him in that section for a few months.

LAMB: He had a longstanding interest in Japan. By the time I came to Paris, Japan had become an OECD member. Despite my youth and inexperience, the ambassador made me part of an informal front office team, which consisted of the ambassador, the counselor, a couple of other senior officers, and his staff assistant. (The Treasury DCM was, by design, not always present, nor was the head of the USAID section; we were a State Department cabal.) The group met for drinks after work and strategy sessions on Saturday mornings. Five and a half day workweeks were *de rigueur* in those days.

The reason for my presence was my OECD budget responsibilities. Mr. Trezise had the feeling that there might be waste, fraud and abuse to be rooted out. Well, waste anyway, probably not fraud, maybe just a little abuse. He also worried that the U.S. was paying more than its correct share of the budget. We had signed up to pay 25 percent, but there were certain activities that were to be funded solely by interested countries, and he was never quite sure that we were getting the right bills. So he wanted me to watch this closely and eventually do something about it, which I did. In time, I was able to save the

U.S. a large amount of money. In recognition of my efforts, Ambassador Trezise put me up for an award with a monetary component. I recall that other officers on the staff, with whom I generally enjoyed cordial relations or better, were a bit miffed at this. They reasoned that by advancing U.S. interests in, say, trade policy, they were also saving the United States significant sums of money. They had a point, but I cashed the check anyway.

Q: Was there tension also in the way that you were treated as a key member of the team as a second tour, very junior officer? Presumably, there were people more senior to you that were not part of this inner group.

LAMB: Yes, that was something that had to be managed, but Ambassador Trezise's leadership was quite extraordinary. The informality of the arrangement was key.

Q: Most of them were probably just as happy not to be dealing with budget issues.

LAMB: Mission staff approached the budget from a singular perspective: they tried to look out for "their" parts of the organization. The Treasury Department wanted the economic department funded. Our two trade officers wanted the trade department funded. It was up to the ambassador, with my advice, to decide what he wanted to accomplish: what the overall mission objectives were, and how to meet the goals set for us in Washington. So there were some inevitable tensions involved.

Q: There must have been also with other countries, other delegations and the Secretariat directly because the United States had 25 percent of I guess the assessed costs of the OECD budget. Perhaps somewhat more for the special programs of interest to us that we had to defend. They were glad to take our money but they didn't always want to take our advice or influence.

LAMB: Exactly right. Trade-offs were made. We supported some activities we were not particularly fond of in return for the support of other members for activities we regarded as vital. This process of horse-trading was not always pretty, but such is way of politics and diplomacy. Another problem was that it wasn't always clear how much reliable information we were receiving about how our money was being spent. So a lot of sleuthing was required, which required establishing and nurturing contacts throughout the secretariat.

Q: Did you find a lot of Washington interest in all this or was it pretty much generated within the mission?

LAMB: As I recall, there was a lot of Washington interest, as there is in all matters pertaining to funding international organizations and who disposes of those resources. More broadly, on the substantive side, the Washington mantra was "unite Western Europe; more free trade" and OECD was viewed as an important instrument in pursuing both goals.

The OECD is not part of the UN system and the international organizations bureau did not deal with its budget. But the OECD numbers had to be folded into one Department request to OMB and to the Congress, so we were struggling within the Department for what we thought was appropriate financial support for OECD. Our back-up on the “country” desk in the European bureau was charged with making sure that we received a fair hearing and ultimately got as much of what we needed as was possible. (That back-up, by the way, was the infamous Felix Bloch, who was implicated in a Soviet spy scandal late in his career. I must say that he did not exhibit subversive tendencies during our association.) And I eventually filled that country desk job, too, so I got to know the game from both sides.

Q: In terms of the Paris game, was a lot of this done in committee, a committee of the whole membership of the OECD, the budget committee?

LAMB: There was a budget committee composed of all members -- eventually I became vice chairman of it -- where a lot of the work was and is done, but some matters that cannot be resolved at that level go to the Council, where the ambassadors sit.

Back then, in the budget committee, and later, whether in the OECD, CoCom, or other international gatherings, I was always -- what shall I say, “moved” -- when I took the floor and made a statement that began with “The United States believes...” or “The position of my government is...” In Foreign Service circles we refer to this as “psychological income.”

I must say I enjoyed advising the ambassador, sitting behind him in the Council meetings and seeing how that body worked. Finland was not in the Organization at that time, so the U.S. sat to the left of the French, as determined alphabetically by country names in French. The French representative was François Valéry, the son of Paul Valéry and himself a very cultured man. The secretary general was a phlegmatic Dane named Thorkil Kristensen who did not manage his meetings well, and who talked too much and not always to the point. When the secretary general began to meander, François Valéry would unfurl his *Figaro* and bury his head behind it. Not to be outdone, Ambassador Trezise would get out his International Herald Tribune and do the same thing. I was a bit embarrassed when it first happened. I didn’t think that ambassadors should behave that way. Amusing to watch, though.

Q: Was that a model that you followed when you occupied the chair later on?

LAMB: No, my secretary general was someone you had to keep your eye on at all times, Jean-Claude Paye, a talented French diplomat who ran a tight meeting, or as tight a meeting as could be run with a gaggle of loquacious ambassadors.

Q: At the time, the earlier period, in the late Sixties, did countries generally take their responsibilities at the OECD pretty seriously? Were good people representing them? Maybe we ought to talk a little bit more about what the priority areas were that the OECD was working on at that time.

LAMB: On the whole, the representation was good. Some countries never seemed able to provide first-rate representation. I would mention the Greeks. I still don't know how they use the OECD. They tend to send scholars there -- not necessarily economists -- and their level of participation in meetings tends to be low (although this can be a blessing). The Yugoslavs were present in the OECD for political reasons ("not in Soviet camp") and to encourage economic reforms that never materialized. They were poorly represented. The Brits, the French, the Canadians, the Australians, the Belgians and the Scandinavians almost uniformly provided topflight representation. My Belgian colleague went on to become ambassador to the United States, as did one of my Italian colleagues. My Finnish counterpart went from the OECD to the UN in New York. One Japanese colleague was posted to China, another to the UN. The OECD was hardly seen as backwater; often it was a stepping-stone to more responsibility.

Q: Other than the Greeks and perhaps one or two others, did most countries fill the permanent representation position at the OECD from their career diplomatic service or from one of the economic agencies?

LAMB: Mostly from the diplomatic service. That had something to do with the OECD's origins, where a pattern was established. It also had to do with the multitude of subjects dealt with by the organization. If the foreign ministry didn't do this job, it was not clear exactly who *would* do it. None of the other departments of government wished to be managed by a potential rival for substantive influence. But each was willing to take a certain amount of direction from the foreign ministry because it was seen as having fewer axes to grind.

I might add on that point, Ray, that in the early days, U.S. representation was entirely professional: Jack Tuthill, John Leddy, Joe Greenwald, and Phil Trezise. We reached a point later where we were switching back and forth between political and career appointments, and some of those political appointees were quite good. Today, some 15 years after I left the OECD and the Foreign Service, ambassadorial appointments to the OECD are largely political. Some very good and some not so good.

Q: Let's talk just a little bit more about the political side of the OECD. I think you mentioned a couple of things already. Yugoslavia was included basically for political reasons and to try to influence their economic system structure. Were there other political dimensions at the OECD? I suppose bringing Japan in was one?

LAMB: The overarching political rationale for the OECD, a rationale that disappeared in 1989 with the demise of the Soviet Union, was the great struggle against the Soviets or, as some saw it, against communism. We were trying use the OECD as a pole of attraction for the Third World, promoting democracy and free markets and demonstrating how that combination offered the best way to organize economies for the benefit of populations. We wanted to keep those of like mind in the fold and to attract others. We did not do as much in the way of direct contact with the Third World as probably would have been optimal, but we did do some and we were certainly out there preaching. This political

rationale for the OECD is the reason why the OECD was so strongly supported by secretaries of state and other U.S. leaders.

Q: Within Europe, though and I think you alluded to this before, there was also the aspect of integrating, trying to hold together, those countries that were outside the European Community who either did not want to try to become members or were not able to or were not wanted. Some of them were part of the European Free Trade Area but others were not even that close.

LAMB: Yes, that's a very good point. One of the things the OECD did do was help keep the core members of the Community in contact with those on the periphery, the European Free Trade Area members and others. That was another important political dimension.

Q: What were some of the main issues or of concerns in the late Sixties? Your main concern, I guess, was the budget and U.S. financial support for the Organization. There are some other things that either you were involved with or the mission was come to mind?

LAMB: There were several things. The most important issue that we were dealing with at that time was U.S. trade deficits and resulting financial imbalances. The supply of dollars was high, which generated inflation at home, sucked in imports, and suppressed exports. (This is not the same issue that the U.S. faces today because we were in a fixed exchange rate regime then.)

We didn't have the option of floating our currency or devaluing (until President Nixon broke the link between gold and the dollar in August 1971) in order to bring our trade account back into balance. So we had an ongoing debate about the responsibility for trade deficits. And it was an interesting question. Should the U.S. consume less or should its trading partners buy more? We were arguing, not very successfully, that the responsibility was shared. We would try to do our part if they did their part. However, we were regarded by the Europeans and the Japanese as profligate, as it was in their interest to do.

Secretaries of the Treasury and senior Treasury and Federal Reserve officials regularly used the OECD to push our case. The OECD featured a high level committee called Working Party Three (WP-3), a restricted grouping in which the Treasury took the lead, with participation by the Federal Reserve and State. The participants were the members of the G-10, a group formed in 1962 to provide supplementary financing to the International Monetary Fund. We used this forum to propound our arguments to the right people in other governments. Of course, they pushed back. The Economic Policy Committee (EPC), which, then and now, brings the head of our Council of Economic Advisors together with the heads of similar bodies in other countries, was also a forum for this debate.

[Let me add here that the dollar's problems predated the escalation of our involvement in Vietnam. The record shows that President Kennedy was concerned. But President

Johnson's unwillingness to choose between "guns and butter" exacerbated the situation and later forced Nixon's hand. Some analysts ascribe three developments that occurred after Johnson left office -- the first oil shock (for which the proximate cause was the Six-Day War in the Middle East), the forced devaluation and then floating of the dollar, and stagflation -- to Johnson's lax fiscal policy. We will talk later of Europe's efforts to carve out a zone of currency stability after the world embarked on a floating rate currency regime in the early 1970s.]

We were also working the trade issues. At that time, the OECD served as a staging area for successive trade negotiating rounds conducted among the members of the General Agreement on Tariffs and Trade (the GATT), which was set up in 1947. To take just one example, opening up government procurement to foreign bidders, a framework agreement was scoped out in the OECD. Then the product was sent to Geneva to be worked on by the full GATT membership. (As the U.S. Trade Representative's office consolidated its position in the policy firmament, it preferred to negotiate within the GATT, where it did not have other agencies looking over its shoulder. The OECD Trade Committee continues to function and to do good work, but it does not play the central role in trade negotiations that it played in the mid-to-late Sixties.)

OECD's energy committee grappled with the West's growing dependence on Middle East oil supplies. The committee did not solve the problem but its members shared information and perspectives on how the world oil market was evolving, thereby laying the groundwork for the formation of the International Energy Agency in 1974, in the wake of the first oil crisis.

Q: At that point, it was essentially a study group, preparing notes rather than developing a plan.

LAMB: Rather than doing anything jointly, they were comparing notes, but it was thought to be quite useful.

Q: Now I notice in your notes and this brings us back, I guess, to one of the political rationales for the OECD, in terms of the Cold War, the whole question of strategic controls and CoCom was launched within the OECD?

LAMB: CoCom was independent of the OECD and housed separately in a U.S. embassy annex on the Rue de la Boétie, but the U.S. delegation to CoCom -- one officer -- was part of our mission. CoCom was a group of countries that had agreed to control and limit their exports of technology to our adversaries -- the Soviet Union, members of the Warsaw pact, and others. Controls were the source of constant tension among the allies because the U.S. was quite willing to forego technology sales in the interest of security, whereas others were more reluctant to do so. So there were contentious negotiations about what should be maintained on the lists of prohibited products that CoCom drew up.

CoCom went out of business some years ago and was replaced by a similar grouping of countries, without, as I understand it, a permanent home or secretariat. I dealt with

CoCom's budgetary and administrative issues. The knowledge I acquired of its workings proved valuable when I became involved in technology transfer issues later on in Washington.

Q: What sorts of budget issues were entailed with CoCom? Was CoCom's membership more or less the same as OECD?

LAMB: As I recall, the membership was more or less the same, although Spain was not a CoCom member. There were not many budget issues. The U.S. supplied office space for the secretariat and provided meeting facilities. This "in kind" contribution had to be valued and credited. The money had to be transferred from certain Department accounts to the U.S. embassy. It was, shall we say, complicated, but not particularly contentious.

Q: Unlike the OECD itself, which had its origin as essentially a European organization, CoCom I think was very much an American initiative.

LAMB: It was, yes.

Q: Does that mean the United States paid more than a quarter of the costs?

LAMB: I suspect that by providing in kind support we were paying a large share of a rather small budget, but that was the price of getting the organization going and keeping it in place.

Q: One of the things that's always struck me about the U.S. Mission to the OECD, from my limited vantage point, which essentially was as a visitor from both the embassies in Rome and Bern, Switzerland and also from Washington a little later, that the mission spends an awful lot of time, well, it's there all the time but anything that really is interesting people parachute in from Washington or from somewhere else and kind of take the chair or take over the discussions. Was that happening in the Sixties or was Phil Trezise a little bit more on his own?

LAMB: The OECD received about 50,000 delegates in 2005. So you are right. Visitors like you performed much of the work. But there were some important exceptions. For example, the OECD examines the performance of member country economies and makes recommendations for policy change. The mission, acting on instructions from Washington, handled this fairly important activity. To take another case, although the trade committee was composed of delegates from capitals, its quarterly meetings were prepared by a working group made up of representatives from the permanent missions, which met more frequently. Other committees, including the environment committee and the consumer affairs committee did not require as much mission involvement. We provided our delegates to these two committees, and many others, with logistical support and we engaged other missions on their agendas between meetings. As it happens, Ambassador Trezise worked in the Council to establish the environment and consumer affairs committees and arrange for secretariat resources to support them. I can provide a fuller picture of what ambassadors do when we discuss what I did as ambassador.

Q: One other aspect of the OECD that struck me and I'm not sure, it surprised me when I realized that I believe the mission is really located in the OECD building. Or it used to be. Was that the case in the Sixties?

LAMB: It is not now the case, but the mission was co-located with the secretariat for many years, and that was my doing. When I arrived in Paris the Mission was housed in leased quarters in a *hôtel particulier* near the Porte Dauphine, on the Rue de la Faisanderie. Sometime before my arrival, the OECD undertook to construct a new headquarters building. As an inducement to governments to fund the construction, the secretariat proposed that delegations could be housed in this building if they wished, and that they would pay the going local rental rate. I advised Ambassador Trezise that we should take up the offer.

I had two reasons: first, I thought our situation on the Rue de la Faisanderie was precarious. It seemed evident to me that the site would be developed, as it was a few years later. Second, we would receive a 25 percent discount on our rent because that amount would flow back to us as income, just as we received, for example, a 25 percent share of the OECD's income from the sale of publications. The Organization would collect our rent and immediately give us a 25 percent rebate; in practice we would pay a net rental that represented a considerable saving over what the government currently paid to house the mission. The U.S. and four other delegations moved into the building. The others were comfortably situated and decided to stay where they were. The building we moved into, which was completed in 1968, is now being renovated to deal with an asbestos problem. During the renovation the U.S. Mission is being housed a few blocks away.

[A careful reader will have noted that, absent my maneuvers, 25 percent of State's rent check would have gone to the Treasury general account, along with the U.S. share of the receipts from publication sales and any other OECD income. The U.S. taxpayer would be unaffected either way. But we needed the money in our operating budget and, I surmised, the general account would not miss it.]

Q: And will the United States go back into the OECD building when renovation is complete or stay separate?

LAMB: I doubt they will go back. When you're well situated, inertia takes hold.

Q: And there are probably even more issues about security and things like that now than there were earlier.

LAMB: I agree and I think they'll stay put.

Q: You've talked about being part of the inner team with Ambassador Trezise. Did he have a deputy? One deputy, two deputies or how did that work at the time?

LAMB: At the time, the deputy was a Treasury official named Weir Brown, who held the job for 12 years. When I arrived to take up my duties, Mr. Brown asked me what I knew about budgets. When I said “Nothing,” he was appalled. When I produced a report on how to achieve budget savings, his verdict was “convinced, but not convincing.” Mr. Brown and I had a checkered relationship, although we eventually worked out our differences.

Eventually, the State Department took control of the deputy position. My deputies -- I had two during my tenure as ambassador -- were State Department Foreign Service officers.

As a participant in the State inner circle I acquired my taste for economics and economic policy. The conversations ranged over all of the issues of the day and the participants were smart people, and very committed.

Q: Now did you have much to do with other elements of the U.S. government in Paris? You had mentioned that you got help from the administrative section and the administrative counselor of the embassy. Did they kind of expect you to pitch in and help them with big visits, things like that?

LAMB: Yes, they did. One of my most interesting experiences was working on President Nixon’s first post-election visit to Europe in 1969. I was asked to run the motorcades with a French counterpart, the *préfet de police*, Maurice Grimaud. Grimaud had handled the May 1968 student *cum* worker uprising very well. No student died and there were relatively few injuries. He was a man much admired by the French and by me. He had succeeded Maurice Papon, who was convicted in late 1990s of WWII crimes. Papon was also implicated in the massacre of perhaps a hundred Algerians in Paris in 1961. Grimaud had come in at a difficult time and been tested by a difficult situation. While meetings were going on and our motorcade was at rest, we stood around talking. [To be clear, French government restraint 1968 was also due to Prime Minister Pompidou. Through the Interior Ministry he controlled the riot police, the *Compagnies Républicaines de Sécurité* (CRS). Although they were deployed, they were kept on a tight leash.]

In addition to the motorcades, I had a few other duties. One of them involved President de Gaulle’s offer to lend his car to President Nixon for the drive in from the airport. This had been tentatively agreed, but when the advance team arrived I was asked by the Secret Service -- instructed really -- to tell French security that we needed to install our radio in President de Gaulle’s car. In the glove compartment. This was hilarious, if only in retrospect -- the Secret Service insisting, the French refusing. At the end of the day the radio was not put in. The way it worked out was that President de Gaulle’s car was in the motorcade, but President Nixon wasn’t in it. He was in a black limousine without the presidential seal, somewhere else in the line.

Q: Which had a radio.

LAMB: Which had his radio in it. I was asked to interpret at the state dinner at the Elysée Palace but I was busy with one of my motorcades and missed the event. I was able to attend the dinner at the embassy residence on the following evening, when our president hosted President de Gaulle. When I arrived at the residence, I was assigned to interpret between Henry Kissinger and Pierre Messmer, the French minister of defense. So I sought them out and introduced myself. We interpreters were going to sit on little chairs behind the guests.

Q: Not eat.

LAMB: Not eat. We were known as *chouchouters*, “whisperers” in French. But Messmer and Kissinger were already talking in a kind of a Franglais. They could understand each other and they decided they would just proceed on that basis. So my official duties were over. But while I was standing around waiting to go to the basement and eat dinner with the drivers, Secretary of State Rogers came in a little late. It was rumored that the president’s people had let him oversleep. The secretary and de Gaulle greeted each other and started talking. I headed their way. Secretary Rogers started to introduce himself to me and so I told him who I was and said I worked for him. He seemed pleased to hear that. De Gaulle ignored me. I interpreted for the two until de Gaulle’s interpreter saw what was going on -- he’d been getting a drink -- and elbowed me out of the way.

I also met Maurice Couve de Murville, the French prime minister (and former foreign minister), earlier that evening. He had been a tutor for Harold Nicholson’s family in the UK, I later learned. So his English was excellent. As the reception line was forming to greet the French guests -- Couve and I were already in the room -- he asked me, in English, “Mr. Lamb, how would you translate ‘reception line’ into French?” Well, it turns out, there is no such thing. I somehow knew that. I told him, “I don’t think we do that in French.” So that was charming.

Q: I’m impressed that you’re interpreter level of French. Of course that’s FSI training, Martinique and then, did you use French a lot in the OECD, or mostly just living in Paris?

LAMB: It was mostly just living in Paris. We didn’t mention it earlier but the OECD has two official languages, French and English. But as you would imagine, the predominant working language is English. I was a borderline quality translator/interpreter, reasonably skilled in rendering French into English, much more tentative going the other way. I managed, but just.

Q: You have anything else in connection with the Nixon visit that you want to mention?

LAMB: Well, it was my first encounter with Bob Haldeman and John Erlichman. Erlichman was part of the advance group and I joined the meetings that DCM Robert Blake conducted with him and all of the people who were handling the substance and the logistics of the visit. I rather liked Erlichman. He was quite insistent on the president’s requirements, as he should have been, but straightforward and diplomatic. Haldeman I

only saw during the visit and I did not particularly take to him. He was something of a martinet, I thought. Kissinger seemed absent-minded, which was a complete misreading on my part.

Q: Absent-minded professor?

LAMB: At one point he left his briefcase, jam-packed with classified material, at the site of a previous meeting. So I had to dispatch an officer to rush back and recover it.

I also had another interesting involvement with the embassy. Ambassador Shriver took a keen interest in youth and developed a program of contacts with youth leaders. He put one of his political officers, Jim Dobbins, in charge of it. I had gotten to know Jim when he was assigned to work with me for six months as part of his junior officer rotation. (This was a bad fit. I did not have enough work for Jim and he was thoroughly bored by what I did give him. Still, much later, when Jim was named ambassador to the European Community, he cited his OECD exposure as one of his qualifications.) Jim included my wife and me in events he organized for his youth leaders at the ambassador's residence. These were primarily social affairs, designed to size up young leaders for potential follow-up contact. A memorable feature of those evenings was the presence of the Shriver children, including Maria, dressed for bed and working the room with trays of hors d'oeuvres.

Q: You had mentioned earlier, in terms of Maurice Grimaud, the events of 1968. Were you involved with those as a resident of Paris?

LAMB: At the outset we were. We lived in an apartment on the 13th floor -- they have 13th floors in France -- of a building in the 16th *arrondissement* on the Right Bank of the Seine. Opposite us on the Left bank was a Citroën automobile factory, long since gone, which sprouted red flags at one point. We wondered whether workers would join the student protests in large numbers. (They didn't.) We stayed out of the areas where the protesters were concentrated on the Left Bank. Daily life went on almost normally, although I had to walk to work because the metro was shut down. Then we escaped Paris. Months before, a group of us, several couples, had rented a house north of St. Tropez. We were able to get down there before the gas ran out on the *autoroutes*. We spent several weeks of the worst turmoil in Provence. By the time our vacation was over we were able to get gasoline and make our way back to Paris.

It took me years to figure out that the *événements* of May 1968 were rooted in demography and prosperity. There was a large cohort of young people and more families could afford to forego the potential earnings of their offspring. As a consequence there were as many university students in France in 1967 as there had been *lycéens* in 1956. Unlike the U.K., France did not have a selective university admissions process. Anyone who passed the *baccalaureat* was guaranteed a place. The result was that the schools were overcrowded and poorly equipped. Daniel ("Danny the Red") Cohn-Bendit launched the student uprising at the University of Nanterre in the Paris suburbs. When the authorities closed the Nanterre campus, the locus of the revolt moved to the Sorbonne on the Left Bank.

The students had legitimate grievances, but could not organize themselves to present them in a coherent way. They got carried away by the sheer fun of it all and May 1968 turned out in the end to be more about slogans than substance. The revolt was bound to peter out, which it did.

In March 1968, less than 700 miles east of Paris, a much more important uprising was launched by students, writers, and party reformers. It lasted until Warsaw Pact forces put an end to “Prague Spring.” That destroyed the illusion that communism could be reformed, that Stalinism was a mistake that could be corrected, and that democracy and collectivism could be reconciled. As Tony Judt put it, although communism hung on until 1989, “...the soul of communism had died twenty years before: in Prague, in August 1968.”

Q: You left Paris in spring 1969 after being there two and a half years or so? Anything else you want to say about your assignment at OECD Paris, the first assignment?

LAMB: Thank you for your questions, which covered a number of things I hadn't really thought about but which needed to be addressed. I would only add that while working at OECD I was not charged with observing or reporting on things French, but I did note a few interesting things. For example, French concierges, long drawn from the ranks of World War I widows, were rapidly giving way to Portuguese immigrants. The French were well dressed: no casual outfits. It dawned me after a while that, despite vigorous economic growth over a decade or more, people could not still afford a wardrobe of leisure clothing. (Clothing differentiated by age *was* making an appearance: viz. miniskirts.) The presence of older men entertaining young women, some of them in miniskirts, in restaurants was a sign that living standards were not uniformly high just yet.

Although there were some impoverished *arrondissements* in Paris, many poor people lived in the suburbs and commuted to work by train or bus. I thought that was an admirable arrangement, which permitted the middle classes to live close to their jobs. How wrong I was. When immigration from North Africa increased after the war in Algeria and in subsequent years, and the immigrants were “housed” in the suburbs, they were isolated and forgotten. On reflection, it is probably better to have ghettos in the inner city, as we do in the U.S., where they do not escape attention, however episodic and inadequate.

But the overwhelming impression one had of Paris in the late sixties was of renewal, both human and physical. From the first post-war census in 1946 to the end of 60s, the population of France grew by almost 30 percent. By 1967, one Frenchman in three was under 20 years of age. Young people were everywhere. And bright facades were everywhere, too. French culture minister André Malraux's project to clean Paris's public buildings of centuries of grime was well underway.

As to French foreign policy in those years, President de Gaulle rejected U.S. leadership in 1966 when he withdrew French armed forces from NATO's integrated military command

and expelled non-French NATO troops from France. This caused the relocation of NATO Headquarters from Paris to Brussels in late 1967 and the relocation of the Supreme Headquarters Allied Powers Europe (SHAPE) to Mons, Belgium. For the Lambs that meant no more cheeseburgers at the PX in Fontainebleau. In 1967, de Gaulle vetoed Britain's second application to join the EC.

IV. MIT

Q: Where did you go from OECD Paris? What happened next?

LAMB: Well, I was given a chance to further my education. I was assigned to a program at MIT intended to train people in a system called planning, programming, and budgeting, or PPBS. The PPBS fad had faded but, again, bureaucratic inertia was at work and the training program lived on beyond the program itself. The MIT program was a good fit with my needs. I had managed to avoid any serious contact with mathematics in college and I wanted to put that right. Although I couldn't handle the calculus that they tried to instill in me in a course called Calculus Revisited, I did learn probability and statistics and how to program a computer in Fortran. I made the connection between computer programming, which I had a knack for, and mathematics, as branches of logic. MIT being a highly quantitative environment, almost every course I took involved working with numbers. Even the political science department, where I did my masters thesis, was quantitatively oriented.

I picked some up useful tools, e.g. how to calculate the internal rate of return on an investment, and how to determine the present value of a future stream of income. Work on probability opened a new window on the universe and refined my notion of risk. Writing in the Wall Street Journal recently, Jonathan Clements supplied this example of how to think probabilistically: "Suppose a [basketball] team is down by two points and it has time for one last shot. What play should the coach call? Let's say there's a 50% chance of scoring on a two-point shot and pushing the game into overtime, but only a 33% chance of making a three-point shot and getting the immediate win. ... The three-point shot is the rational choice [although not the one coaches usually make]. The reason: If the team makes the two-point shot, it still has to play overtime, where its chances of winning are 50 percent. In other words, by opting for the two-point shot, the team is looking at having to win on two 50 percent gambles, which means its overall odds of winning are just 25 percent." Here's a foreign policy example: let's say that the probability of conquering country X with a small force is 100 percent, that the probability of pacifying the country with that same force is 50 percent, and that the probability of installing a freely-elected, non-sectarian government is 30 percent. When you multiply the probabilities, you find that the likelihood of all three things happening is just 15 percent. At MIT, I also worked with decision trees, a tool that employs probability to evaluate alternative courses of action, say "invade" and "don't invade."

Q: Did you go to MIT directly from Paris or did you do a refresher session at the Foreign Service Institute before going to Cambridge?

LAMB: I did a short course at FSI but it emphasized the calculus, so it wasn't exactly a refresher -- it was more of a new beginning. I did not have the grounding to benefit fully from it.

Q: I think I was in that same session that summer because I think I told you before I was at Harvard, did graduate economic studies the same year.

LAMB: I explained my situation to the instructor and asked what I should be focusing on, what I could get out of the course. As I recall he had some useful suggestions and I followed those and picked up a smattering of what was going on. At least I figured out the concept behind the calculus as the study of rates of change.

Q: I remember doing calculus that summer. I had done it in the 22-week economics course a few years before. Fortunately for me, Harvard was not nearly as quantitative as MIT or Stanford or some of the other graduate programs I could have gone to. It was a tumultuous year on university campuses in Cambridge or probably just about anywhere, especially the spring of 1970, at the time of the invasion of Cambodia. Did you finish your year? Did everything sort of dissolve towards the end of the year?

LAMB: We finished the year. The only impact of campus unrest on us was the decision to give classes the option of taking pass-fail, rather than letter grades. Foolishly, I accepted pass-fail in a couple of courses, not realizing that once a student is accepted at MIT he or she is guaranteed a B just for showing up. Government employees were not particularly welcome on campus. I did not advertise my connection to the Department of State.

Q: There were several options for us at Harvard and I went ahead and did my final exams, got letter grades. I think the minimum B was pretty much there, as well. And you got a masters, what, an M.A.?

LAMB: It's an M.S. I have both a Bachelor of Science degree (because Columbia only awards the B.A. to graduates of Columbia College) and a Master of Science degree (because MIT is MIT). Neither degree has anything (much) to do with science.

Q: And what was your thesis? Did you finish that during that year or did you have to submit it later?

LAMB: I finished it over the summer. I made arrangements with my thesis advisor to send the finished product to where he was vacationing for his approval, which was forthcoming. I had shopped around for an advisor in various departments before I found my man, the esteemed political scientist Ithiel de Sola Pool. His interests lay in the quantitative analysis of communications content, the analysis of political elites -- who gets into power, from what backgrounds, by what routes -- and computer simulations of decision-making. Although he wanted me do something related to his work, by then I knew that I would be assigned to computer operations when I returned to the Department. Thus I wanted to do research on information systems and foreign policy. After some

discussion, Prof. de Sola Pool accepted my topic. We reached agreement early in the academic year, which meant that I was able to do most of the research for my paper in parallel with my classes. I benefited from my advisor's *imprimatur*, but not from his *sagesse*; we never met to discuss my work.

Q: And you stayed in Cambridge during the summer to do the writing?

LAMB: Yes. Actually, I was living in Marblehead and did the writing there. Helen and I lived on the ground floor of an old house that had been converted into apartments. We had two bedrooms, the larger of which, fronting on a main street with windows on two sides, we turned into a workroom. I had my writing desk and typewriter; Helen worked on her silkscreen designs.

While we were living in Marblehead, two of Helen's fellow silk screeners founded Marblehead Handprints, a highly successful endeavor that endured for 22 years. Just as she had given up her budding career as a designer of commercial and theatrical lighting in New York to come to Washington with me in 1964, she passed up the possibility of a successful fabric design career to return to D.C. in 1970.

Q: Were there other State Department officers in training at MIT that year?

LAMB: There were two. One was in the same PPBS program. The two of us had offices in the Center for Advanced Engineering Studies, of all places. The other FSO was following a different course of study.

Q: So you did your masters thesis on information systems and foreign policy decision-making. Did you reach any particular conclusions?

LAMB: I did. I concluded that systems for organizing information would not improve decisions of and by themselves.

Q: Why would they not help?

LAMB: The main reason is that unfiltered information can be highly misleading. Thus most of us learn that when we pick up a piece of seemingly important unfamiliar information, whether in a document or in some other way, we need to pick up the phone and call somebody we trust who knows the subject matter and ask him or her, "Is this right? What does it mean? What should I do about it, if anything?" There are other problems that concern the mental models we all use to process the enormous amount of information that comes our way. These operate to filter out facts that don't fit the model. So you have to be alert to that. Processing information with computers does not overcome this impediment to good decisions. All this is not to say that information systems are not useful -- they are. But they are not a panacea. This is clear enough today; it was not so clear in 1969-70.

Q: Anything else you want to say about your year at MIT?

LAMB: I learned to play tennis and squash.

V. Washington

Q: And then you came down to Washington in the fall, early fall, of 1970 and you've just said that you went into the computer part of the Department, which at that time was probably fairly new.

LAMB: It was fairly new. It had a top-of-the-line IBM 360 machine with processing power equal to 1/1000th of the power of the cheapest laptop you can buy today. All input was by punch cards, all output was printed. Only the operator had a cathode ray tube to look at what might be going on in the machine.

I had a very interesting tour in the Automated Data Processing (ADP) unit, working for a very bright pioneer of State Department computing, Wally Francis. ADP reported to a brash, ambitious assistant secretary for administration named John Thomas. While his brashness could send us off in the wrong direction sometimes, he was an innovator and saw computer applications as the spear point of his whole operation. John and Wally were happy to have an FSO in their employ to help them relate computing to the culture of the Department.

Eventually I became head of something we called the User Support Division. The Division was the gatekeeper for the application of computer resources to the administrative and substantive work of the Department. The problem was, and may still be, that computing power was a free good. So my job was to ration access to it, without admitting what I was doing. This was done by asking potential users to specify their requirements. What did they want the computer to do for them? This works as a filter because it is difficult for neophytes to design a computer application. When a project that we thought was interesting and worthwhile surfaced, we would take on the design ourselves. When we received a proposal we did not like, we stalled with questions about requirements.

Q: And how did you assess this activity in the State Department at that time, the early Seventies, compared with maybe either what it should have been or maybe what it was in another, comparable agency or somewhere else?

LAMB: I had a very high regard for the computing operation in the State Department. John Thomas and Wally Francis believed that there were things that we could do to help our colleagues in the Department do their jobs. To the extent we could eke out some computing power and put it to their use, we would be doing something valuable. We relied on in-house talent and not on contractors, who are notorious for wasting time and money. (A contractor is someone who borrows your watch and then charges you \$500 an hour to tell you the time.)

The big project I was in charge of was the design of a system for storing and retrieving Department cables, dubbed the Document System. The “public face” of the Document System was TAGS, letter groups assigned to cables by drafters to help identify content. TAGS stood for Traffic Analysis by Geography and Subject, a moniker I devised to yield the acronym. I haven’t looked at a State Department cable in 15 years, but after the TAGS were initiated around 1974 they were used on all cable traffic.

Q: Did they determine the distribution and dissemination of cables?

LAMB: They were used as a guide to distribution and dissemination, but their main purpose was to enhance future computer searches of the Department’s cable archives. The principal beneficiaries would be historians, archivists, and the public and press, who would come to the Department with freedom of information queries.

Ironically, when TAGS were put in place there was no way to use them in conjunction with computer searches because the computers of the day were too feeble. We knew that there would be enough computer power in the future to search the full text of cables. But we also believed that a higher level of indexing (*metadata* is the term of art) would facilitate searches. Some metadata was already present in cables, including the date, point of origin, the addressees, and the subject line. The TAGS were designed to supplement these data elements.

Of course, the difficulty we encountered was that the TAGS would be imposed on all cable drafters, who would derive little or no immediate benefit from applying them. So we stressed to some extent the distribution element, although that was a rather thin reed, as well as the long-term benefits to the Department. As I think I mentioned to you, the thing I learned from this episode is that if you want something really badly and other people dislike it but don’t feel that strongly about it, you can often get your way. I would note that this is not always a good thing.

Q: Did you actually put together the book of TAGS?

LAMB: The original one, yes.

Q: I can remember as a drafting officer at the time, when the system first became known there was a lot of confusion and uncertainty. We’d go through the book and try to figure out what the proper TAG was or TAGS, plural and try to be serious about it but I think it wasn’t too long before there was sort of a lowest common denominator. We’d just; it would always be the same thing, because we didn’t see a connection to a benefit or a result.

LAMB: Unfortunately true. Influenced by users, though, and refined to aid distribution, I believe that the TAGS were accepted, if not always applied diligently.

Q: Okay, did you learn any other lessons in the time you were in this data processing area? You were there almost four years?

LAMB: I learned a lot about computing and designed a number of systems in addition to the Document System, all of them fairly small. That experience has been helpful over the years. But I think that designing the Document System and performing the gatekeeper role taught me the most.

Q: This was your first Washington assignment. So you really also learned quite a bit about the Department and perhaps other agencies in Washington. If you'd just been in one bureau without that kind of interaction with others you may not have learned as much, organizationally, bureaucratically.

LAMB: Undoubtedly there was great benefit in that exposure. I was in contact with many parts of the Department and met many people. Some of these encounters were amusing. For example, new ambassadors were asked to tour the data processing unit (to get a glimpse of the future, I suppose). On one occasion, I gave the tour to Richard Murphy, who went on to become ambassador in several countries in the Middle East. I asked, "Where are you going?" He said "Mauritania." "How did that come about?" I asked. "I think they got me mixed up with some other Murphy."

Q: You have to start somewhere and they do speak Arabic there. All right, anything else we should say about this period?

LAMB: I stayed in touch with Phil Trezise, who was by then assistant secretary for economic affairs. Early on I sought his counsel on what I should seek as my next assignment. I was interested in moving out of administration but he was dubious about that. "Stay in administration, you're good at it," he told me. "We need people like you." He had a wily, capable administrative officer in Frances Wilson, who was renowned for taking care of "her" people. So I quickly figured out I should get to know Ms. Wilson, which I did. In the meantime, though, something came up. President Nixon formed a Council on International Economic Policy (CIEP) in the White House and named Peter Peterson, a former Secretary of Commerce, to head it up. The Department wanted to influence Peterson's thinking and encourage him to turn to the Department for economic analysis and policy ideas. So the Policy Planning Staff set out to do a briefing book for him and they needed someone to put it together. As they were casting about for a candidate, Phil Trezise volunteered my name. As a result I was put to work on the project, with Art Hartman and Ernie Preeg as my supervisors.

Q: In the Policy Planning Staff.

LAMB: Yes. I was given an office and two secretaries and set about, initially, to determine what we were going to brief Mr. Peterson about. Here the input of Hartman and Preeg was crucial. The next step was to task various bureaus and offices to prepare drafts. The formal tasking was done in the name of Nat Samuels, the under secretary for economic affairs. Material was sought from different parts of the Department. With the submissions in hand, I would meld them together in a format we had devised. Although I did a good job of collating, integrating, and rewriting, disputes arose. Preeg and Hartman

backed me up in most cases. After several weeks of work, off the book went to Mr. Peterson. I have no idea whether it either impressed or influenced him. Far more important as far as State's influence was concerned was that the Council was staffed by FSOs, in particular Deane Hinton and Bob Morris. If we were well thought of, it was because of them.

Q: But you didn't work either for CIEP or the Policy Planning Staff for any length of time.

LAMB: No, I went right back down to the first floor and my computer after that task was finished. But I had come to know both Art Hartman and Ernie Preeg, and they got to know me. This proved helpful at a later stage.

Q: And the fact that you were known to be somebody that Ambassador Trezise thought well of probably was a positive influence with both of them.

LAMB: Yes, it certainly was what got me in the door.

Q: And that would have been '73, maybe, kind of the beginning?

LAMB: Actually, the CIEP was created in 1971. I believe I worked on the book in the summer. Trezise quietly resigned as assistant secretary in August 1971, after the U.S. cut the link between gold and the dollar. The Department had not been consulted on the move, and Phil strongly opposed the 10 percent import surcharge, engineered by Treasury Secretary Connally, that was imposed at the same time.

Q: Were there any other things that you did that kind of took you out of that world in that period, or do you want to go on to your next assignment?

LAMB: Toward the end of my assignment I was sent on loan to the White House to work on a project designed to curb excess classification and over-classification of documents. To cut to the chase, the project was managed by a unit that became known as the "plumbers" that featured in the Watergate scandal. Among other nefarious deeds, the plumbers burglarized Daniel Ellsberg's office after Ellsberg leaked the Pentagon Papers. (Were the plumbers so dubbed because they plugged "leaks," or because, as I observed, there were pipes running along the ceiling in their offices in the basement of the Old Executive Office Building? I really don't know.) As I recall the timing, when I worked on the classification project the plumbers had already committed the crimes that later came to light. As to the project itself, my job, as I understood it, was to play defense and protect the Department's interest in doing a lot of classifying. The innovation the project introduced was automatic declassification of documents after a period of years, with certain exceptions. As far as I know, these rules are still in force, albeit in modified form.

I worked under the direction of a young lawyer named David Young. Not too long after the Watergate story broke, David, who was never charged with any wrongdoing, decamped for England. There he founded a very successful firm, Oxford Analytica,

which harnesses the brainpower of Oxford dons to do country studies and perform risk analysis for business.

As I was winding up my assignment in data processing, Henry Kissinger became Secretary of State, Art Hartman was named assistant secretary for Europe and Ernie Preeg became the head of the regional political-economic office (RPE). Ernie then recruited me to be officer-in-charge of OECD affairs.

Q: Because you had worked at the OECD?

LAMB: Because I had worked at the OECD and because he had seen evidence of my ability to grasp substance and deal with it on the Peterson briefing book exercise. Still, the transition wasn't easy for me. It took me a while to achieve a comfort level with some of the issues.

For reasons that I do not recall, though, I did not move into the OECD slot right away. Initially I was put in charge of a two-person science and technology section within the office. Right off the bat I was handed a difficult and sensitive issue. It concerned an initiative by the Atomic Energy Commission, backed by an influential White House staffer, to privatize U.S. uranium enrichment. They proposed to jump-start the project by canceling contracts the U.S. had entered into with the European Community to provide the member states with enriched uranium to fuel their nuclear reactors. This, it was thought, would force the Europeans to negotiate supply contracts with the new private entity.

Q: This probably went back to the time Euratom was established in the late Fifties.

LAMB: Exactly. The contracts were with Euratom, which still existed under the European Community umbrella.

Q: So it made sense that within the State Department the office that was responsible for U.S. relations with the European Community would be the office seized with this.

LAMB: The privatization initiative was a dagger aimed at the heart of our relationship with the European Community. So I hurried off to see Herman Pollack and Nelson Sievering in the science bureau. They were reluctant to take any bullets themselves but urged me on. I didn't need much urging, because I thought this was bad policy, undertaken behind the Department's back. With the backing of Ernie Preeg and the EUR front office, I took on the AEC and the White House and withheld State's approval for the privatization scheme. Of course, the Europeans got all stirred up and were able to elevate the level at which the matter was considered, well beyond my own. Dixie Lee Ray, chairman of the AEC, later wrote an angry letter to Deputy Secretary Robert Ingersoll complaining that I had interfered with "White House policy." The reply to Ms. Ray supported my position and the steps I had taken.

Q: Later on uranium enrichment was privatized, wasn't it?

LAMB: Quite a bit later, in 1993.

Q: But somehow the Europeans were satisfied, the way it was done?

LAMB: The 1974 incident was so unnerving that it accelerated European efforts to develop a uranium enrichment facility under their control. They had already in mind the desirability of reducing their dependence on the U.S. for enrichment services; this incident spurred them to create the Urenco facility on a fast track.

Before we leave this subject, let me mention that I became involved at or about this time in preparations for an international conference to review the Nuclear Non-Proliferation Treaty. These conferences are convened every five years. At this distance I do not remember why our office played a role in the preparations. I do remember that our participation was extensive and that I learned a good deal about nuclear energy production and related foreign policy matters. This knowledge came in handy down the road.

Q: Okay, well, let's talk about your responsibilities as officer-in-charge of OECD affairs. And later you were deputy director of this office of Regional Political-Economic Affairs, RPE, in the bureau of European affairs. Was a lot of what you did basically keeping the mission in Paris informed of who was coming and backstopping them from a Washington perspective?

LAMB: To a large extent U.S. participation in OECD is decentralized, with the various agencies handling their own business with the committees on which they represent the U.S. We had special responsibilities for some participants, notably the Chairman of the Council of Economic Advisors (Alan Greenspan at the time), whom we briefed and whose travel bills we paid from Department funds.

Occasionally, I would have to pull the agencies together and conduct a review of U.S. policy on matters that were being dealt with in the OECD. The objective was to ensure that the various pieces fit together politically and logically. These exercises occurred in the context of the annual budget exercise, which had to have a substantive as well as a monetary component. Why were we doing all this stuff? What were our priorities? These were not easy matters to deal with because everyone had his own view of what priorities should be, beginning with his own.

Our office, RPE, was organized in a singular way. There were four "sections:" the science and technology unit mentioned earlier; an EC unit that handled all institutional matters of interest (EC enlargements, for example) and political cooperation; a trade unit that dealt with all trade policy issues, whether in the EC context or as they arose in OECD; and my OECD unit, which also dealt with broad macro-economic and monetary policy issues in both the EC and the OECD. As you might imagine, this arrangement could cause confusion over who was supposed to do what. Generally we looked to our deputy director, Tony Albrecht, to keep everything sorted out.

Something of particular interest that happened on my watch was the creation of the International Energy Agency (IEA). This took place in the course of 1974, in the aftermath of the first oil shock. I've mentioned that the OECD had an energy committee, but that it was not an operational entity. In the wake of the oil embargo, Secretary Kissinger sought to develop a counterweight to OPEC. This could not be solely a consultative organization. It had to have the ability to act in a future crisis. He wanted an agreement to build oil reserves and to share them in the event of an emergency. The IEA was formed outside of the OECD, but was attached to it administratively, and OECD membership was a prerequisite for membership in the IEA. Attaching the new organization to the OECD meant that it could be set up quickly and rely on the personnel and administrative rules already in place in the OECD.

You will remember from those days that the French were out of sync with the United States and with most of the West on the response to the oil embargo. They did not want a response that could be viewed in any way as confrontational. That in itself would have prevented setting up an operational energy unit in the OECD and it made it easier for others to accept the idea that the International Energy Agency would be separate. The IEA agreement was negotiated primarily by Tom Enders and Steve Bosworth, two very creative and capable FSOs. Ernie Preeg and I played a supporting role. Our expertise lay in our knowledge of how the IEA could function within the OECD framework.

To throw a bone to the OECD, Tom came up with the idea of creating a financial instrument within the OECD to deal with payment imbalances that could be directly ascribed to rising oil prices. That idea fell by the wayside when it became apparent that such an instrument would be duplicative and unneeded. The International Monetary Fund and others could step in with financing, should that be necessary. In fact, the IMF subsequently did create a special fund to recycle oil money.

Enders' counterpart in the negotiations was Viscount Etienne "Stevie" Davignon, who was Belgium's top diplomat at the time. He was Enders' clone in that he was active, ambitious, bright, quick-witted and tough-minded. Steve Bosworth and his staff, with our help, supplied the fine print.

Q: Tom Enders then was assistant secretary for economic affairs.

LAMB: Yes, he was.

Q: Steve Bosworth was deputy assistant secretary, I think.

LAMB: Initially he headed the energy office; he subsequently became a DAS.

The basic bargain at the heart of the IEA agreement was that the U.S. would supply oil in the event of an emergency. In return, the others would show a united front to OPEC, collaborate on a number of energy issues, including research, and build up their domestic oil stockpiles. The sharing of oil (or refined products) remains a benefit that the IEA can

deliver. For example, when hurricanes Katrina and Rita roiled markets in 2005, the Europeans released some of their stocks.

Q: At the time, was the need for a response to the OPEC action, first oil shock, seen very much as a State Department, foreign policy issue that Tom Enders could deal with easily? What about other U.S. government agencies? Were they brought along or were they very much involved as well?

LAMB: Let me sketch in a little history. The sequence of events that led to the creation of the IEA began with the Washington Energy Conference of February 1974, which Secretary of State Kissinger convened and chaired. Bill Simon, then Nixon's "energy czar," and Treasury Secretary George Shultz worked on the conference. (For a full discussion of this conference, see the second volume of Kissinger's memoirs, Years of Upheaval, pages 896-925.) Were it not for French opposition, spearheaded by Foreign Minister Michel Jobert, what became the independent IEA would have been set up within the OECD. (This would have been a preferable outcome, in my view, since it would have strengthened the OECD.) The conference formed an Energy Coordinating Group to negotiate what became the IEA agreement. Tom Enders, who had been chargé in Cambodia, did not become assistant secretary until April of 1974. He was not present for the Washington conference but picked up immediately as the head of our delegation to the coordinating group. I was not around for the conference either; I moved to the European Bureau in the summer of 1974.

The Department of Energy was a partner, albeit a junior one in the coordinating group's work. It may be of interest to note that, to this day, the State Department retains the leading role in the IEA. It fills the deputy director position on the IEA staff and leads our delegation to Governing Board meetings, with Energy sitting in as number two. This arrangement has been struggled over intermittently, but so far State has maintained its lead role.

I should mention that, in 1975, French President Giscard d'Estaing responded to the creation of the IEA by convening an international conference (the Conference on International Economic Cooperation, or CIEC) to which OECD members, OPEC members and leading members of the G-77 developing countries were invited. The French at the Washington Energy Conference had sought this "producer-consumer dialogue," but Kissinger, who felt that the consumer response to the oil embargo and price spike should be in place before a dialogue began, blocked the idea.

Kissinger reluctantly agreed to participate in the CIEC after exacting a few minor concessions from the French on its composition and agenda. He led the U.S. delegation to the opening of the CIEC in mid-December, 1975. Seven industrialized countries participated, as did the EC Commission, an acknowledgement of the EC's role as a dispenser of foreign assistance. Nineteen developing countries participated. France's objective was to persuade OPEC to make oil price concessions to developing countries. The U.S. sought to build a coalition of IEA members and the G-77 to put pressure on OPEC to reduce oil prices generally. Neither France nor the U.S. had any success: OPEC

was firm on maintaining price discipline and the developing countries were not about to antagonize OPEC by joining the IEA camp. (I was a member of the U.S. delegation to several sessions of the CIEC. The conference did its work in working groups, so we needed a sizable delegation to provide coverage.)

Deputy Secretary Charles (“Chuck”) Robinson led the U.S. delegation at the “working level.” When he was absent, Tom Enders took charge. At the conclusion of a particularly testy plenary session the French chairman circulated a draft of an anodyne communiqué. The last paragraph thanked the French for hosting and chairing the session. As our assembled delegation read over the text, Tom turned to Steve Bosworth (Mr. Robinson was not there) and said, “Steve, go tell [the French chairman] that we will accept this text, provided that the last paragraph is expunged.” The rest of us were stunned by this hardball tactic, but Steve duly undertook the mission. After several hours of back and forth, the paragraph was dropped, the session adjourned, and we went home.

The conference dragged on into the Carter administration, ending sometime in 1977. Secretary of State Vance became involved personally and made a valiant effort to wrest something good from a poorly conceived endeavor. He did not achieve a great deal. A \$1 billion “Special Action Fund” for developing countries was agreed upon, but it was not clear how much new money was involved. The conference also agreed to set up a Common Fund to stabilize commodity prices (negotiated on the U.S. side by my friend John Ferriter), but the agreement fell apart in subsequent talks over the details of its implementation. All in all, this first effort at a “North-South dialogue,” as it was subsequently dubbed, was a failure, one for which the U.S. can take a certain amount of the blame (or credit). While the Europeans were happy to make paper promises, we took seriously any commitments that we made.

Also on the North-South front, the G-77 was pressing the U.N. for a code of conduct for “transnational corporations” that was unbalanced and prejudicial to the interests of U.S. multinationals. In response, the U.S. launched an initiative in the OECD, led by Paul Boeker of EB, to produce a non-binding code of conduct for multinationals. After difficult negotiations the code was adopted and the U.N. effort eventually fizzled out. The OECD’s subsequent work on corporate governance got its start with the code of conduct.

I followed the code talks, of course, but was not directly involved in them. I was involved in another, rather bizarre set of talks. The OEEC and later the OECD made provision for the retirement of staff with a Provident Fund to which both staff members and governments contributed. It was a fully funded “defined contribution” plan like a 401(k). By 1974 the Fund had amassed considerable assets. Someone, somewhere in the U.S. government, perhaps OMB, decided to “raid the bank” by converting the OECD pension scheme to a “defined benefit” plan in which pensions would be based on final salary and years of service. Since the new plan would be unfunded (pensions would be paid through the annual budget), the accumulated assets in the Provident Fund would revert immediately to governments. I was charged with helping to sell this plan -- a true monument to fiscal irresponsibility and lack of foresight -- to other member countries by crafting instructions to the mission in Paris. We succeeded, governments got their money

back, and the groundwork was laid for a pension funding crisis that emerged in the 1990s.

Q: In your notes you have “Kissinger versus Simon at OECD, the first oil shock.” That’s Treasury Secretary Simon. What was that all about?

LAMB: Well, it’s just a funny incident. The OECD meets annually at ministerial level. In 1975, with the oil issue still with us, we also faced a global food shortage. So economics infiltrated the consciousness of the Secretary of State and he decided to attend the OECD meeting (and an IEA meeting held at the same time). This made him head of delegation because he outranked the Treasury secretary, who usually served in that capacity. (Secretary Kissinger attended again in 1976, Secretary Shultz attended the ministerial that put the Soviet gas pipeline issue to rest, and Secretary Christopher attended the year that OECD entered into an agreement with Russia to advise on economic reforms. I do not remember other secretaries of state attending the ministerial.) Well, Kissinger had a plane, so Secretary Simon got a plane. And they arranged their schedules in Paris so they would not be in the same room at the same time. But the most interesting part of this rivalry occurred when Secretary Simon announced that he would be giving a press conference at the conclusion of the meeting, as the Treasury secretary was accustomed to do. Not to be outmaneuvered, Secretary Kissinger arranged to hold a press conference some miles away at the embassy at the exact same time. He succeeded in siphoning off many of the journalists who would otherwise have attended the Simon press conference. Shortly thereafter the two secretaries flew off in their separate planes.

Q: Did you, other than the annual ministerial level meeting for the OECD, go to Paris quite often for other reasons or did you pretty much stay in Washington?

LAMB: I pretty much stayed in Washington. There were no strong reasons for me to travel to Paris, other than for the ministerial meeting, where I had a role in managing the U.S. delegation. The ambassador, Bill Turner, who had been an Arizona business consultant, came to Washington at least twice a year, so I had that contact. I did, however, travel to Paris and Rambouillet in November of 1975 as a junior member of President Ford’s delegation to the first Economic Summit.

Q: I was economic counselor in Switzerland in part of this period, from ’73 to ’75 and I remember an OECD body called the XCSS, the Executive Committee in Special Session and it was chaired by Ambassador Paul Youlis of Switzerland and I had many conversations with him about that. Was that something of significance as you saw it or remember it? Did I just humor him by listening to him and talking to him sometimes?

LAMB: No, the XCSS is significant. Its origins lay in a tension between the ambassadors on the Council and the secretary general over the direction of OECD activities. The secretary general chairs the Council and has considerable power to direct the agenda and advance his views and objectives. Input from capitals in the design of OECD programs and in the specification of priorities was deemed lacking. In part this was a reaction to the

personality of Secretary General Emil van Lennep. He had many admirable qualities, but he was obstinate. The new committee was created as a counterweight to van Lennep.

The Executive Committee in Special Session or XCSS, now called simply the Executive Committee, met with a member government official in the chair, not the secretary general. That structural issue settled, the question then became whether it was possible to assemble a group who knew the issues and could act as a substantive steering group for the OECD. The result was, at best, mixed. Occasionally I've seen the committee work well, as it did, for example, when Stu Eisenstadt attended and later chaired it. He was able to exert positive influence for U.S. ideas, but also to move the OECD in directions that the member countries generally supported.

Q: So you were working in this office, in the European bureau, at the time when the secretary of state was Henry Kissinger. Lots of European things maybe not too consistent interest in economic issues. I see you did a memo of conversation for him once, maybe more than once.

LAMB: Just once, at the 1975 OECD meeting. As part of his effort to avoid Secretary Simon, Kissinger arranged a number of bilateral meetings. He had one with the Portuguese foreign minister and I was asked to take notes. The rule was that the account had to be verbatim, an onerous task. What amused me was Kissinger's reference to himself and his interlocutor as "politicians," which he emphasized by drawing a distinction between the two of them and the note taker. "Politicians deal with issues, not like this fellow taking notes for me, not like these bureaucrats, these Foreign Service officers. They're not up to it." So not only was I a foil, I had to record my supposed humiliation. Sensibly, I thought, the Portuguese minister was unaccompanied. The content of the conversation was trivial.

My bias is that good writers write short. Think of poets or think of Phil Trezise and Warren Christopher. Christopher's prose had more polish; Phil's had more of a kick to it. (Okay, I know about Tolstoy.) I also tended to write short, a proclivity that I may once have mistaken for talent. On this occasion I could have made Kissinger read like a statesman. Instead he sounded, in my verbatim account, rather dull. This can be verified by consulting the text in the National Archives.

My overall sense of the time I spent as OECD desk officer, working with two officers that reported to me, was that there were two trends underway that worked in opposite directions. One was that matters like the oil embargo and the world food crisis were elevating the importance of the OECD and attracting the attention of players like Secretary Kissinger. On the other side, some of the substance was ebbing out of the organization as USTR and the European Community decided to do business in Geneva rather than in Paris, and as Treasury tended to work more in the international financial institutions and less in the OECD. The perceived problem was that the OECD is an interagency operation. That means that you have to listen to others, and perhaps even allow yourself to be influenced by them. It is much better from a bureaucratic point of view to have your own playground, sandbox, and circus ring.

In a similar vein, U.S. foreign assistance performance, measured on a per capita basis, had deteriorated to the point where the U.S. underperformed most other OECD countries. (Currently, the U.S. spends something like 0.16 percent of its GDP on foreign aid. Others tend to be up around the U.N. target of 0.7 percent or not too far below that.) So the tables were turned on the U.S. Agency for International Development (AID). It came under pressure to do more and lost its fervor for conducting business in the OECD. It was a complicated period, with some of the substance beginning to leak out of the OECD, while other issues were coming to the fore that caused the OECD to be seen as quite useful.

Q: Besides Ernie Preeg and Art Hartman, the assistant secretary, were there, you mentioned Tom Enders and Steve Bosworth, were there others in the Department who took much interest in OECD things in the period that you were the desk officer? The under secretary for economic affairs? I don't know who the DAS was in EUR that you worked with. Jim Lowenstein, I guess.

LAMB: We reported to Jim, who had very little interest in our business. But I worked well with him. RPE and the political-military office (RPM) would often be at loggerheads and Jim was responsible for settling disputes. When the shooting broke out, he would sometimes come to me for a layman's guide to the economic or European integration side of the dispute. I don't even remember the name of the under secretary for economic affairs of the day. There were a few that cycled through there. Well, one was Bill Rogers, but he was not a factor in my everyday life. I never really got to know him.

Q: What were the issues between you in regional economic affairs and the regional political-military people that you were referring to?

LAMB: I was afraid you'd ask. They don't really come back to me. It was often a three-party squabble. Reginald Bartholomew of the Policy Planning Staff would get involved. I've forgotten whether our disputes concerned strategic trade or other matters.

Q: I'm not surprised that you disagreed. I just wasn't sure what it was about.

LAMB: On reflection, it very well could have been some European integration issue that threatened to impinge on NATO, as when, for example, the Europeans would get this or that idea about tending to their own defense. We might look upon that more favorably than our counterparts in the political-military office. [Ed Casey recently reminded me that EC political cooperation was a big bone of contention between the two offices, i.e., which office would take the lead in seeking to influence EC decision-making on foreign policy.]

Q: This was also the period that the Helsinki Act was signed in 1975 and what is now the OSCE was created, which had some limited involvement in the economic area. Were you involved at all with that?

LAMB: Not at all. We stayed abreast of developments, of course. What was accomplished on human rights in the Helsinki Act came to have a profound influence on U.S. foreign policy.

Q: But there were some things as well we hoped to, Basket II, I think, to see some opening up of trade or economic contact with Eastern countries.

LAMB: They had no effect on the OECD work, as I recall.

Q: You were pretty much OECD-limited in this office, as the desk officer. At what point did you become deputy director of the whole office and to what extent did that change your responsibility?

LAMB: I was deputy director for about one year and I can't remember the change as having had a profound impact on what I was doing. I did become more involved in trade issues because my predecessor, Tony Albrecht, had immersed himself in trade matters, and I had a management role, exercising oversight of the EC, OECD, trade, and science units.

Q: '76-'77.

LAMB: Yes. I left the office in January '77. So it was all or part of '76.

Q: So it the end of the Ford Administration. Was Ernie Preeg still the director?

LAMB: Ernie was still the director.

Q: Anything else you want to say about this period in EUR/RPE?

LAMB: I remember approaching Assistant Secretary Hartman with an urgent problem at some point. Art had just hung up the phone after talking with Secretary Kissinger and was not in a good mood. When I presented him with my issue he lashed out at me and said, "Denis, I don't want you to come to me with a problem unless you've got a range of solutions to suggest. Whether I follow your advice or not, I want you to have thought about what you want me to do and why before you come to see me." In spite of, or maybe because of, the way it was delivered, Art's admonition struck me as sound and I applied it as best I could in my subsequent positions. I let my staffs know that what Art had expected of me, I expected of them.

Q: I think we also talked a little bit about the very limited use of computers in the European bureau in the late Seventies when you were there. Want to say anything more about that? You had come from the computer world.

LAMB: Well, these were early days. Distributed computing based on networked PCs did not exist. We were pretty much a pencil, paper, typewriter, and, for the economists, slide rule operation.

One thing that was happening in EUR while I was there disturbed me. The civil service officers were gradually being phased out. They provided valuable continuity, although some were crotchety and set in their ways.

Q: Of course the civil servants were, in a sense, a remnant in the geographic bureaus. Many of their predecessors had been integrated into the Foreign Service back through the Wriston Plan in the Fifties.

LAMB: That's right. These were individuals who for one reason or another did not integrate into the Foreign Service. For my part, I found it valuable to have at least one person in a large office who, to put it crudely, knew where the bodies were buried.

Q: I remember one in RPM, your counterpart office, Eric Rehfeld. I don't remember one in RPE.

LAMB: Well, for many years it was Ruth Phillips, the deputy director, but by the time I joined RPE she had retired. While I was in Paris she was something of a long distance mentor to me. Messengers also disappeared from the scene, so officers spent a lot of time walking paper around the building. Perhaps face-to-face communication improved mutual understanding, although I doubt it.

It is interesting that you should mention Eric. He did not enjoy the scope that Ruth Phillips did, but he was the expert on NATO funding and personnel. I had many dealings with him, most of them having to do with the salaries of international civil servants. Pay in NATO, OECD, and a handful of European international organizations was set by an inter-governmental coordinating committee. (I represented the U.S. on this committee when I was in Paris.) Eric's and my interests in pay scales were sometimes at odds because U.S. officials serving on the NATO staff were all seconded (and thus paid by the U.S. government), whereas U.S. citizens working for OECD were paid by the organization. I generally favored higher pay to the extent I thought we could afford it; Eric favored parsimony.

Eric was loquacious and he had a certain terrier-like quality that some -- even in his own office -- found less than endearing. But I liked him. He liked to play bureaucratic "gotcha," surfacing a paper he had squirreled away years ago to trump whatever argument I was making. But he loved the game so much, and had such an infectious twinkle in his eye, that I actually enjoyed doing battle with him.

Q: You also wanted to reflect on the difference between economic officers and multifunction officers?

LAMB: Yes, it's something peculiar to my case. I moved into substance as what they called a multifunctional officer, which allowed one to perform a range of jobs. And because I came to substance rather late, I came to it without economic training beyond one course in university. I regretted not having received the training, but I learned that the

amount of formal training needed to perform most Foreign Service economic jobs is minimal.

If you do trade policy, for example, it will be important to get a grip on the theory of comparative advantage, propounded by 18th century British economist David Ricardo. Using the example of two nations (Portugal and England) and two commodities (wine and cloth), Ricardo proved that trade would be beneficial even if the Portuguese were able to produce both goods for less than it cost to produce them in England. The key is the ratio between the cost of producing each commodity in each country. If the ratios differ, trade will benefit both parties.

It is true, however, that the import of Ricardo's clear demonstration of the benefits of trade becomes more difficult to grasp when you enter the real world of multiple trading partners and large numbers of tradable goods (and services). And matters are further complicated in the real world by the role of exchange rates and differences among countries in savings and investment patterns. (High savers will tend to have trade surpluses; compulsive consumers will run trade deficits, whatever their comparative advantages may be over the range of goods and services they buy and sell.)

In the minds of some, free trade still competes with mercantilism, which seeks to build a wealthy and powerful state by restraining imports and encouraging exports, although Adam Smith discredited mercantilism a long time ago. One problem for free traders is that the experience of some countries (for example Korea in the years after the Korean War) shows that mercantilism can promote economic growth in the early stages of development.

Finally, the politics of trade policy has little to do with the overall benefits of trade and much to do with (a) winners and losers and (b) the pace of the economic change that trade inexorably brings with it.

As with trade policy positions in the Foreign Service, so it is with positions in, say, transportation policy or energy. Formal training is not a prerequisite. The monetary and macro areas do call for more formal training.

Q: Certainly need to know the vocabulary.

LAMB: Yes, indeed. Remember the Phillips Curve?

Q: You're also dealing with people from other governments but also from other agencies that have professional staff.

LAMB: That's certainly very true with the Treasury Department. They had and have excellent, well-trained career staff. You have to be able to deal with them on their level to hold your own. Training pays off in those situations.

Q: I don't know if there's anything else you want to say about your assignment in the European bureau or whether we ought to go on to your next assignment.

LAMB: I think we should move on, yes.

Q: One possibility for your onward assignment would have been the number two position in the U.S. Mission to the UN in Geneva.

LAMB: Yes. Henry Catto, a political appointee who had been named ambassador, offered me that position. But when I went to see Art Hartman and raised this possibility he said, "No, I won't let you go. This is not a good career move for you and we need you here." He was right, not least because a move to Geneva probably would have led to more administrative assignments.

Q: You stayed, but you didn't stay in the European bureau very long, with the incoming Carter administration.

LAMB: Well, I got a job that I was a real stretch for me. Here's how it happened. After Jimmy Carter won the presidential election, Cyrus Vance was named secretary and Warren Christopher was designated to become his deputy. I was asked to come down to the transition offices on the first floor for an interview with Mr. Christopher. I later learned that before meeting with me, Chris (as I was subsequently invited to call him) had interviewed a number of FSOs for the position as his executive assistant or chief of staff. Although I was forthcoming with him and said I didn't have the requisite experience, he offered me the job after we met twice for long conversations. In truth, I thought somebody like you, Ray, should have filled the position. It required someone who had been in the business longer, had occupied staff positions, and who had a better sense of how the Seventh Floor worked. But I was offered the job, overcame my misgivings, and accepted it.

Chris told me later that most of the others he interviewed seemed more interested in advancing their own agendas than in serving his interests. As I read him, he was not looking for a junior deputy secretary, an alter ego, or a confidant. He seemed to want to "mine" the Department and extract the knowledge and wisdom he was confident that it possessed. He was, I surmised, seeking someone with a carbide lamp on his helmet to illuminate the labyrinth and a caged canary in his hand to detect gas (or the bullshit from which it emanated).

Q: Now, right from January 20th or even before?

LAMB: Perhaps just a few days before. My work began when the new leadership moved to the Seventh Floor the day of the inauguration. Chris was not sworn in until mid-February and was obliged to keep a low profile until then. We used the time he could spare from preparing for his hearings and conferring with Mr. Vance to get organized.

Q: How did you and Mr. Christopher go about staffing his office?

LAMB: The first thing we did was ask Lynn Pascoe to stay on as my deputy. He had worked for Chuck Robinson, Chris's predecessor, in the same capacity. Lynn was already well grounded in the Far East region, with a reputation as a very capable officer. As we speak, he is our ambassador in Jakarta. Before being posted to Indonesia he had been principal deputy in EUR. We inherited Rud Poats, an expert in foreign aid, from Robinson. Rud occupied valuable real estate in Chris's suite and wanted to stay. But since Chris did not plan to be active on foreign aid, I helped convince Rud to move on. Rud later became the resident chairman of OECD's Development Assistance Committee in Paris and I worked productively with him in that capacity.

In due course, Chris recruited two lawyers from outside the Department, Steve Oxman and John Spiegel. Both were very solid, talented people, although neither had much in the way of foreign affairs experience. Happily, they proved to be fast learners. Although these were Chris's picks, he made sure that I was comfortable with them.

Q: I know that Steve Oxman came from O'Melveny and Myers, Warren Christopher's law firm, I think in the Washington office.

LAMB: Well, actually, Steve had been an associate with Cravath, Swaine & Moore, where he worked on the CBS and IBM antitrust cases. When he left the Department he joined the law firm of Shearman & Sterling and then went into investment banking at Wasserstein, Perella. Later in his career he moved to Morgan Stanley. Steve rejoined the Department as assistant secretary for European affairs when Chris became Bill Clinton's first secretary of state. As a private citizen, I helped Steve settle into his new job.

John Spiegel came to us from his Supreme Court clerkship with Justice Byron White. Years later, in 1991, John was General Counsel to the Independent Commission on the Los Angeles Police Department, which Christopher chaired. The Commission proposed a sweeping reform of the LAPD in the aftermath of the Rodney King incident. In the late 80s, John visited me in Paris and related the following anecdote. After graduating from Stanford, he had joined the men's professional tennis circuit. He did not do well and went on to law school. He kept up his tennis, though, and bided his time until he qualified as a senior. "But you know, Denis," he said, "the same people who beat me when I was 18 are still beating me now." Because of his talent, sense of humor, and clear sense of who he was, John was a pleasure to work with.

We also wanted to hire a woman. After interviewing several women from within the Department and from outside, we settled on Dorothy Brazile, a politically connected young African-American lady. She turned out to be quite a handful to manage, given her independent cast of mind.

Chris recruited a secretary to work with him and the rest of us relied on the secretarial staff in place. (In a subsequent bizarre turn of events, when Judge William Clark became Alexander Haig's deputy secretary in the Reagan administration, Clark appointed my

former secretary as his executive assistant; another secretary in the office became her deputy! I saw them several times in Brussels when they traveled with the Judge.)

Q: Well, Warren Christopher was new to the State Department. He had worked in government in the Justice Department and had been a textile negotiator much earlier

LAMB: He was named as a Special Consultant to Undersecretary Ball in 1962, charged with damping a surge of textile exports from Japan, Korea, and Taiwan. He forged an export restraint agreement. Having dealt with urban rioting in California, Chris was tapped by President Johnson in 1967 to serve under Ramsey Clark as deputy attorney general. Racial tension was building in American cities.

Q: Cy Vance, on the other hand, had a lot of national security experience with the Defense Department. Christopher hadn't done much in the foreign affairs field.

LAMB: No, he hadn't. Shortly after Cy Vance left the Department of Defense, where he had been deputy secretary, rioting broke out in major U.S. cities, including Detroit. President Johnson called on Vance to assess the situation in Detroit and advise him on whether federal troops should be called in. Christopher was paired with Vance on this mission. My impression is that the close relationship between the two developed out of that collaboration, and that the bond they established led Mr. Vance to recruit Chris to serve as his deputy. Chris was very interested in foreign affairs but, as you note, had a limited background.

Immediately after the inauguration Vice President Mondale traveled to Europe. One of his stops was Germany, where he both privately and publicly objected to a 1975 deal between the Germans and the Brazilians, which would have equipped Brazil with a full nuclear fuel cycle. He announced publicly that Warren Christopher would be sent to Brasilia to put a stop to the deal. So we had to figure out what to do. Obviously, given the Vice President's statements and Brazilian sensitivities, it was going to be a difficult mission. Brazil's nuclear ambitions were both civil -- it possessed abundant supplies of uranium and virtually no petroleum -- and military; it feared Argentina's nuclear program.

The Germans offered to come to Washington to meet with Chris to discuss their agreement. The immediate question was how to staff up for these talks and the trip to Brazil that would follow. I had my connections with our science people and particularly the department's foremost nuclear expert, Nelson Sievering. He was an early recruit and we built from there. The meetings with the German delegation were polite, but neither they nor we gave ground. Nevertheless, the exchanges were a good warm-up for the trip to Brasilia. In particular, Chris became familiar with the intricacies of the nuclear fuel cycle and non-proliferation policy.

As we geared up for the trip, it became apparent that the Latin America bureau was wary. Who were these new people and what were they up to? My God, the Vice President's stuck his fist into a hornet's nest! As a result of this mistrust, we weren't getting

unvarnished advice or, I thought, enough support from the Latin America hands. To fill the gap, either Chris or I got hold of an academic expert on Brazil, Riordan Roett. As it turned out, the professor was more attuned to Brazilian interests than to U.S. interests, but he imparted valuable insights into Brazilian concerns over Argentina's nuclear ambitions.

All of this preparation did not overcome a key defect: we had no leverage over the Brazilians.

We arrived in Brasilia to a chilly reception. The government had whipped up sentiment against the visit in the press, playing on Brazilian national pride. This did not require an extraordinary effort on their part. Our meetings were tense and formal at the outset, with no real exchanges taking place. Chris was very good, though. I learned on that trip, and observed subsequently, that he excelled at preparation. I've never seen anything quite like it. He would vacuum up information, weigh it, write it out on his yellow pad, organize it, commit it to memory, and then deliver it persuasively. After a couple of days, we were at least able open a discussion about what the U.S. saw as the difficulties and dangers of Brazil's acquisition of a full fuel cycle. We also put on the table some ideas about how they could acquire nuclear reactors without raising proliferation concerns. The mission was by no means a success, but Chris did all that he could.

Subsequently, the U.S. was able to convince the Germans to apply safeguards to their nuclear transfers to Brazil. The deal itself, which called for the construction of eight reactors, eventually foundered over cost considerations and defects in the enrichment technology which the Germans had contracted to supply.

If I may add a coda: In 1996, while on a five-country trip to Latin America, Chris initialed an agreement opening the way for Brazil to purchase nuclear technology from American companies for the first time since 1978. The agreement reaffirmed Brazil's intention to abide by International Atomic Energy Agency safeguards. Despite this accord, doubts about Brazil's nuclear ambitions persist.

Q: Now this was maybe two months into the new administration?

LAMB: About.

Q: And it was the first substantive mission that the Deputy Secretary undertook?

LAMB: Yes it was.

As you know, the deputy position in the Department is difficult. To begin with, the deputy usually has a few issues under his exclusive purview. In the early days these issues were the ratification of the Panama Canal treaties and a general reorientation of policy to place more emphasis on human rights. After I left his office, Chris managed the establishment of diplomatic relations with China and negotiated the release of the U.S. embassy hostages in Tehran. (The hostages were not released until Ronald Reagan took office, but the deal had been cut beforehand.)

But it is also true that when the secretary travels or is otherwise unavailable, the entire Department comes under the responsibility of the deputy. This meant that Chris had to keep abreast of the whole range of issues being dealt with by the Department. In contrast to Kissinger, who never relinquished the reins when he was on the road, Vance let Christopher run things. Chris decided when the secretary needed to be consulted.

I thought the best thing I could do to assist Chris was to map out the capabilities of the Department for him. Who could be relied upon? Who knew what was going on? Whom should he get to know on issues that were not of immediate concern to him? I worked very hard at that, with able assistance from Lynn.

Q: Did you feel that you were able to connect Warren Christopher with other people in the Department in a sort of out of channel or unique way?

LAMB: Yes, I did. There were some difficult places in the Department: the Latin America bureau in particular, but the Near East Bureau was not much better. To a certain extent, the mistrust grew out of the new emphasis on human rights, which the “realists” had difficulty accepting. When, for example, the Department did not support Somoza in Nicaragua when he came under pressure to resign, the Latin America bureau was outraged. They preferred stability to change, which is, by the way, an abiding trait of FSOs.

This tension between career types and political types is nothing new, of course. In 1975 Phil Trezise spoke to this point in an oral history interview at the Truman Presidential Library: “You know,” he said, “most new ideas are bad ideas, anyway, and I think the function of a bureaucracy like that in the State Department is basically to keep secretaries and political appointees from doing things that are pointless or dangerous. Had we pursued that attitude toward Indochina, we might have avoided some of the traumas we had. But you know that was policy that moved by inertia and eventually led nearly to disaster. Had the White House called for a lot of staff papers at the time of Tonkin Gulf and given six months over to writing position papers, we might not have done what we did.” But I had cast my lot with the political appointees and worked to help them achieve their objectives. In other, later jobs I took the more traditional approach of seeking to advance my own (or my bureau’s) views in the foreign policy marketplace.

There’s always a good case to be made for stability, but our colleagues in the Latin America bureau didn’t make it, preferring to try to obstruct change. So you needed to develop sources there and elsewhere to compensate. I don’t have names of individuals in mind, but I think you get the idea. I encouraged Chris to speak directly to desk officers and to call them into his office for briefings. In truth, he needed little encouragement. Engaging with people with first hand knowledge was his characteristic way of approaching a problem.

[Just a note to tout my eye for talent: I was with Chris in London at one point and encouraged him to interview Raymond Seitz, then a mid-grade officer in the political

section, for a place on his staff. Ray didn't bite, but perhaps that interview helped him become executive secretary in 1979. Subsequently, he became assistant secretary for European affairs and, after that, ambassador to the Court of St. James. He presented his credentials to the Queen in 1991.]

Rather than seeking to obstruct, the economic bureau, led by Assistant Secretary Jules Katz, sought to operate under the radar. Jules felt that no issue should go to the Seventh Floor if there was a risk that a decision might run counter to what he wanted to do. At my suggestion, Chris set up a weekly meeting with Jules and Under Secretary for Economic Affairs Dick Cooper. Chris wanted to learn more about our economic diplomacy and to ensure that important matters didn't escape his attention.

Q: Can we talk a little bit more about the chemistry and dynamics of the Seventh Floor? You mentioned the economic bureau and the under secretary for economic affairs on the Seventh Floor.

LAMB: Like Jules, Dick Cooper also preferred to operate under the radar. His strategy was to form an alliance with Treasury Assistant Secretary for International Affairs Fred Bergsten. But, I was reliably informed, Fred was the Lucy to Dick Cooper's Charlie Brown. That football kept disappearing.

Most bureaus have difficulty operating under the radar because their responsibilities overlap. The Department is organized in geographic and functional bureaus whose interests conflict. This forces issues up to the Seventh Floor for decision. That construct, wherever it came from, is brilliant.

Q: It's the old checks and balance.

LAMB: The old checks and balance, in part. But the process does not always result in clarity. In RPE I had had to get cables and memoranda cleared within the building and with other agencies. Despite the need to compromise and accommodate, the European bureau prided itself on producing a clean product. When I went to work for Chris and began to receive the product originating in other parts of the building, I was appalled at its poor quality. My efforts to deal with the problem were amusing and frustrating. At first, I would rewrite so-called decision memoranda. I tried to ascertain what authors were trying to say, to write that down in a straightforward manner, and send the paper back with a request that it be resubmitted. Usually, this did not work. I quickly learned that the fuzziness and ambiguity were, to a certain extent, purposeful. Imprecision allowed the paper to move. So I had to adapt my tactics and start calling around to ask "What are you trying to accomplish here and who does and does not want to do what?" The results of my inquiries in hand, I would brief Chris on what I had learned, usually orally, but sometimes in a memorandum.

Q: And did that work with Deputy Secretary Christopher? He accepted that?

LAMB: Very reluctantly. Sloppy briefs were unacceptable to a lawyer of his caliber. So while he often accepted my advice to work with the paper he had in hand, he was not at all happy about it. He wanted things expressed clearly. We still did a lot of rewriting. If Chris was being asked to sign a letter or issue an instruction, the draft was often rewritten to suit him.

If I can just leap to something else that involves writing. It was during the Vance era that the secretary started preparing a nightly note to the president. It evolved into a combination of short items on what the secretary had done that day, plus items generated by the bureaus on their doings.

Q: Also involved knowing what the president was seized with or interested in or curious about.

LAMB: Yes, certainly that, too. The objective was to get something directly into the hands of President Carter that would not be subject to manipulation by the national security advisor, Dr. Brzezinski. The notes were composed by the secretary with the help of Peter Tarnoff and Frank Wisner. When Vance was out of town, Chris sent over the note in his name. If the secretary was tied up, Chris would sign off on the note for him after reviewing it and, usually, tightening it up. When Chris was responsible for the note, I would do a first draft. My goal was to produce items in close to finished form, arranged in the appropriate sequence. Chris was not easy to write for. Abuse of the language pained him. For example, the use of “fulsome praise” to mean “high praise,” when it actually means “excessive praise,” or “flounder” to mean “sink,” when the correct word is “founder.” He also had firm views about composition. The first sentence of an item could not begin with “I”, and the fewer personal pronouns throughout the better. And he hated excess verbiage. Correction: “excess verbiage” is redundant; make that “verbiage.” If you handed Chris a copy of Strunk and White’s Elements of Style, the main message of which is “no unnecessary words,” he would find unnecessary words in it. Chris’ own drafting was lean, precise, and elegant. I strove, with mixed results, to emulate him.

We learned early on that the night notes had to be constructed so as not to give the president a basis for making decisions on the fly. The first few times, maybe more than a few, that the notes were sent to White House, President Carter would react with marginal notations, saying, “do this” or “do that,” and suddenly the whole foreign policy machine would be thrown out of whack. We learned that the trick was to compose the items in a way that provided information and might invite comments that helped to discern his thinking, but not in a way that invited him to make decisions. In time, we became reasonably adept at this.

The preparation of the night notes is another illustration of the tension between the Seventh Floor and the rest of the building. We would task various items through the bureau staff assistants. Of course, this tasking was regarded as a distraction, but we had to push on it for our own purposes. Submissions initiated by the bureaus were inevitably self-serving, but not universally without merit.

Q: President Carter really loved this night note or activity report. You could criticize him on various grounds. He was too detail-oriented or too much the micromanager and in a sense this played into that way of thinking, but he apparently read these things every night.

LAMB: Almost invariably they came back the next day with marginal notes in his excellent handwriting. His comments were usually thoughtful. Carter is a very bright man, whatever one thinks of his presidency, and his depth of knowledge and range of interests were on view in his responses to the notes.

Q: Could you talk just a little bit more, from your perspective, in these 18 months, about relations between the State Department and the NSC? You mentioned National Security Advisor Brzezinski, in terms of bypassing him for the night notes but how about overall? Were you involved with that much?

LAMB: Not really very much. It's well known that there was tension between the Department and the national security staff and personally between Cy Vance and Zbigniew Brzezinski. They were different types with different backgrounds. Brzezinski, an academic, was voluble and quick. Vance was a patrician and a lawyer with a deliberate style. Brzezinski liked the blackboard; Vance preferred the yellow pad.

I think of the Brzezinski of those days as the best foreign minister Poland never had, in the sense that he was very focused on Eastern Europe and the Soviet Union and took a strong anti-Soviet line. Mr. Vance was more nuanced in his approach to the Soviets, looking for deals and ways to reduce tension. I was in the same room with Brzezinski on several occasions, but I did not know him personally. I did speak on a regular basis with his chief of staff, Rick Inderfurth. Once he was out of office and the Soviet Union had passed from the scene, Brzezinski became much more balanced. I tend to agree with him on most foreign policy issues these days.

Q: David Aaron was the deputy. You weren't particularly involved with him.

LAMB: No. We were acquainted, but I was rarely in contact with him.

Q: Want to talk any more in a general way about the relationship between the deputy secretary's office, the Seventh Floor more generally and the bureaus, the rest of the building?

LAMB: We have spoken about how assistant secretaries are reluctant to have the deputy involved in their business. To put it bluntly, they have enough trouble managing the secretary. So when Vance left town, everyone went to his hidey-hole and tried to hold back stuff. I think Dick Holbrooke was the premier example of that kind of behavior. He was the assistant secretary for the Far East and a brilliant fellow, obviously, but he wanted to work exclusively with the secretary. Tony Lake, the head of the Policy Planning Staff, tended to behave in the same way, although with more subtlety and discretion. Again, his relationship was with the secretary and he didn't want decisions

made when Mr. Vance was unavailable. On occasion we had to try to outwit these fellows when action was required.

Q: How about some of the assistant secretaries who did not have the same kind of personal relationship with Secretary Vance? Was there some kind of feeling on their part in the same direction, that if they got the deputy secretary involved and things were decided in a certain way and the secretary had a different view then they'd have to just go back and do it yet again?

LAMB: I think that's it. They didn't want the double work involved. They did not know Christopher as well as they knew Vance and so they thought it was a bit risky to involve the deputy secretary. Some relations were quite distant. I remember that Terry Todman, when he was assistant secretary for Latin American affairs, did not have much use for the Department's leadership and did not take great pains to hide his attitude.

Q: I suppose another issue, perhaps, was that there had been various ways to conceive of the role of the deputy secretary. In some cases in the past it's been a person who's been very much on the inside, management, not much of a public face, not too much involved in travel or negotiations, kind of a low key, back burner sort of person. In other cases there's been a very clear demarcation of responsibilities. The deputy secretary does certain things, the secretary does others and there isn't much crossover. I think in the early period of the Carter administration, Christopher didn't seem to be involved in very many major issues. You mentioned human rights and the Panama Canal. Beyond that there wasn't too much. There was the trip to Brasilia early on but not a lot of other travel.

LAMB: Chris also advised the secretary, not on every matter, but on many. While you might have difficulty imagining Henry Kissinger taking into account the views of Chuck Robinson, this was not the case with Vance and Christopher. As Chris recounts in his memoir, Chances of a Lifetime (2001), when Vance recruited him he told him "He wanted someone he could trust without reservation, someone who could serve as his alter ego in all things." It took a while for the building to realize how close they were and just how much trust Vance placed in his number two.

I have few details to offer on how Vance and Christopher interacted, and what advice Chris offered the secretary. Chris was the soul of discretion and, as I have said, he did not confide in me more than he felt he had to. What the two of them said to each other remained between them. Chris was a counselor to the secretary as well as a troubleshooter and a negotiator.

His involvement with the Panama Canal illustrates his role as a negotiator. This had little to do with the Panamanians, except in the end game; it was all about convincing senators to approve the two treaties. One senator in particular, Dennis DeConcini of Arizona, a Democrat, was recalcitrant. Often, the way you ease passage of a controversial treaty is by negotiating "understandings" which are attached to the treaty but which do not modify it in a way that would be unacceptable to the other party or parties. Chris eventually

worked out language that brought DeConcini and other holdouts on board. In the process I know that he worked closely with Majority Leader Robert Byrd. To vastly oversimplify, the end game consisted of convincing the Panamanians that the understandings Chris worked out did not materially affect the treaties, while assuring the senators that their language actually meant something.

To turn to troubleshooting, I am sure you remember that the U.S. had gone to great lengths to convince Helmut Schmidt to accept the stationing of a neutron weapon on German soil (the so-called neutron bomb was designed to kill people but leave physical structures intact). Schmidt had expended vast amounts of political capital to accommodate President Carter on the neutron bomb. Then Carter reversed himself and cancelled development. Chris was sent to explain Carter's decision and to make amends with Chancellor Schmidt. Schmidt had to be allowed to work off his personal anger and political embarrassment by taking Chris to the woodshed, which the public assumed he did in a meeting at his modest private home in Hamburg. Only Chris, Ambassador Walter Stoessel, and Assistant Secretary Vest were present on the U.S. side. Mrs. Schmidt served beer. Characteristically, Chris apologized for having had to exclude me at Schmidt's request. I stayed outside in a car, chatting with our consul general in Hamburg. Chris provided his blow-by-blow account to the president and the secretary in a message he drafted on the plane. I did not see it. George Vest told me many years later that the meeting had had a "more in sorrow than in anger" quality; the damage was done and histrionics would have served no purpose.

Q: Was the human rights portfolio given to him early on?

LAMB: Yes. The president had made human rights an issue in the campaign, the Secretary voiced strong support, as did Chris, but the Department, on the whole, was opposed. Personally, I was somewhat skeptical of the new policy thrust. Lynn Pascoe was aghast.

Q: At the time there was not yet a human rights bureau, or was there?

LAMB: Pat Derian, who had been a civil rights activist in Mississippi, was the human rights person. I can't recall now whether there was a bureau in those early days and I'm not sure where she was located within the building. Eventually, though, Pat became assistant secretary for human rights and humanitarian affairs. She was not an accomplished diplomat, to put it mildly. On the other hand, she received such a hostile reception that she no doubt felt she had to be aggressive. When I think of Pat I am reminded of a marker on a pet's grave in Key West that caught my eye years ago: [Her] beautiful little spirit was a challenge to love." And her lack of confidence in me, exhibited in various ways, was not totally misplaced. Pat may have thought that her problems lay with the Foreign Service and other bureaucrats around Washington, although I do not know if that was her view. Yes, the Service was an institutional foot-dragger, but the main source of her difficulties, it seemed to me, originated in the White House. Carter, advised by Brzezinski, turned out to be a pragmatist, not a crusader.

Q: And she was not a bureaucrat.

LAMB: Right. So she antagonized everybody. As a result, Chris undertook to give her direction and try to work out exactly what our human rights policy was going to be, whether it could be carried beyond exhortation, and how it should be implemented. Day-to-day efforts to connect human rights to foreign policy were conducted by the so-called “Christopher Group,” which brought together all of the agencies concerned.

Chris asked me to produce a draft to guide the group’s deliberations. The result, while helpful, fell short of a road map to guide those who would have to execute the policy. Eventually I was able to offload the dossier to Steve Oxman, which was a relief. Chris may have sensed my ambiguity.

The revised paper that Steve developed stipulated that we were to emphasize quiet diplomacy, but also use public statements to draw attention to human rights abuses. We would vote against international loans to violators, although that would not normally stop the loans. Steve’s paper was the basis for an NSC policy paper, Presidential Review Memorandum/NSC-28, issued on July 27, 1977. Although there was no way to avoid the exercise of drafting a paper, what the situation required was a heightened sensitivity to human rights practices. My impression is that this has, with the passage of time, taken hold.

It seemed to me at the time that Carter’s human rights policy was primarily an outgrowth of the domestic civil rights struggle, even though the Helsinki Accords were already producing ferment on the human rights front in Eastern Europe (think of Charter ’77 published on January 1, 1977 in Prague).

Q: One element each year is the human rights reports. Is that something that you came up with?

LAMB: No. That was a congressional initiative, already in place, and about which the Department was lukewarm to negative. The idea of reporting publicly and critically on countries that you needed to cultivate for other reasons was not easily accepted by the Foreign Service. The truth is, though, that the annual report has been a useful tool. It forces a dialogue on human rights practices between the U.S. and other governments and exerts pressure for change where change is needed.

Q: Certainly difficult at first. I think it’s become more, almost routine and or accepted therefore, both in the Department and elsewhere. But it took a while.

LAMB: Certainly did.

Before we leave the subject of human rights, I should mention an incident in which I became embroiled. Chris’s role in human rights having been widely publicized, it attracted the attention of a group of parents whose offspring had been jailed in Bolivia under harsh conditions for drug offenses. To call attention to the plight of the prisoners,

the parents staged a sit-in in the lobby of the State Department building and demanded a meeting with the deputy secretary. Our security people called me and asked what they should do. As a first step, I came down to the lobby and met with the group. They were out of control, yelling out demands. To cool them down (and clear the lobby), we found some vacant offices on the first floor and invited them in. They accepted and we gave them some food and drink. Then we (me and someone from the Bolivia desk) heard them out. They admitted that their sons and daughters were users (but not dealers), attracted to Bolivia by the prevalence of cheap drugs, but they argued that the punishment meted out by the Bolivian authorities was excessive and constituted payback for the pressure the U.S. government was exerting on Bolivia to curtail the drug trade. They alleged that our embassy in La Paz was indifferent to the young peoples' situation.

In a private conversation with the desk officer, I found him fully informed of the situation. He agreed that the Americans had fallen afoul of harsh drug laws that the U.S. had urged Bolivia to adopt. He told me that the embassy's consular officers visited the prisoners regularly and monitored their treatment. The embassy was not convinced, however, that all of those incarcerated were recreational users.

Having been heard out, the parents calmed down considerably. As I recall the sequel (and I admit that my memory is a bit fuzzy here), after conferring with Chris, I offered the group a meeting with him, on condition that they leave the building afterwards. In addition, I offered to open a channel for them with the desk so that they could be regularly apprised of the embassy's efforts to ameliorate the situation. They agreed, the meeting with Chris ensued, and the group left quietly. Some were in tears, mainly tears of relief at having been able to tell their story. As I recall, many of young prisoners were released and expelled from Bolivia shortly thereafter.

Q: I'd like you to talk a little bit more about the relationships between the secretary and the deputy secretary, in your period and perhaps some of the other Seventh Floor principals, because there are several that I don't think you've mentioned yet. Under secretary for management, so on.

LAMB: Every Seventh Floor is different, depending on how the secretary wishes to be served, his confidence in his collaborators, and personal chemistry. As I mentioned, Dick Cooper did his own thing on economic policy, but he enjoyed Mr. Vance's trust. Dick, rather than closely supervise the economic bureau, worked out a division of labor with Jules.

David Newsom, a career officer, was the undersecretary for political affairs. I am a great admirer of David, but he was often in a difficult position when he supported the regional bureaus against the inclinations of Vance and Christopher.

We had a good counselor in Matt Nimetz, a very able lawyer. He, as I recall, was given some very specific tasks. Our trusteeship territories the Pacific were going to be released from that regime and he worked that out. He did some work on arms control as well, as I remember.

Q: Some very specific things like return of the crown of St. Stephen.

LAMB: Oh, yes, yes. I'd forgotten that, yes, how that was all handled. It was a big issue, of course, for the Czech community.

Q: Well, it was Czech gold but I think St. Stephen was Hungary. It was gold that we had from Czechoslovakia. That was another issue I think Nimetz got involved with.

LAMB: He ably handled both matters.

Q: He had been close to Vance but got along well with Christopher?

LAMB: Quite well, no problem at all there.

Management was our friend Dick Moose.

Q: In the early period.

LAMB: In the early period. My image of Dick Moose has him walking around with a clipboard, trying to decide who would be sitting where on the Seventh Floor, a task for which he was not particularly well equipped. He went on to the Africa bureau, where his talents were better utilized.

Lucy Benson, formerly the head of the League of Women Voters, was the undersecretary for security assistance. Her principal aide was a young academic named Joseph Nye. Joe later became dean of the Kennedy School at Harvard and a prolific writer on foreign policy. He is perhaps best known for coining the term "soft power." Joe and I worked together on nuclear non-proliferation issues after Chris was drawn in to resolve policy differences within the Department. Joe's nemesis was Jessica Tuchman, an NSC staff member and the daughter of the famous historian. She strove mightily to move the locus of non-proliferation policy to the NSC. She and Joe had substantive differences, but their disputes were primarily bureaucratic. Jessica, now Jessica Tuchman Mathews, currently heads the Carnegie Endowment.

As I mentioned earlier, Tony Lake -- later President Clinton's first national security adviser -- headed the policy planning staff, with Sandy Berger as his number two. Sandy succeeded Tony as national security adviser to Clinton.

We also had Marshall Shulman on the Seventh Floor as Mr. Vance's adviser on the Soviet Union. Marshall was a sort of anti-Brzezinski. I don't think the two of them agreed on much. Shulman understood the Soviet Union quite well and took an accommodating approach, perhaps too accommodating at times.

Q: I'd like to talk just for a minute or get you to talk about an issue from that period that I was very much involved with and that was the whole subject of Cyprus, Greece and

Turkey relations. I wonder what you remember about that in terms of the deputy secretary's involvement, how it came to be and or whether it pretty much followed after you left the office.

LAMB: I don't remember that our office was involved with this important, tension-ridden part of the world until just before I left. Chris did make one trip to Turkey, but I do not recall from this distance how that came about. I do know that he went to Ankara to press for Turkish withdrawal from Northern Cyprus. The Turks had invaded Cyprus in 1974, I believe.

Q: Yes, 1974.

LAMB: We made the trip in 1978. Ron Spiers was the ambassador in Ankara. Bülent Ecevit was prime minister.

Q: When did you actually leave the deputy secretary's office? 1978?

LAMB: October of 1978.

Q: I think this trip was near the end of that time. I went on that trip.

LAMB: Okay. Why don't you tell me about it?

Q: Well let me tell you what I sort of remember and see if it makes sense and that is that when the administration came in in '77 Cy Vance pretty much gave to Matt Nimetz the responsibility for looking after Greece, Turkey and Cyprus and he did that for a couple of reasons, as I understood it. One, he thought it was important. It could lead to further conflict. There were still many unresolved issues. There was a little suspicion, I think, of the European bureau as being, needing Seventh Floor attention. Vance had been involved with the Cyprus issue back in the Sixties. He knew it in detail. I remember him coming into our office in Southern European Affairs about the time he came into the State Department and looking at the big map of Cyprus on the wall, knowing the names of particular villages on the Green Line. But he also knew that if he himself, Vance himself, spent a lot of time on something, became the Cyprus desk officer, he wouldn't have time to do anything else and that there were all kinds of domestic as well as international implications that, again, he just, he had other priorities and he needed to pay attention to those. So he was quite happy to have Nimetz, who was close to him, work on it. Clark Clifford was sent out on a mission within a month or six weeks of inauguration to make a report and Nimetz went on that. So pretty much '77 it was Nimetz that was mainly working on it and then as we came into '78 it was clear that the Clifford report needed further action, both with Greece and with Turkey and the Congress because there was still an embargo with restrictions on Turkey and gradually and I think it was because of Christopher's troubleshooting with Brazil, with the Germans, with some of the other things he was sent out on and recognition that Nimetz really just didn't have the clout or the stature or the title that Christopher, who actually got much more involved in Congressional testimony, the decision to lift the embargo. And when that decision was

made, he was sent to Turkey to explain to Ecevit what the administration was going to do and that's, I think, the trip that you're referring to in '78. So from then on and probably the rest of his time he spent an awful lot of time on Cyprus and Vance never really got too involved. I'm sure behind the scenes he was interested and aware. Nimetz continued to be involved, as counselor and then later as undersecretary for security assistance, but the deputy secretary always did several trips to New York to see the Secretary General, among other things. So that's how I remember it. And I think it was gradually developing towards the end of your time but it may not have been quite evident until later.

LAMB: Yes, the first involvement I recall was this trip. I also recall that we went only to Turkey, not to Greece.

Q: That's right. The trip took place very quickly. It was decided on a Monday morning and Tuesday evening we were off traveling or something like that.

LAMB: I was more of a straphanger than a player in Ankara, although I did know something about the issue. I contributed what I could, looked after Chris's cables, and helped him to deal with other issues that he was working on. (We went to Bonn and Hamburg after Ankara on the neutron bomb matter.)

I found Ecevit maddening. He'd keep us waiting. He would not be precise. You couldn't figure out what he intended to do. Later, while I was in Brussels, I visited Athens and Ankara in conjunction with Greece's accession to the EC. The trip with Chris turned out to have been useful preparation for that later trip.

Q: Ecevit had excellent English, though, which made him, at least you could feel like he was understanding what you were saying.

LAMB: One strong impression I had was that Spiers was cool to Christopher, but then, as I subsequently learned, it was Ron's nature to be cool to everyone. My reaction -- that he felt that Chris lacked the appropriate background to take on the Turks -- was probably mistaken.

Q: What else about that period? I guess, let me just ask you again, I think we've touched on this, on some of these thorny issues that Christopher did get involved with, was this usually at the request of Secretary Vance or did they develop in some other way, often?

LAMB: Often the president brought him in. That was the case with the Panama Canal treaty and with the visit to Germany on the neutron bomb matter. So it could be Vance or the president, and perhaps Mondale on occasion. Dick Moe, Mondale's chief of staff, was in regular touch with Chris.

Q: Again, from my perspective I could see increased confidence in what Christopher did and maybe confidence on his own part as well. Once he did this he began to do even more until a point where later on he did the hostage negotiations and other things and of course then became secretary of state much later. But you were there early on.

LAMB: It was quite interesting to watch. As far as I could see, Chris never lacked confidence and he earned the confidence of others as time passed. Clearly, too, the confidence placed in him by the secretary and the president did not go unremarked.

Q: I think another attribute that you've mentioned before was how well prepared he was. He knew his brief and he could present it effectively. It was rare that he went into a meeting ill prepared or was caught by surprise.

LAMB: Apropos of nothing you just said, I recall a meeting I sat in on between Chris and a newly appointed ambassador to the OECD, Herbert Salzman. Herb asked, "What should I do at the OECD?" Chris didn't know much about the OECD, although I accompanied him on a visit to the organization in 1977. (Through the embassy I scored a pair of ducats to the French Open, where we saw Guillermo Vilas play.) But he offered Herb some impromptu advice, saying, in essence "Pick three things you want to accomplish. Don't get distracted. Don't try to do too much. Get those things done. You'll have a successful tour." It struck me as sound advice. Later, I followed it myself.

Q: Okay, anything else about this period?

LAMB: I may not have put enough emphasis on the distraction caused by human rights policy in those early days. It consumed an enormous amount of Chris's energy and mine. Human rights raises the familiar issues of engagement versus disengagement (when do you embrace and when to you shun another state) and realism versus idealism. Many foreign policy decisions resolve down to a choice between one or the other. And the choice is seldom easy.

Q: So the problem was primarily in implementation or were there also doubts about the policy itself?

LAMB: Well, there were doubts about larding this on to our already full plate. If you are dependent on oil imports from the Middle East, how hard should you try to influence human rights practices in the producing countries? Would those relationships sustain a heavy element of criticism? The issue was not whether to promote human rights. The president had made that decision. The question became one of emphasis and implementation. What would produce results yet be consistent with promoting our other interests?

Q: And where to establish priorities.

LAMB: Yes, and who does the balancing and at what level. And if you are engaged in quiet diplomacy, how do you explain that to the public, or to a president who expects visible signs of an effort to produce change?

Q: Want to talk a little bit more about your relationship in the congressional area and the deputy secretary's attention to that, which I know was considerable?

LAMB: First let me say that when I left his employ, Chris gave me two pieces of advice. One was to develop more and better contacts on the Hill. I did not have much to do with the Congress at the time, beyond serving as a contact point with offices on the Hill that Christopher was dealing with. Moreover, I shared the typical Foreign Service officer's blinkered view that the Congress should just stay out of foreign policy. I tried to jettison that view later, although I learned that you cannot be effective on the Hill unless you are empowered to negotiate. Congressional staff members are action-oriented and want to engage people who can produce action. Chris also told me to do more public speaking. I followed his counsel in later years and became reasonably good at it.

As to how Chris worked the Congress, I will have to rely on intuition. Just as he never discussed with me the advice he privately gave to the secretary, he never talked about his dealings with senators and congressmen. His discretion and his deference to powerful congressional players contributed to his effectiveness. I did observe that he cultivated a relationship with Senator Byrd, and not just on the Panama Canal. He sought and tried to follow Byrd's advice, and kept him informed of what he was doing.

I should mention in this connection that, at Mr. Vance's behest, Chris chaired a legislative group that met weekly over lunch to plot strategy. In one of the performance reports he prepared on my work, Chris says that I made useful contributions to the group's deliberations, but I haven't a clue, now, as to what they might have been. I also advised him on anti-terrorism legislation that was moving through the congress. It involved unilateral sanctions of the "unless you behave I will shoot myself in foot" type.

Q: We're coming to the end, I think, of your time as executive assistant to Deputy Secretary Warren Christopher, 18 months from early '77 to mid-'78. Anything else you want to talk about in terms of that period?

LAMB: Two things come to mind. One serious, one not so serious. To begin with the latter, Chris was, for all his evenhandedness, a committed Democratic partisan. He had played a major role, perhaps even managed, John Tunney's successful 1970 Senate campaign. He was close to Governor Pat Brown, and knew Pat's son, Jerry. You may remember that then-Governor Jerry Brown, who had succeeded his father in office, was a late entrant in the 1976 presidential race and sought to wrest the nomination from Jimmy Carter. Carter couldn't stand Brown; Brown liked Christopher. When Brown visited Washington, he wanted to see Chris. We would have to sneak him into the building, using Chris's private elevator. I was in charge of these arrangements, working with Brown's chief of staff, Grey Davis, who later became governor of California himself. Chris and the governor met privately.

On to the serious matter. When he was not having lunch at his desk, Chris would use his private dining room to bring in knowledgeable people from inside and outside the Department for serious, but relaxed, conversation that could provide him with information and insights on the issues of the day. Frequently he would invite me and other members of the staff to join him. On one occasion, he hosted Hyman Bookbinder,

the Washington representative of the American Jewish Committee, who had asked to see him. Toward the end of the meal, Bookbinder delivered his message. To paraphrase it, he said "We don't know enough about your views on Israel, so we are watching you carefully. If you step out of line, you will regret it. We have a lock on the Congress." The scales fell from my eyes.

To wind this up, Seventh Floor staff positions are taxing intellectually and otherwise and you also quickly see the limits they impose. You are not the principal, so your sphere of action is restricted. I concluded that after about 18 months I had pretty much accomplished all that I could.

Q: It's also very demanding, in terms of family and long hours and all of that, I'm sure.

LAMB: Yes, all of those Saturdays spent in the office. And because of the way the paper flows, the hours are long. To sketch out the flow, staff on the lower floors of the building arrive early and begin preparing the materials that will reach the Seventh Floor at the end of the day. This material -- cables and memoranda -- is delivered to the assistant secretaries and their deputies late in the afternoon or early evening. It reaches the Seventh Floor by seven o'clock or so. It might take an hour or more to complete action or decide to defer action. With luck, you will be home by nine. I remember Helen bringing my infant son to visit me in the office one day so that I could see him for once while he was awake. "This is your daddy."

Q: How early did you feel like you needed to be there?

LAMB: Around eight on most days. And I arrived after Chris, who was an early riser. I remember being surprised at the extent to which the Department's daily rhythm is determined by what appears in the morning papers. To get a handle on your day, you need to come in early, when things are relatively calm, and read the papers. People who arrive at work even earlier clip the stories, actually, but you need to look at the Times, the Post, and the Washington Times to get an idea of placement. There is an ocean of difference between page 1 and page 22.

But I should avoid overstatement. When we were fully staffed, Chris had five aides, so we could spell each other from time to time, sharing some of the late night and early morning duties. (That reminds me of something. Formally, Steve Oxman and John Spiegel reported directly to Chris, whereas Lynn Pascoe and Dorothy Brazile reported through me. In practice, while Dorothy was occasionally an outrider, we functioned as a collegial group.) Inevitably, too, there was down time, particularly in the late afternoon when Chris was out of the building or in meetings. When the pace slowed, I tried to motivate myself to pursue deferred projects.

Q: Were you and the deputy secretary particularly involved with the press spokesman or was that pretty much handled by the secretary, if he was in town?

LAMB: Hodding Carter was the press spokesman and we knew him well. Because Chris' judgment was so highly respected and because he was a magician with language, Chris was regularly involved in preparing press guidance, whether or not he was in charge at the time. Hodding met with Mr. Vance on most days, and Chris was often present. Chris was in touch directly with some journalists. Bill Plante of CBS News was a friend and they spoke frequently. I did some work with the press, moderating one or two adverse stories and waiving reporters off certain stories when they were on the wrong track. I was only responsible for one "leak," which went to Bob Simon of CBS. Bob had been a member of my incoming Foreign Service class. After a tour at the UN, he decamped for the network. He contacted me once when he was in town during the Camp David talks. I was able to give him a tidbit that enabled him to scoop Marvin Kalb of NBC. It was a piece of atmospheric; no state secrets were involved.

Q: Okay, anything else or if not, where did you go when you left the deputy secretary's office?

LAMB: Three quick points. First, I hope that my focus on bureaucratic pulling and hauling does not leave the impression that Chris had a low opinion of the Foreign Service. The opposite was true. After arriving at State in 1977, Chris says in his memoir that he "...soon came to regard the Foreign Service people at State as a kind of living encyclopedia. They were uncannily accurate and usually free of political agendas, although as part of their seminars I was occasionally treated to efforts to revive decided issues. I found great advantage in working with the Foreign Service, rather than trying to insulate myself from it, as presidential appointees sometimes do when joining this vast, able bureaucracy." Respect, yes, and wary trust.

Second, I never got to know Mr. Vance on a personal basis, although I had a number of opportunities to observe him in action. For example, when Chris was unable to attend the secretary's restricted morning staff meeting, he would send me, not in his stead, of course, but to sit along the wall in the conference room, take notes, and brief him later. Although Chris normally met with Vance in Vance's office, the secretary would occasionally pop into our adjoining suite on an urgent matter. The first few times this happened when I was present, Chris would introduce me. Javits-like, Vance would glance my way and then go quickly to the matter at hand. Eventually, Chris gave up the introductions.

Finally, Chris observed in his memoir that "an inseparable part of being an accomplished person is helping others to accomplish." Thus he helped me to develop my skills and sought to give my career a boost. In return for my efforts on his behalf, he paid me in the coin of the realm with laudatory, well-documented performance reports.

When I left the deputy secretary's office, I went to USEC, the mission to the European Community (EC) in Brussels as deputy chief of mission. It was another job for which I was not particularly well prepared at the outset. On the other hand, biting off more than you can chew, and then chewing it, is not necessarily a bad approach to work and life.

Deane Hinton was our ambassador to the EC at the time. Bob Morris, who had been serving as his deputy, had completed his tour and moved to London as minister-counselor for economic affairs. While Deane was casting about for a replacement he met with Chris. Deane asked to interview me for the post and Chris concurred. I sat down with Deane, we talked, and I expressed interest in the job. Deane posed a test question: what should U.S. policy be vis-à-vis the incipient European Monetary System (EMS), the forerunner of the Euro zone?

To provide some context, I should note that Western Europe's economies stalled in 1973-74. Productivity stagnated, the absorption of excess agricultural labor had run its course, coal mining was decimated by the transition to oil, and rising steel makers in the developing countries inundated Europe with imports. Adding insult to injury, the transition from fixed to floating exchange rates introduced a new element of instability, which was in turn exacerbated by inflation. As one element of their response the Europeans sought to replace the global fixed rate regime with a regional system, first the "snake in the tunnel," which faltered, and then the EMS.

The objective was clear: replace a wildly gyrating currency system with a stable one, which would respond to the fact that Western Europe's economies were highly integrated. The problem was -- and is -- that, unlike the U.S., which has a central fiscal system that automatically moves resources to regions in difficulty and can respond to nationwide downturns with fiscal stimulus, the EC doesn't work that way. Central resources are limited; most taxing and spending is controlled by the member states. As with the EMS, so with the Euro; it is not clear that it will work to the ultimate benefit of its members. Of course, the EMS and the Euro have a political side. For some the bet is that, once currencies are irrevocably linked, the fiscal tools necessary to the functioning of an integrated European economy will follow

At the time I met with Deane, the Treasury Department had qualms about its ability to influence the monetary policy of countries that joined the EMS and about the effect of the EMS on the role of the dollar. They espoused an anti-EMS stance. I told Deane that the EMS was not something to have a policy about, pro or con. The EMS might or might not be in our interest but there was nothing we could do to prevent its creation. We should not favor the EMS because it could conceivably work to our detriment; we should not oppose it because we had no way of stopping it. My reasoning seemed to resonate with Ambassador Hinton because he offered me the job. (The U.S., led by Secretary Blumenthal at Treasury, subsequently warmed to the EMS, perhaps for tactical reasons. Expressions of U.S. support facilitated efforts to influence various details of its functioning such as the valuation of members' gold reserves.)

As I prepared to leave his employ, Chris sought my advice about a successor. I ran over various possibilities with him, but urged him to choose Steve Oxman. Steve had acquired the necessary experience and the two were on the same wavelength. Chris agreed.

VI. Brussels

The time I spent in Brussels was a good period for me. Over three and a half year years I had an opportunity to work for three top-flight ambassadors, all Foreign Service officers. Each was different. Deane was difficult; he managed by intimidation, although he spared his DCM. EC Commission President Roy Jenkins described Deane's diplomatic style as "ponderous but well informed," which it was. He was a stickler for detail. The only time he lost his temper with me was when I paraphrased something he wanted put into a cable. Tom Enders was tightly wound, but when he came to USEC he shifted into a lower gear. Somewhat to my surprise, he proved easy to work with. While Tom was in the Department awaiting confirmation -- his previous posting had been ambassador to Canada -- I involved him in filling some key vacancies on the mission staff. Equipped with my recommendations, he interviewed the candidates who were in Washington and reviewed the files of others. Then, in consultation, we made our picks. In contrast to Deane, Tom was happy to leave the day-to-day management of the mission to me, a task for which I was by now fully qualified. He set the tone and direction, worked the outside, and left the rest to me. Tom once asked me how many cables the mission had sent over the past 12 months. It turned out that we had originated 4,000 messages. Some of them were routine -- travel arrangements and the like -- but many were substantive. I signed off on most substantive cables.

On first meeting him, Jenkins sized Tom up as "an impressive, self-confident, over-tall Yale man," whom he thought would be "probably very good." When they met again over dinner at Jenkins' house, the president found Tom "intelligent, detached, and perhaps slightly self-seeking..." Tom, in fact, saw his time at USEC as "between jobs." After six months or so, he was selected as assistant secretary for Latin America.

George Vest was very smooth, very low key. But his bonhomie disguised an ability to make cold-eyed judgments about people and issues and to act decisively. By the time George arrived, Gaston Thorn had succeeded Jenkins, so George did not come under Jenkins' scrutiny. Finally, during my tour I was chargé for about a year. We had a very strong staff, better versed in the issues than I was at the outset, and so I played more of a management role initially, inserting myself into substance gradually. However, from the day I arrived I worked the circuit of contacts that the DCM traditionally cultivated.

Q: And you also had three ambassadors, three United States representatives, who were very strong on substance as well.

LAMB: Exceptionally so, I would say.

Let me say a word about how the EC makes decisions. The decision-making body is the Council, which is composed either of foreign ministers or ministers with particular portfolios such as agriculture or finance. Council meetings are prepared by the COREPER (*Comité des représentants permanents*), on which the resident ambassadors of the member countries sit. Their deputies meet as COREPER II and prepare COREPER meetings. All clear?

My job was to track COREPER II, or junior COREPER as it was sometimes called, while the ambassador staked out his counterparts. COREPER II was important to us because following its agenda gave us advance notice of decisions headed to the Council that we might wish to influence. The tracking was done by cultivating relationships with several deputy permanent representatives whom the mission had found to be reliable and forthcoming. My closest relationship was with the German deputy, who was a Finance Ministry civil servant. Interestingly, although we occupied offices in the same building as the French mission, which would have facilitated interaction, I never had useful contacts with the French. They changed deputies once but the new man was just as distantly polite as his predecessor.

Of course, prospective Council decisions did not just pop up on COREPER agendas. They emerged from the EC's bureaucracy. Mission officers assigned to follow particular sectors were responsible for tracking issues as they moved toward the decision phase. I learned early on that, at times and on certain issues, other non-member countries were often better plugged into the EC apparatus than we were. The agricultural exporters in particular -- Canada, Australia and New Zealand -- usually had good intelligence on agriculture policy, and the Swiss tracked financial issues particularly well. Pooling information with the deputies of those missions proved to be very valuable. In fact, I probably obtained more and better information than I provided. Accompanying the information gathering -- really an integral part of it -- were efforts to exert influence. The member state deputies wanted me to believe that we had nothing to fear from pending decisions; I wanted to shape decisions to protect our interests or bring the U.S. a benefit. The deputies of the agriculture exporters sought to enlist us in their campaigns to subvert one or another element of the community's Common Agriculture Policy (CAP). I was often a willing accomplice.

Q: Did you have those contacts with the Canadians and the others that you mentioned mainly sort of bilaterally, one by one, or did you all come together as a group occasionally?

LAMB: Pretty much bilaterally: over lunch, by telephone, and at social events.

The DCM is also responsible for maintaining contact with the chiefs of staff of the commissioners. I developed a good relationship with Alex Schaub, chief of staff to Wilhelm Haferkamp, who was responsible for external relations, including trade policy. Alex is now a director general responsible for the internal market. I have stayed in touch with him over the years. I also kept in close touch with Eric Larsen, who looked after Finn Gundelach, the commissioner for agriculture and with Hugo Paemen, chief of staff to Stevie Davignon. Stevie's portfolio was industry policy, including steel, where we had problems from time to time. Paemen later became the EC ambassador in Washington. The ambassador and I shared responsibility for contact with Crispin Tickell, the top aide to EC Commission President Roy Jenkins.

I inherited another key contact. This was the Commission's senior civil servant, Emile Noel. He was a soft-spoken, pro-American Frenchman, with the air of an intellectual. He

made a point of having a regular lunch with the U.S. DCM to promote EC policies. Broadly stated, his main argument was that we should go easy on the EC in order to support European integration, which he contended was in our overriding interest. Despite his demeanor, Noel was reputed to be a tough bureaucratic infighter. His mentor, Jean Monnet, once remarked that his tenacity matched his modesty.

Q: At that time, '78 to '82, the European Community had how many member states?

LAMB: There were nine. Britain, Ireland, and Denmark joined the original six in 1973. When I arrived in Brussels, enlargement negotiations with Greece, Spain and Portugal were about to begin. Enlargement was another issue on which we did not have a policy and did not need a policy, although within the mission there were strongly held views. Ambassador Hinton thought the community should integrate more closely rather than expand.

Q: Deepen before...

LAMB: Deepen before widening. Our political counselor, Harmon Kirby, and I thought otherwise. The socializing and growth-inducing benefits of adding the three prospective new members were more important, we thought, and we were not overly concerned about the deepening part. While waiting for integration to take place, the U.S. could conduct relations with individual member states as well as the central organs of the community. Which is what we did and, incidentally, what we do to this day.

Although Harmon and I proved to be right, the situation in the late 70s was murky. All three countries were western in some sense (Greece and Portugal were members of NATO), but all three had been under authoritarian governments in the early years of the decade. All were linked in various ways to the northern European economy, primarily via remittances and tourism. But their living standards were far below those in the north and more on a par with those in Eastern Europe. So the EC was making a big bet. In the end it paid off, particularly over the nine-year period that it took to bring Spain and Portugal in. The reforms entailed in aligning their legislation with Community legislation, the so-called *aquis communitaires*, jump-started their economies and democracy took firm root.

Q: You mentioned the contacts you had, particularly with the chiefs of staff of the commissioners. How big was the Commission at that time? It was limited in size, too, compared with what it is today.

LAMB: Yes, the large member states each had two commissioners; the smaller members one each, for a total of 12. These days, the Commission employs about 18,000 people and has a budget of \$90 billion, about 45 percent of which goes to fund the CAP. In my day those numbers were smaller. I believe that the Commission staff numbered about 12,000 in the late 70s.

Q: To what extent did you have instructions, guidance, views from Washington that you were also sharing or was that pretty much left up to you all at the mission?

LAMB: We received a steady stream of instructions from Washington on a range of issues, agriculture and steel prominent among them. So we were making representations to the commissioners on a regular basis.

On other matters of interest, such as the enlargement negotiations, where we were alert to developments that might impinge on our interests, we more or less operated on our own. This brings to mind a general observation. What Foreign Service officers do in the field is trade information with contacts, some of it drawn from classified documents. How much can you say? Should you say? It all comes down to personal judgment; there is no manual on the topic. New officers have to observe and learn by doing. I closely calibrated how much I “gave” to how much I “got.”

Normally, the mission would have received regular instructions on trade policy, but these were few and far between when I arrived in Brussels because the Tokyo Round of GATT negotiations was coming to a conclusion. The interaction between the Washington and EC negotiators was continuous and we could only contribute at the margins. Regular visits to Brussels by our top negotiators, Robert Strauss, then the USTR, and his deputy, Alonzo “Al” McDonald, ensured that we stayed reasonably well informed about the state of play. After the round was concluded in 1979, the normal rhythm of demarches and reporting resumed.

Speaking of Bob Strauss, I am reminded of something that happened while I was working with Chris. Apparently, at that time, Cabinet officers had to go through hoops to fly the Concorde and one of those hoops was State Department approval. For reasons I do not recall, I was asked my opinion about a flight Strauss wanted to make. The justification looked weak to me and I said so. That was enough to kill the flight. Strauss was beside himself and went to the president. The flight was approved and Strauss was absolved from asking permission in the future. Thankfully, my name did not come up. (When Strauss arrived in Geneva after taking that controversial Concorde flight to Paris, a reporter asked him whether he would fly on the supersonic plane again. “Yes,” he replied, “until they come up with something better.”)

The Concorde rule was part of a presidential effort to cut back on perks that, initially, denied Chris and one or two other senior State Department officials the use of a car and driver to take them to and from work. Effort was expended to overrule this dictum. After a short time it was dropped.

I learned a lot about agricultural policy and agriculture trade while I was in Brussels. One thing I learned is how stubborn agriculture policy is, how difficult to change. Since farmers can’t adjust their “inventories” in the course of the year in response to market conditions, they are exposed to significant risk. Societies that can afford to do so offset the risk with price floors or direct subsidies or both. These policies become entitlements. When they are not adjusted they lead to overproduction. The need to dispose of surpluses spawns export subsidies and food aid schemes. With these in place, trade disputes inevitably ensue.

Over the period that I served in Brussels the Commission was trying to impose a tax on soybeans. It would have had the same effect on U.S. exports as an import tariff. They sought to nullify an overlooked provision, or a provision that only became important later, in an early GATT agreement that allowed free entry of U.S. soybeans into the EC. This was important to them because one key element of the CAP is to apply tariffs to bring the price of imports up to the EC's internal target price. Free entry of soybeans disrupted markets for competing animal feed and markets for vegetable oil.

There was another factor in play. In June 1973 President Nixon imposed an embargo on soybean and soybean meal exports. (The 1971 devaluation of the dollar was sucking soybeans out of the U.S. and raising prices to domestic buyers.) The soy embargo seriously damaged the U.S. reputation as a reliable supplier of animal feed protein. As an aside, note that the Nixon embargo put Brazil in the soybean business in a big way. Brazilian production, fueled by Japanese investment (the Japanese may have been even more unnerved by the embargo than the Europeans) increased from 5 million metric tons in 1973 to about 52 million metric tons in 2002, the latest number I was able to find. Today Brazil is the world's second largest soybean exporting country. Lesson: beware of the law of unintended consequences.

To plug the hole in the CAP and generate a homegrown source of animal feed protein, the Commission kept trying to sneak the tax through. Periodically, the commissioners would consider proposing a tax to the Council (all community legislation must formally originate with the Commission) and we would have to go to battle stations and fight it off. The tax proposal was revived yet again during one of the periods when I was chargé. When you become chargé you quickly learn, if you did not already know it, that you simply do not carry anywhere near the weight of an ambassador. You're a placeholder, essentially, holding the game together while awaiting the arrival of a personal representative of the president.

So, I surmised, the commissioners who favored the tax (not all did) thought they could sneak this one by on my watch. I had an instruction which was fairly open-ended to indicate our opposition, but it did not specify what tactic I should use. I chose the nuclear option: a letter to the president of the Commission and each commissioner, which stated our opposition to the measure in strong terms. It fell short of an ultimatum, but it was forceful. Several commissioners were outraged. The upshot was that action on the measure was deferred yet again and Stevie Davignon called me in for a dressing down. He read me the riot act, which included this colorful turn of phrase: "Denis," he said, "we came out on the field to play baseball and you turn up with a hockey stick and start beating us over the head with it."

When George Vest arrived as ambassador shortly thereafter and we discussed the episode, he struck his forehead with his hand and said, "What were you thinking of?" in writing such a strong letter and sending it to the entire Commission. I said, "George, I wasn't going let it happen and this is the only way I felt certain that I could stop it." George questioned my judgment on that one. And in truth an ambassador with good

working relationships with key EC ambassadors and commissioners could have achieved the same result without breaking so much crockery.

Since I brought up embargos, I should mention President Carter's January 4, 1980 decision to suspend delivery of all U.S. grain sales to the USSR in excess of the eight million tons guaranteed under the terms of a 1975 bilateral agreement. His purpose was to punish the Soviets for the December, 1979 invasion of Afghanistan. No other exporter followed our lead. Worse (or better, depending on one's viewpoint), the U.S. had no way to enforce the embargo. Once a grain shipment left a U.S. port, we had no way to control its final destination or to prevent a buyer from using our grain to replace grain that he shipped to the USSR. Once elected, President Reagan lifted the embargo, fulfilling a campaign promise. Later, in the Department, I tried to convince Secretary Shultz to approve a generous loan to the Soviets to buy wheat and burnish our reputation as a supplier. Apparently I was not attentive enough to the state of U.S.-Soviet relations at the time. The memorandum I sent (carrying a strong counterargument from the European bureau) came back with a big "NO!!" opposite the decision block. I think he even underlined the "no" a few times for added emphasis.

One of the other issues to arise while I was chargé concerned oil imports. In the wake of the 1978-79 oil crisis and price spike, agreement was reached at a G-7 Summit to adopt oil import targets. The Commission, for internal political reasons, took the view that the target should be EC-wide. The U.S. insisted that the targets apply to individual countries so that North Sea production could not be used to offset imports. I was instructed to call on President Jenkins and make our view clear. The appointment duly granted, I went to his office and delivered my "talking points," which spelled out our understanding of the Summit agreement and asked the Commission to fall in line. Jenkins responded by reiterating the Commission's view of the matter. I left a "non-paper" containing my talking points, returned to the office, and sent a reporting cable. Our side looked pretty good in the cable; Jenkins got the message.

Some years later Jenkins published the diaries of his years in the presidency. I acquired a copy and looked up my name in the index, where I found one entry. It refers to a paragraph on the meeting I just described. Jenkins's take on the meeting was, in effect: "Lamb now understands our viewpoint."

Q: Beautiful. It helps to write the report.

LAMB: It does, indeed. As Henry Kissinger said in his memoirs, "Perhaps in a meeting with no witnesses it is impossible to capture the truth exactly."

Q: Okay, I'd like to ask you a couple more questions about this period. Want to talk just a little bit more about the structure of USEC. You were the deputy, the DCM. There were people from lots of different agencies. You mentioned there was a political counselor.

LAMB: We had political and economic sections and a public affairs (USIS) section. John McCarthy was economic counselor when I arrived. Ed Casey succeeded him. I had

worked with both in RPE. Dick Monson headed the USIS unit. The political section was staffed by State. The economic section included two officers from Agriculture, the senior of whom was later elevated to counselor rank, and a trade officer on loan to us from USTR. One way to think about the EC and OECD missions is that they are just very large economic sections. There is no consular section and administrative support is supplied. They are compact, tightly integrated operations and, for that reason, relatively easy to manage, compared to an embassy.

Q: And you therefore presumably had a good relationship with the Embassy Brussels DCM and perhaps other people in the embassy. How about with NATO, USNATO?

LAMB: We did need to work closely with the embassy DCM, Ed Killham, and his administrative counselor, because we depended upon them for support. We had fewer dealings with the NATO mission. Brussels is a very stimulating city to work in because you have NATO people and Community people and bilateral embassies, but our contacts with the NATO international staff and the staff of our mission to NATO were primarily social. It was good to exchange information in a general way, but we did not do business together.

Q: And you had a lot of visitors from Washington.

LAMB: Yes, quite a few and of course we welcomed that. Part of the way you know you're doing your job and doing it right is through contacts with people coming from Washington. I met Malcolm ("Mac") Baldrige and Bill Brock during one of the periods when I was chargé, just after Reagan was elected. They came on orientation trips and stayed in my residence with their wives. I was able to get to know them in a relaxed setting, which turned out to be useful when I returned to Washington and worked in trade policy.

Charles Z. Wick, having been named by President Reagan to head USIA, also visited us. He was quite a fellow. He came in wearing a bulletproof raincoat, which meant he wasn't able to sit down.

Q: Was it raining?

LAMB: Rare for Brussels, it wasn't even raining. So he stood up -- maybe he leaned against the wall -- in the ambassador's office and we tried to get to know him.

Q: The other interesting question, I think, in terms of process and U.S. entities working together in Europe involves the relationship between USEC and embassies in the capitals of the member states and who does what and where demarches are made and so on. Want to talk about that a little bit?

LAMB: I'm glad you raised that because of something that had slipped my mind. There was a regular consultation between the principal ambassadors in Europe: USEC, NATO,

the UK, France, Germany, and Spain, as I recall. I participated a couple of times as chargé. I found these meetings very useful.

As you know, Ray, one important thing ambassadors do is coordinate Washington. A query or recommendation from an ambassador can spur the government to get its act together. The six ambassadors discussed the quality of Washington policy support and agreed on a common line that they might want to take to encourage the agencies to coordinate and resolve problems.

Often demarches were made simultaneously to the Commission and in capitals. When the Commission's involvement was marginal, as it often was on strictly political matters, we would drop off a paper with the appropriate commissioner or Crispin Tickell and use the rest of the meeting to discuss matters of greater salience.

If the ambassador or anyone else in USEC planned to travel to a member country on business, say to give a speech, we always obtained "country clearance" from the embassy.

Q: Did you have visits while you were there by the secretary of state or the president?

LAMB: Secretaries of state met with the Commission every year in December. These consultations were scheduled in conjunction with a recurring NATO ministerial meeting. The drill called for a private meeting between the secretary and the president of the Commission, a general meeting with other commissioners, and a press conference. The mission contributed to shaping the agenda of these meetings and supplied material for the briefing books prepared in Washington by RPE. The Ambassador, accompanied by mission staff, briefed the secretary and his staff before the meetings. If appropriate, we would meet again with the secretary to discuss follow-up.

On one of these occasions, I met Secretary Haig's plane and drove into town with him. I used some of my time to urge him to secure the appointment of a new ambassador in the mold of Hinton and Enders. Not long thereafter, George Vest got the nod. Note that I am not alleging cause and effect. (George told me later that Judge Clark had played a key role in securing his nomination after the White House had turned him down for Bonn and Brasilia.)

There were no presidential visits during my tour. Vice-President Mondale visited in January 1977, during the same trip that saw him launch the Christopher mission to Brazil. President Carter visited in January 1978.

Q: Vest certainly was experienced in terms of Europe. He didn't maybe know trade policy or other things.

LAMB: A little known fact about George Vest is that he spent a year at USEC as Bob Schaetzel's deputy in the late 60s. His tour was cut short when he was transferred to the NATO mission. So he knew the EC machinery at first hand. With support from the staff he quickly got up to speed on the issues.

Q: Let me come back to the internal structure. You mentioned various elements. What did the political counselor and political section do? This was basically an economic organization, of many dimensions. What about, had political cooperation started at this point? What kinds of things did the political section do?

LAMB: The issues we were interested in at the time were trade, the CAP, the internal market (mainly the various plans to downsize the steel industry and control national subsidy programs), the EMS, energy policy, and development assistance (the bulk of EC member country aid was disbursed by the Commission). In part, having two sections was just an artful way of dividing up the work under two counselors. The political section dealt with enlargement, institutional issues, labor, development, and the parliament. The economic section dealt with the rest. We had a labor attaché in the political section whose remit extended to the European and international labor organizations headquartered in Brussels.

Perhaps I should say a word about steel and what the U.S. and the EC were quarreling about. When developing country steel producers began to make major inroads in developed country markets, the U.S. responded with a series of voluntary export restraint measures. While these agreements slowed the rate of increase of steel imports, the pressure on the U.S. steel industry to downsize was maintained. In contrast, the Europeans responded by nationalizing some large producers and subsidizing others. They wanted to protect jobs in a deteriorating labor market. Because EC firms could sell at a loss and remain afloat, the growth of imports was curtailed. For the Commission, the problem was that member state subsidies (termed “state aids”) were distorting the internal market. For us, the problem was that the protection afforded by subsidies was “diverting” developing country exports to the U.S.

Political cooperation was launched in October 1970, but it was still nascent during my time in Brussels. Existing outside the EC treaty structure, it was strictly intergovernmental. Although the Commission president participated in the political cooperation meetings of EC foreign ministers, he was not a major player. We met with Jenkins on various issues and delivered our talking points, but without much discernable effect on outcomes. Political cooperation assumed its current form in 1993 when it was brought within the treaty structure and some permanent Brussels machinery was put in place. (The current “face” of EC foreign policy, Javier Solana, carries the unwieldy title of High Representative for the Common Foreign and Security Policy, Secretary-General of the Council of the European Union.) During my tour the action on political cooperation lay primarily with our embassies in member state capitals.

Q: Now there've come, over the years, to be a structured relationship between the United States and the now European Union (the European Community before), at the cabinet level, periodic meetings in Washington or Brussels. Had that started at the time you were there or did that come later?

LAMB: That came later. You had, as you do now, the rotating six-month presidency, but there was no formal structure for interchange with the U.S. administration. The creation of such a structure was an initiative of Secretary of State James Baker. Baker's approach, quite brilliant, was to have the U.S. be a "member" of all the important regional groupings: Europe through NATO and a mechanism to link up with the EC; the Asian-Pacific Cooperation forum that he initiated to connect to Asia; and a Western Hemisphere trade arrangement to bind us more closely with Latin America. It's an organizing concept that did not survive Baker's tenure at State. Perhaps, with the rise of India, China, and Islamic fundamentalism, its time is past. I don't hear people analyzing our approach to the world in Baker's terms anymore.

Q: Now you mentioned the rotating six-month presidency, rotating among the member states of the European Community. In terms of our contact with the presidency, you would meet, perhaps, with the deputy at their mission in Brussels. We would meet, exchange views at the capital. Had the idea of a troika started yet or did that come later as well?

LAMB: That was a later development.

Q: So we kind of every six months, well, the European Community, every six months, would have a new president who would kind of start from scratch, continue as best they could and it was a little harder for Luxembourg than it was for, say, Germany but it was probably a little difficult for everybody. How about in terms of our interaction? Did we, did you at the U.S. mission, kind of think that was something that you ought to mainly do or did you kind of look to our embassies in capitals to kind of pick up the ball every six months in a different way?

LAMB: Most of the work was done in capitals because the presidency involves all the agencies of the presidency government. The ministers heading the agencies or departments would become the chairmen of the specialized Councils. It was possible to pick up a bit on their agendas in Brussels but the real nuggets could only be dug up in capitals.

One additional comment. "Troikaism," to coin a word, is now rampant in the European Union. They do a lot of things in threes. On foreign policy issues, for example, EU delegations are frequently composed of a representative of the presidency country, a Commission representative, and a representative of Javier Solana. There are endless variations.

Q: I think, as I understand it, there's now a position at the U.S. mission to the European Union that basically, I don't know at what level it is, I think it's in the political section, which actually moves every six months from one embassy to another to augment the resources of that embassy. It nominally is on the staffing roll of the mission in Brussels but I don't think that person spends much time there. That hadn't even been conceived of during your time there.

LAMB: No, it had not.

Q: And had elections to the parliament started?

LAMB: The first elections to parliament took place in 1979.

Q: The Europarliament met in Strasbourg, which is a ways from Brussels. How did you handle that?

LAMB: They met in Strasbourg and occasionally in Luxembourg. (They now meet frequently in Brussels.) The ambassador would attend their sessions occasionally and so would I. But the officer in the political section assigned to the parliament supplied day-to-day coverage. The parliament was and is a relatively weak institution, yet it does have influence and we wanted to stay in touch with it and on its good side.

Important people would turn up in parliament from time to time. I remember being invited to debate Giulio Andreotti, the seven-time prime minister of Italy (now, at 87, living under a cloud because of mafia-related corruption scandals), who was head of the Christian Democrat group at the time. I don't remember what we talked about; I do remember that he treated me gently. His English was heavily accented, but fluent.

Q: Did you try to make a point of moving around occasionally, traveling to some of the other member state capitals?

LAMB: Not often. Too much travel would have crossed the line with our colleagues in capitals. They didn't want us mucking about in "their" countries and I think they were right. I did make speaking trips to Lille and Lyon in France, and to Berlin, but I had to explain what I was planning to say, why I wanted to say it, and get clearance. Travel within the EC was scrutinized fairly carefully by the embassies. We're very territorial people.

Our embassies were not the only ones on alert. When I gave a talk on trade to the Chamber of Commerce in Lille I was shadowed by a young *énarque* (i.e., a graduate of the elite *École Nationale d'Administration*) from the *préfet's* office. The discussion was pretty lively until he started asking pointed, somewhat aggressive questions. The audience clammed up. I have to admit that speaking on trade policy in Lille, a textile center, was somewhat provocative.

An amusing incident from that trip comes to mind. I had arranged to meet with some political science professors at the university. The discussion was going well, with much of it focused on the pernicious effects of the concentration of power in Paris. Then, about 5:00 pm, I noticed my interlocutors looking at their watches. It turned out that, it being Friday, they were anxious to catch their trains to Paris for the weekend.

Just one more story. This took place in Paris while I was ambassador to the OECD. I was seated next to the wife of the head of Airbus at an embassy dinner. As we talked, she

extolled the virtues of Toulouse, where Airbus is located. Finally, I asked “How long have you lived in Toulouse?” She replied, “I don’t live in Toulouse, I live here.” *Mais oui.*

Q: So you liked the idea of the European Community being transnational and integrated, but we still want to respect the boundaries of the member states.

LAMB: That’s right. One interesting anomaly is that the member states still maintain embassies in each other’s capitals, which is very strange when you think about it. Shall I mention bureaucratic inertia again?

Q: To what extent had they, had the European Community begun to have their own missions in Washington and elsewhere?

LAMB: This was developing. They had a mission in Washington and of course there was a rivalry over where business would be conducted. The mission in D.C. wanted to work directly with the U.S. government and we wanted to do business exclusively in Brussels. No doubt this was healthy competition. I can’t really remember now how developed their diplomatic service was at that time. Of course, they had a mission in Geneva. They opened offices in the countries that were going to become members for education purposes. Beyond that I’m not really sure now where they were present.

Q: Perhaps Tokyo?

LAMB: Oh, yes, Tokyo, absolutely, yes.

Q: Okay, anything else about your time at USEC, we’ll still call it that?

LAMB: That pretty well covers it except for three things. The first concerns the U.S. business community. U.S. business was amply and, for the most part, ably represented in Brussels. I had a major role in the mission’s dealings with the American Chamber in Brussels. I met frequently with individual members and I addressed their meetings from time to time.

The second is about promotion. I received good performance reports from the deputy secretary and shortly after my arrival was promoted to minister-counselor rank, whereas Bob Morris, who was a Deane Hinton protégé, was not promoted. Hands down, Bob was more qualified than I was to do the kind of work I was doing at the time. The ambassador could barely contain himself. Bob was promoted the next year and it all smoothed out.

The third concerns “representation,” official entertaining. The first thing to be said is that I was very fortunate that Helen was skilled at managing an official household and staff and was a gifted hostess. In these jobs, DCM and ambassador, you essentially “live above the store,” in houses with formal living and dining rooms and family quarters upstairs. Nice, but not homey. We had a live-in couple -- great for babysitting -- and a cook. The couple was Portuguese, the cook American. David had been in the army, working in

Mons, Belgium for generals attached to the NATO staff. He met and married a Belgian girl and stayed. When we hired him he had been executive chef at a Belgian bank. The only problem with David's cooking was portion size. If you specified roast chicken and did not supervise him carefully, guests would find a half chicken on their plates.

Helen received good training during our first assignment to Paris, so she knew the ropes. (In those days, wives were "rated" along with the officers. My career received a boost as a result of this nefarious practice.) As the wife of the DCM she was also the chief morale officer to the other Mission wives and their families. In a country where it seems to rain interminably, this was a major assignment, which she carried out with élan.

While looking through my (meager) files in preparation for this interview, I came across a letter that Helen received in 1964 from the director of the Foreign Service Institute. The letter welcomed her to the official family and said that "Your primary job as a wife will always be, of course, to maintain a happy home and to be sure that your husband and children are fit and happy, ready for their work." My how times have changed. The only indication I have of Helen's reaction to the letter is that she underlined "their work" and added a question mark. No doubt she was concerned about just what tasks the little tykes were expected to perform, gratis of course, for Uncle Sam.

Q: Let me ask you, to come back to substance a little bit. We talked a little bit about enlargement and the U.S. attitude towards that. To what extent did you get involved in the enlargement that was taking place: Spain, Portugal, Greece, in the early Eighties?

LAMB: I remember the issues as being largely technical, as opposed to political. I had good relations with the Commission negotiator, Roland de Kergorlay. We were just looking for things that might end up discriminating against us, very basic, nuts and bolts, trade-related concerns. As I recall, we may have found a few items but they were easy to straighten out. Turned out not to be a difficult matter for the United States.

Q: I'm sure the issues were technical and detailed. The fact of that enlargement was very political, linking Southern Europe, Spain, Portugal, Greece, more closely with the rest of Western Europe.

LAMB: Both political and economic, and the two are not easily separated. If enlargement did not spur economic growth, it would have been judged a failure by the nine and the new entrants. Franco died when, '75? So by '78 the EC had already begun the process that eventually linked Spain much more tightly to the rest of Western Europe. Portugal got a strong economic boost and EC membership eased tensions between it and Spain. But Greece got a pass on the hard steps it needed to take to benefit from EC membership. The northern Europeans may have forgotten that they were dealing with a Balkan country. Greece is finally getting some benefit in terms of structural reform and growth but it took years, actually decades, for that to happen.

Q: And certainly politically, linking democratic Greece to Western Europe, was certainly important in the post-military period of Karamanlis and then it was actually Papandreou

who finally brought Greece into the European Union and that was good to have that solid linkage to the socialist government of Greece.

LAMB: For good or ill, politics trumped economics in the case of Greece. And because it was so poor, Greece did very well, on a cash basis, as an EC member. From 1985 to 1989 alone the EC transferred almost \$8 billion to Greece.

Q: The British had not been members of the European Community for too long when you were there. You want to say anything about your relationship with your British counterpart?

LAMB: The UK joined in 1973, fulfilling a Foreign Office dream. UK membership was the work of Edward Heath, who was committed to Europe. George Pompidou, who welcomed British membership as a counterweight to Willy Brandt's eastward-leaning Ostpolitik, abetted him. Representing the new member, the Foreign Office types were concerned to prove just how "European" the British were, which I found off-putting. My ambassadors had close relationships with their ambassadors, but the deputies were less accessible. Relations were cordial but somewhat cool and distant. Of course, for most of my stay in Brussels, the commission had a British president who was reasonably accessible. His chief of staff, Crispin Tickell, was a British FSO who later became their ambassador to the UN. The ambassadors and I had close relations with (now Sir) Crispin.

Q: Roy Jenkins being the president.

LAMB: Jenkins being the president, yes, so some of our access to what the British were doing or thinking really came through our Commission contacts, rather than through their permanent delegation, although as I say the ambassadors had good relations with their chiefs of mission.

Q: Did you use English pretty much in your dealings in Brussels or French?

LAMB: With British entry, English became the dominant working language and we used English primarily. Aside from my periodic lunches with Emile Noel and one occasion when I translated for Secretary Haig during a press conference, I can't remember doing much business in French. Occasional conversations with members of the French delegation were also conducted in French. (What a difference a couple of decades make. In 2005, French officials virtually insist on speaking English with American counterparts.)

VII. Washington

Q: So, your time in Brussels finally came to an end, three and a half years, you said, in '82. Vest had not been there all that long at that point, maybe a year but it was time for you to move on, you'd decided?

LAMB: Well, I probably would have stayed for four years but an opportunity came up. The deputy assistant secretary for trade at that point was Harry Kopp, whom I knew slightly. The EB assistant secretary was Bob Hormats, whom I had come to know because of various trips we made together (the CIEC and the 1975 Economic Summit, for example). Harry was headed for Brasilia as deputy chief of mission. He recommended me as his replacement.

Q: And the job was deputy assistant secretary for trade and commercial affairs in the bureau of economic and business affairs (EB)?

LAMB: Yes.

Q: And you said the assistant secretary was Bob Hormats, who had come into the State Department in the Carter period?

LAMB: You know, I do not recall whether he had come in after Reagan was elected or whether he had been there under Carter. The former is more likely than the latter.

Q: Maybe he was there with Kissinger in the Ford Administration. I certainly knew him.

LAMB: He had been on Kissinger's NSC staff and served later at the Trade Representative's office. That may have been during the Carter administration when Bob Strauss was USTR. When I was recruited, Bob was working for Secretary Haig, who was planning to elevate him to under secretary for economic affairs. When Haig resigned and George Shultz replaced him, Bob decamped for Goldman Sachs, where he became vice chairman of its international arm.

I was pleased to take the new job after three and a half years in Brussels. I was ready for a change. I arrived in Washington in April 1982. Haig resigned in July, Hormats departed in August. Bob Morris was the acting assistant secretary and served in that capacity until Richard McCormack succeeded Hormats in February 1983. (Later, McCormack became ambassador to the OAS and was succeeded by Doug McMinn, who had been responsible for economic policy on the National Security Council staff. When Jim Baker replaced George Shultz, McCormack became under secretary for economic affairs.)

McCormack selected Elinor Constable as his principal deputy. Although the chemistry between Dick and Elinor was not the best, she proved to be a good choice because her expertise lay in monetary affairs and we were in the midst of the debt crisis of the mid-1980s.

[The debt crisis arose because of the recycling of "petrodollars." After oil prices rose dramatically in the 1970s, oil exporters deposited billions of dollars in U.S. and European banks. These funds were re-lent to developing countries, partly to help them pay their oil bills, but also to spur development. The crisis erupted when a spike in U.S. interest rates at the beginning of the 1980s and a consequent sharp recovery in the value of the dollar made that debt much more expensive to service. A global recession ensued, and in

August 1982 Mexico announced that it could not repay its short-term bank debt without a rescheduling. With encouragement from the IMF, the banks agreed to maintain their loan exposure, but the Mexican crisis was soon followed by similar problems in Argentina, Brazil, Chile, and several other countries. This is not the place to recount the history of the debt crisis, but I should mention that the Department played a role in its management and ultimate resolution because it represented the U.S. at the “Paris Club,” which was responsible for conducting “workouts” of government debt. Workouts entailed extending the term of loans. These operations had to be conducted in sync with commercial debt rescheduling and in coordination with the Treasury Department. So Elinor’s expertise was very valuable.]

When I replaced Elinor in 1986, following her nomination as ambassador to Kenya, the debt crisis was still underway and would continue until the end of the 1980s. But State’s role was now in the capable hands of Bill Milam, the deputy assistant secretary for monetary affairs.

Let me tell you about my first encounter with Mr. Shultz, a man whom I admire a great deal, although he is too conservative for my taste on many (mostly non-economic) issues. I was Bob Morris’ acting principal deputy when Shultz arrived at the Department. Bob and I decided to seek an appointment with the new secretary and argue that, for foreign economic policy-making purposes, Shultz should urge the president to form a new council in the national security apparatus that he would chair. So we went up (from the Sixth Floor to the Seventh Floor) to see the new secretary. He may not have been sworn in at that point but he was installed in his office. The two of us made a long pitch to him while he sat there in his characteristic Buddha pose, not asking questions or showing any reaction. When we finished, he said something along the following lines, “Gentlemen, I’d like to tell you a few things. First of all, I’m a former Secretary of the Treasury and I believe that Treasury should have the lead role in foreign economic policy. Second, I’m a personal friend of Secretary Regan. We’re both former Marines and I’m living in his house while I look for a place of my own. What are your names again?” Abashed, we left quietly. Obviously we should have reconnoitered the ground more carefully. Happily, our misstep produced no long-term negative consequences.

The trade operation within the economic bureau had a long and distinguished history, dating back to Cordell Hull and the Reciprocal Trade Agreements Act of 1934, which began to unwind the Smoot-Hawley tariffs applied during the Depression. But those glory days were long since over. The trade office that I inherited had seen its influence on trade policy gradually diminish. Although Harry Kopp did a fine job, my sense is that his immediate predecessor, Bill Barraclough, had been the last really influential deputy assistant secretary to hold the job. State’s influence declined as USTR gradually exerted its control over trade policy.

Formed in 1962 at the initiative of the Congress, the trade representative’s office was staffed initially with officers on loan from State. Over time it grew to about 150 professionals. Most were civil servants. The trade representative, members of his or her personal staff, and the three deputy USTRs were political appointees. (The role of

Congress in creating USTR and its continuing close links with it often resulted in an element of mistrust between USTR and the White House.) The rise of USTR also had to do with the shift in emphasis in trade policy from “border measures,” i.e., tariffs, to non-tariff barriers. That shift occurred as tariffs were whittled down through negotiation. Non-tariff barriers are domestic policies that afford protection to domestic industries, but which may also serve other regulatory goals, such as health and safety.

Against this trend, State retained a statutory role in several areas of policy. These included food aid, agricultural loans, textile policy, and technology transfer policy. In addition, I represented State on the assistant secretary-level Trade Policy Review Group (TPRG), chaired by a deputy U.S. trade representative. Other agencies that held seats included Commerce, Treasury, and the OMB. The TPRG prepared decisions by the trade representative and the White House. It was a forum in which State’s influence could effectively be brought to bear. The reality was that Secretary Shultz was not involved in trade policy on a day-to-day basis, or in economic policy in general, though he took a strong interest in it. But on critical issues he was willing to go to the president. So the trick for me and my assistant secretaries was to leave the impression that Shultz was prepared to intervene on trade but without overplaying our hand. That generally worked, although there were instances when I did get caught out and was unable to deliver the secretary’s backing.

I also co-chaired the U.S. delegation to the OECD Trade Committee. Geza Feketekuty of USTR was my counterpart. Geza was the resident intellectual at the trade representative’s office. In contrast to many of his colleagues, Geza actually understood and believed in free trade. But he was also a political realist. With Geza in the lead, we pushed the case for liberalization of trade in services, which assumed a prominent place in the Uruguay Round and subsequent trade talks. (Despite having worked as an editor, I have always been a poor speller, evidence of which can no doubt be found in this text. I recall sending a note to John Whitehead when he was deputy secretary in which I spelled “Uruguay” wrong. Twice. In a meeting where my note was discussed, he brought up the error. Twice.)

What struck me about trade policy, seen from Washington, was the extent to which advancing free trade was secondary to reconciling conflicting domestic interests. It also struck me that State and Treasury were often alone in championing the interests of consumers and importers. In fact, State’s loss of control over trade policy derives in part from that fact. We were not seen as sufficiently forceful in representing U.S. commercial interests. On issues like steel, shoes, and textiles we often advocated policies that would benefit the consumer or importers of components or raw materials.

Q: To benefit the consumer as opposed to the foreigner.

LAMB: Our objective was to benefit the U.S. economy and the U.S. consumer.

Q: Could our embassies help?

LAMB: Certainly, although there was an element of mistrust between the trade negotiators and our representatives in foreign capitals. Our embassies tended to dread our arrival because we were perceived as lacking in breadth, nuance, and a sense of the U.S. stake in the overall relationship.

Q: How about with foreign embassies in Washington? Would they tend to go elsewhere to exercise influence, to undertake diplomacy, or would they come to you and the bureau, also?

LAMB: As we have discussed, there's always a question of where business will be done. Is the U.S. embassy or mission the focal point or is it the foreign embassy here? In almost all cases in trade, we did our business with the foreign government directly or through our embassy. From time to time the European Community delegation wrested the baton away from USEC, but that was the exception rather than the rule. The embassies in Washington active on trade -- the Japanese, the Koreans, the Brazilians -- stayed in close touch with the country desks in the Department, generally avoided me, and cast a wide net, seeking to make their case to the Congress, the business community, and the press.

Q: Let's talk a little bit, Denis, if you would, about whom you were responsible for. How many offices, what the issues were, how you spent your time.

LAMB: I supervised a large staff: 40 officers and 18 support staff, perhaps larger than necessary in 1982. We were organized as three offices: the office of international trade, headed by Teresita "Tezi" Schaffer; the office of east-west trade; and the office of business and export affairs. Later, at about the time I moved up to become principal deputy, we acquired a new DAS to take over east-west trade. An office of food policy was created at the same time.

Tezi was the senior office director -- her office was in my suite -- and acted for me in my absence. As a South Asia specialist on an excursion tour, she exemplified the versatility of an accomplished Foreign Service officer. Tezi reinforced my already positive view of women in the Foreign Service. In those days, I believe, many women were attracted to the economic area out of a feeling that they faced less discrimination than they might have as political officers. I found that it made good sense to recruit women to work in trade. They were smart, able, and hard working. They didn't take any guff, from me or anyone else.

Q: That's very interesting. It reminds me of kind of the ancient history of the economic bureau, way back when civil servants were much more prevalent than later. I think in the time you were there were a number of very capable, very expert civil service officers and many of them were women who had been in place for long periods of time.

LAMB: That's true. But by the time I arrived in the early 1980s, there were very few civil service people still in place.

I was “Mr. Outside,” responsible for dealings with the Seventh Floor; the USTR, including the TPRG; the White House (mainly the National Security Council staff); other agencies, principally Commerce, Defense, and Agriculture; Congressional relations and testimony; the OECD trade committee; and most bilateral negotiations in which State participated. Tezi was “Ms. Inside,” running her large office, clearing contentious paper coming to us, and obtaining clearances on similar paper we originated. There was overlap, and we switched roles from time to time, but the outside/inside division of responsibilities held true generally.

Q: I'd like to go to something I know took place in the early Shultz period, the whole question of the Soviet gas pipeline to Western Europe.

LAMB: In the early 1980s, the United States banned exports of equipment for use in building the Siberian gas pipeline intended to supply Western Europe with Soviet natural gas. Subsequently, on June 18, 1982, President Reagan extended the pipeline sanctions to prevent foreign subsidiaries and licensees of U.S. companies from supplying equipment for the pipeline. The ban was intended to delay, and perhaps halt, construction of the pipeline, which the United States feared would make Europe dependent on Soviet energy supplies, and to deny the Soviets hard currency revenues. In announcing the extension, President Reagan linked it to the Soviet imposition of martial law in Poland.

Alexander Haig resigned on June 25 over the sanctions decision and other foreign policy disagreements with the White House. George Shultz was sworn in as his successor on July 16. It fell to Shultz to deal with the fallout from the sanctions. The sanctions were problematic on two levels. First, the Europeans did not agree that they risked becoming overly dependent on Soviet gas and they did not agree that Soviet hard currency earnings from gas exports posed a major security threat. Second, from a trade policy point of view, the sanctions were retroactive (they would interfere with existing contracts) and extraterritorial (they were applied to European subsidiaries of U.S. companies).

The tension was eased on November 13, 1982, when the U.S. terminated the sanctions. The U.S. received very little in return. It was agreed that Western Europe should close no further gas contracts with the Soviet Union until (a) the International Energy Agency completed a study on the danger of dependence on Soviet gas, (b) the OECD studied the effects of extending export credits to the Soviet Union, (c) a CoCom agreement was reached on limitation of high tech exports to the Soviet Union, and (d) a NATO study of the significance of trade in general between the Warsaw Pact and NATO countries was completed.

Q: How did U.S. companies react to the imposition of sanctions?

LAMB: U.S. companies were absolutely beside themselves. I remember dealing with Dresser Industries (subsequently acquired by Halliburton) almost on a daily basis. They had large sums at stake. Foreign companies dependent on U.S. products for their pipeline work weighed in with their governments. As to foreign government opposition, Margaret

Thatcher's was notable because the UK would not be receiving Soviet gas, although UK firms were helping to build the pipeline, and she was a friend and supporter of President Reagan. I remember thinking at the time that Thatcher's reaction virtually assured that the policy would be reversed.

After the extended sanctions were announced, I remember working with Jim Buckley, who was undersecretary for security assistance and technology.

Q: Security Assistance?

LAMB: The position is now called under secretary for arms control and international security. Initially, we didn't know what to do to support the president. We tried to explain his decision, but did not make any headway. We looked at whether exceptions could be made without undermining the basic thrust of the sanctions, but it turned out that unless existing contracts were abrogated, the sanctions would be meaningless. So we hobbled along until Shultz decided that we had to shelve the policy. But he also felt that we had to put something in its place that could be pointed to for political purposes, enabling us to say we had exchanged one policy for another, one with more chance of success. Interestingly enough, he worked ultimately through the OECD to get agreement on most of the alternative measures I ticked off earlier.

Q: And Secretary Shultz was very much involved in getting that pushed through.

LAMB: I don't know everything he was doing, but he was on the phone with counterparts and working the issue very intensively. Several European ambassadors were very helpful in putting our package together and securing the agreement of their governments to it.

Newsday published an article on my role in all this. The text is attached as Appendix B.

Q: After the pipeline crisis passed, what did you spend your time on?

LAMB: Well, east-west trade, particularly technology transfer questions, took up a lot of my time. The Export Administration Act of 1979 (subsequently amended by the Congress and intermittently applied by Executive Order when the legislation periodically expired) bans the export of certain "dual use" products and technology, so called because they have both civilian and military applications. Computers are an example of a dual use product.

Under the Act, the Department of Commerce licenses the export of sensitive items. Licenses are subject to review by the Department of Defense and the Department of State, and State is (or was in my day) responsible for aligning U.S. export policy with the policies of foreign producers of the same or similar products. The Congressional Research Service recently (2005), and in a measured tone, summarized the differences that plague the application of controls. "While it is widely agreed that exports of some goods and technologies can adversely affect U.S. national security and foreign policy,

some believe that current export controls can be detrimental to U.S. businesses and to the U.S. economy. According to this view, the resultant loss of competitiveness, market share, and jobs can harm the U.S. economy, and that harm to particular U.S. industries and to the economy itself can negatively impact U.S. security. Others believe that security concerns must be paramount...and that export controls can be an effective method to thwart proliferators, terrorist states, and countries that can threaten U.S. national security interests.”

The bureaucracies of export controls were complex. Commerce (with a large staff) reviewed applications and issued licenses. The Department of Defense, which also disposed of a large staff -- the Defense Technology and Security Administration (DTSA) had 120 employees when I last checked -- would review the licenses and object to some of them. At that point State would be drawn in and asked its opinion. But State was divided in its views. Generally speaking, the economic bureau supported Commerce, but the political-military bureau (PM), which had recently inserted itself into the process, backed Defense.

The Counselor of the Department, Ed Derwinski, whose staff tended to be sympathetic to the political-military bureau's viewpoint, supervised the two players in State. Our choice in EB, should the decision go against us at Derwinski's level, was to bring the matter to the deputy secretary, which we sometimes did, much to his annoyance. If Commerce, Defense, and State could not agree, the final arbiter of licensing disputes was the president, which meant in practice that the National Security Council staff weighed in to try to find a compromise that would spare the president from having to act as referee. You can imagine the bureaucratic games these arrangements gave rise to: “We are going to appeal to the president.” “You're bluffing.” “OK, lets talk some more.” And so forth. Endlessly.

In order to inject an element of needed discipline into technology transfer decision-making in the Department, Deputy Secretary John Whitehead engineered the appointment of E. Allen Wendt, an experienced FSO who had recently served as the DAS for energy in EB, to the new position of senior representative for strategic technology policy. To bolster his clout, Allen received the rank of ambassador in May 1987 as I was phasing out of EB and preparing to move to France. Allen succeeded in reconciling many of the internal differences that plagued State and in enhancing State's influence in the interagency arena.

Q: What else occupied your time?

Another big chunk was spent on bilateral trade talks. Then, as now, the U.S. was running large trade deficits. As we know, trade deficits are to some extent self-inflicted, since they are the product of a saving-investment or production-consumption imbalance. Rather than correct the imbalance, which might require dramatically increased government savings, e.g., federal budget surpluses, to offset a lack of private savings, the usual government response is a feckless effort to increase exports by exhorting other countries to open their markets. Did I say “feckless?” Well, that's not completely true.

Our trading partners will benefit from market opening as will selective sectors of the U.S. economy that are able to sell more product abroad. The feckless part is that market opening by itself does not reduce trade deficits.

The aspect of negotiating with other countries on trade issues that I found most frustrating was the asymmetry that resulted because a given foreign country had more at stake in a particular trade issue than we did. We might be their largest market overall or for a particular product. Their negotiators would focus all of their energy, intelligence gathering, arguments, and influence on us or the issue at hand, whereas our attention was spread over 50 countries and a vast array of products.

State was deeply involved in bilateral trade talks because USTR would lack credibility if we were absent. You could not go Brasilia, for example, and make any headway on computers, pharmaceutical patents, orange juice, and airplanes, which were some of the issues we were dealing with, without supportive State Department participation. It helped, too, to have Treasury on the team. As with Brazil, so too with Japan and Korea.

Q: And that's true both of the Washington agencies but also the embassy, I would assume.

LAMB: Yes. When our delegations traveled to Tokyo, Ambassador Mike Mansfield, sleeves rolled up, always received us. He'd make and serve coffee and then explain why the U.S had no more important bilateral relationship than it had with Japan. He would brief us on the items on his agenda with Japan and we would tell him how we planned to go about our own business. He was supportive, if wary. The economic section in Tokyo was pretty much in tune with what the trade policy people from Washington were trying to do. The political section was less enamored of our presence, but, overall, we had excellent support from the embassy and from the ambassador.

Q: And somebody from the economic section, minister-counselor probably, would participate in the talks?

LAMB: Right. Bill Piez was the economic minister-counselor when I was traveling to Tokyo. His staff pitched in as well. The same was true in other capitals

In our meetings in Japan and Brazil we had consecutive translation. Most of our counterparts spoke good English. So they would get two bites of the apple. They would hear us make our point then, while what we said was being translated into Japanese or Portuguese, they considered their response. (Unable to feign incomprehension, the Koreans, most of whom were graduates of top U.S. universities, conducted their talks with us in English.)

Q: And then they would give their answer in Japanese or Portuguese. You wouldn't understand that and then you'd have to wait for the translation and then you'd respond.

LAMB: Exactly, another example of asymmetry in trade dealings.

There was something else going on at the time that was less visible but quite important in creating pressure on trade policy. Exports of U.S. merchandise rose at an annual rate of 6.8 percent in the 1950s and at a 5 percent rate in the 1960s. Imports rose 5 percent on average in the 1950s and 10.4 percent in the 1960s. In the 1970s exports and imports grew at 20 percent annual rates. Even without the deficit, the “structural adjustment” imposed by surging imports would have generated intense pressure for market opening.

The way the politics of trade works is that companies that are harmed by barriers to their exports or that compete with imports use the trade deficit to leverage the government to act on their behalf. Some U.S. companies and industries were particularly good at harnessing U.S. pressure to open markets. Motorola and A.I.G., the insurance giant, excelled at this, as did U.S. agriculture producers. I admired their skill and, so long as they did their part, I was happy to lend them a hand.

Market opening, I thought, was all to the good, but I balked at market closing. A premier example of the latter was the “voluntary” three-year automobile export restraint agreement with Japan that came into effect in April 1981. I did not have a hand in reaching that agreement, but I did spend a fair amount of time with the implementation of it. We haggled over annual import limits and pushed Japan to buy more U.S. cars. It is fair to ask whether my concern was misplaced. Although U.S. automakers frittered away the opportunity to use the import relief to restructure, the Japanese industry was spurred to invest in U.S. production facilities. To the extent that the U.S. has a competitive automobile industry in 2005, it is a function of those Japanese transplants and the German and Korean investments that followed.

Our preoccupation with Japan went well beyond particular products. In the mid-Eighties Japan was feared as a country that was going to “out compete” us, based on unfair advantages obtained by favoring exports and working as a tightly-integrated society in which government and business cooperated closely. I never fully bought into that analysis but the pressure to do something about Japan was relentless.

Q: To what extent were you directly involved in the decision process on the auto so-called voluntary arrangements or were you just trying to influence at the margins on a kind of a bad policy that had pretty well already been decided?

LAMB: Well, the damage had been done before I arrived on the scene, so I did what I could to minimize the damage and, above all, to ensure that the agreement was terminated on schedule. I was more closely involved in another episode of “voluntary” restraint, this time on steel imports. In 1984, the American steel industry petitioned the U.S. International Trade Commission (ITC) for protection from foreign steel imports under Section 201 of the 1974 Trade Act. The industry claimed to be harmed by a surge of imports and sought relief. In July, by a 3 to 2 vote, the ITC recommended that President Reagan set quota limits on imported steel for five years. The president rejected the ITC quota proposal but decided, in September, to negotiate voluntary restraint agreements (VRAs) with major exporters. Deputy Secretary Ken Dam brought word of

the president's decision back from a White House meeting and told me that I would be teamed up with Deputy USTR Robert Lighthizer to negotiate the agreements. He then sent me over to the White House to help draft the president's announcement of his decision. My role as a negotiator was not stellar. I was to provide cover, demonstrating by my participation that the State Department was not going to be a channel through which export restraint could be avoided or diluted. The negotiations "succeeded" and the industry received five years of protection.

Q: Was Secretary Shultz involved?

LAMB: Ken Dam did a certain amount of work for the secretary on trade matters. Ken was a trade expert and author of a seminal study of the GATT. I am sure that he did not act without the secretary's full agreement.

Speaking of steel reminds me of another early encounter I had with the secretary. It concerned a prior proposal to seek steel restraint that was under discussion among the agencies and in the White House. I was asked to brief Mr. Shultz. Various of his aides were present. I began by explaining the rationale for restraint as presented by its proponents. As I did so I was conscious of nudges and smirks and winks around the table; the audience thought I was digging a hole for myself. When I finished introducing the issue, Shultz said, deceptively mildly, "Do I take it, Mr. Lamb, that you support this approach?" I was prepared. I said, "No, I don't. Let me tell you why and what can be done to head it off."

Q: Did that, in that particular instance lead to him exercising a role, playing a role or encouraging you to do something more? You said that time the restrictions didn't go through.

LAMB: They did not. I do not recall being asked to do anything in particular beyond what I was already doing, and I have no knowledge of what the secretary may have done in that case. The restrictions probably fell through because the political climate did not require action at the time.

Not all protectionist measures turn out badly, although most do, and one I opposed actually worked as intended. The Japanese had pretty much restricted their exports of motorcycles to small and medium-sized vehicles, but were beginning to produce large machines. Harley-Davidson dominated the market for large motorcycles, but they were in difficult financial straits. There had just been a management buyout, as I recall, and they feared that without import protection they wouldn't be able to raise financing and complete their restructuring. I thought this was another instance of special pleading from a company that would not deliver on its commitments. But I was outvoted and temporary tariffs were imposed. The legality of all this I'm not sure of, but in any event the Japanese prevailed upon not to take us to the GATT and pursue it as a legal matter. My recollection is that the tariffs were eliminated before they were due to expire. The company's fortunes rebounded because Harley Davidson did everything it said it was going to do.

Q: I think you mentioned the case of Japan, that there were some rather bad policy decisions during that period, the voluntary auto export restraint. Maybe motorcycles weren't quite so bad. But you mentioned there were some good things you were involved with with Japan. You have any examples?

LAMB: I thought that the industrial policy dialogue that we had with the Japanese was very interesting. Our main complaint against the Japanese in this sphere was that the government was colluding with industry to allocate investment, subsidize, and favor exports over domestic consumption. In contrast, as we viewed matters, the U.S. economy was a "hands off" operation. The private sector made investment and marketing decisions. We wanted the Japanese to follow our model.

Out of this dispute came a decision to conduct a dialogue on industrial policy. We met twice in Hawaii in August when, unbeknownst to most Americans on the East Coast, the weather is quite mild. The chairs were Michael B. Smith, a deputy U.S. trade representative, and a vice-minister of MITI, the Japanese version of our Commerce Department. Our side identified the programs to which we took exception. The Japanese pointed to a number of things we did for our industry, such as the 25 percent research and development tax credit, spending by the Defense Advanced Research Projects Agency (DARPA), and other DOD and NASA spending that benefited companies such as Boeing.

I thought the conclusion reached at the end of the dialogue by the Japanese was accurate. They said that they had an industrial policy but were afraid to admit it, whereas the U.S. had an industrial policy but was unaware of it.

Q: And you won't admit it.

LAMB: And we, too, would not admit if we *were* aware of it. I think that sort of dialogue can be helpful, if conducted at the right level. It leads to better understanding of the negotiating partners' motives, point of view, and objectives. The industrial policy discussion helped manage the tensions in the relationship. Later we held talks with the Japanese on "structural impediments" to trade that delved into such matters as savings rate differentials, industrial structures (the links between banks and industrial groups in Japan), the trade-off between seeking market share (Japan) versus emphasis on quarterly earnings (the U.S.). No firm conclusions were reached but the talks helped manage tensions.

Q: You mentioned that the deputy U.S. trade representative at the time who had chaired this exercise was Mike Smith. He certainly was a State Department Foreign Service officer, came up through the economic bureau, among other things. Want to talk a little bit about overall, the relationship between the State Department and USTR at that time that you were involved? Could you influence them? They also had kind of a national interest to look at.

LAMB: Yes, Mike was a former FSO who had been a textile negotiator. When that responsibility moved to the USTR, Mike went with it.

Bill Brock was the U.S. trade representative during most of my period as DAS, although I did do business with his successor, Clayton Yeutter. I had a personal relationship with Brock, having met him in Brussels. He knew who I was and had some sense of where I was coming from, which was modestly helpful. I called him “Senator,” though; we were not on intimate terms. Brock played his cards close to his vest. If there were compromises or concessions to be made he wanted to make them. Perfectly reasonable in my view, at least at this distance in time. What that meant in practice was that the negotiating groups I participated in were often “cannon fodder,” with little flexibility to reach agreements. Our task was to leap out of our foxholes and take enemy fire. Brock would survey the resulting carnage and decide how the deal should be cut.

What struck me about the U.S. Trade Representative’s staff was that many of them did not believe in free trade. Of those who were not free traders, some focused on the trade deficit in the mistaken belief that trade policy could turn deficits into surpluses. Others were concerned with “national competitiveness.” They viewed the international economy as a zero sum game in which U.S. commercial interests, mainly manufacturing but also agriculture, trump every other consideration, including consumer interests. (The fact that U.S. GDP has declined from about 50 percent of the global economy just after World War II to about 20 percent in 2005, while U.S. living standards have continued to rise, gives the lie to the competitiveness argument.)

The Reciprocal Trade Agreements Act was a work of political genius. It embodied the notion of trading “concessions,” in which, if you give up something in terms of protection, you obtain a parallel concession from a trading partner. From a strictly economic perspective this makes little sense. The problem with the USTR staff is that some of them did not understand (or acknowledge) that trading concessions was a construct intended to deal with a political problem.

Brock’s “tragedy,” if I may call it that, is that he did not succeed in launching a new GATT round while he was in office. GATT (now the World Trade Organization, or WTO) rounds serve multiple purposes. Not only do trade negotiating rounds result in freer trade, they are valuable in that ongoing trade disputes can be “parked” in the round: the industries concerned are told that their problems will be resolved through the negotiations.

Partly to compensate for the lack of an ongoing multilateral negotiation, Brock, who was the USTR from 1981 to 1985, instituted meetings of what became known as the “Quad” in 1982. The Quad brought together trade ministers from the U.S., the EC, Japan, and Canada. Their discussions covered current trade tensions, but the main purpose of the meetings was to generate support for trade liberalization. Frankly, too, it was an opportunity for the leading trade negotiators to commiserate with each other. These were restricted meetings, but each country fielded a small delegation and I participated in

several of the sessions. We lesser lights also commiserated with each other on our lot in life: “So much pressure; so little appreciation.”

Q: Before we move away from import policy, which I think is generally what we've talked about so far, I'd like you to talk a little bit about textiles. You mentioned that, I think, as an old subject that certainly did go back into the earliest protectionist period, probably, in the Fifties. How was it when you were there?

LAMB: Well, it had become an elaborate scheme of quotas. Almost all of our textile imports were governed by quota arrangements. Quotas were parceled out to countries in a strange way. Countries that began with no textile industry could attract investment, begin production, and export freely. As their exports rose we would put quota restraints on them. As the quota noose tightened, or as costs rose due to economic expansion, entrepreneurs would shift their focus to another country, where the pattern would be repeated. Although the textile program had many perverse aspects, it did give a number of countries a first step on the ladder of economic development. The life of a U.S. textile negotiator was uncomplicated: you held the cards, you dispensed (or withheld) quota. (I went on a couple of negotiating trips just to get a feel for the action; most of my textile work was done in Washington.)

The “good” part of the textile scheme is that it could only respond to “surges” in exports from a particular destination. The response would not necessarily be rapid, so that the overall effect was to allow textile imports to rise, albeit gradually. The program could put a temporary lid on imports but it could not suppress them.

One of the things I remember about textile policy is its use as a foreign policy tool in certain cases. I can remember getting phone calls from the Defense Department saying, “We have a base negotiation going on with Turkey. I need a thousand dozen tee shirts.” So we would undertake to obtain that quota by talking to USTR, which had a vote, and the Commerce Department, which administered the program. These “adjustments” were at the margin, although textile state senators and congressmen were sure that the program was being “abused.”

I also remember Secretary Shultz asking me how we could dismantle country quotas and replace them with overall or “global” import limitations, as a first step toward dismantling the program altogether. The question put me in an awkward position. I had to say, “You can't do that, Mr. Secretary. We have created interests all over the world, in dozens of countries, that we simply can't walk away from. We have been in this business a long time, over twenty years. The program and the country quotas will have to be eliminated in tandem.” I regretted having to tell Shultz that we had to keep a bad policy in place because it had created a skein of interests that could not be unwound without damaging political consequences.

Q: First time I ever heard the name Warren Christopher was in the Kennedy Administration when he came to Japan, where I was serving, to be a textile negotiator. I don't remember exactly what the issue was but that must have been about '61, '62; '61, probably.

LAMB: As best I can piece it together (I never discussed the details with Chris), he must have been responsible for the Short-Term Cotton Arrangement of 1961. The Long-Term Cotton Arrangement, in place from 1962 to 1973, followed. It was succeeded by the Multi-Fiber Arrangement (trade policy's answer to polyester, I suppose). All textile import restraints are now being phased out.

I should insert here that, after Dick McCormack became assistant secretary, succeeding Bob Hormats, he brought in some political appointees, including two in his front office. One of them assumed my responsibilities for the day-to-day conduct of textile policy. This was a reasonable reallocation of responsibilities as technology transfer issues increasingly took up my time. My officers provided back up and I continued to testify before Congress on textile matters, as required.

Q: Talk a little bit about Canada. We of course have the auto agreement. I don't know what else was going on, early Eighties. I think it was before NAFTA.

LAMB: Indeed it was. You know, I don't remember being involved with any particular issues with the Canadians on my watch, although the softwood lumber case which has been running for twenty years now (trade policy's version of Jarndyce vs. Jarndyce from Bleak House), probably developed in that period. The auto agreement, which provided for free trade in cars and parts, was in place and working well. I did make a couple of trips to Ottawa -- one of which may have been for a Quad meeting -- but I do not recall the details.

Q: Were there problems about seasonal produce, for example? Carrots, or onions or turkeys or things like that, potatoes?

LAMB: With Mexico, not with Canada. Grapes and tomatoes.

Q: Was there a lot going on with Mexico that you were involved in?

LAMB: Mexico was pretty well locked down. Its ability to export agricultural products was limited and did not cause major friction. Mexico was restive, but our producers were pretty much under control. As I have said, our major trade policy concerns were limited to Europe, Japan, and a few developing countries, such as Brazil and Korea. I spent a fair amount of time in Seoul. We had no interaction with Africa whatsoever. We simply didn't trade with Africa, with the exception of South Africa. And developing countries that have become very important trading partners of the U.S. were not yet in a position to export in great quantities. China was not yet on the radar screen, nor was India (except in its role, along with Brazil and Egypt, as a lead foot-dragger in multilateral trade talks). I didn't set foot in China until I visited this year as a private citizen. I have yet to visit India. We did have the *maquiladora* program in place with Mexico, which allowed U.S. investment at the border for the assembly of products to be re-exported to the U.S., free of tariff. That was a growing concern to some in this country.

Q: Did the USTR have negotiating authority from Congress?

LAMB: As I recall, Brock did not have so-called “fast track” negotiating authority, but that is not necessary to begin a negotiation. (Fast track imposes limits on the ability of the Congress to amend trade agreements.) That authority was forthcoming from Congress in 1988, well after the Uruguay Round was launched in 1986, and after Brock had moved on to become Secretary of Labor sometime in 1985.

One thing I did that I am rather proud of with respect to Europe concerns the internal market, although my intervention in the debate occurred after I left EB for Paris. But it was a piece of unfinished business from my EB days, so I will recount the story here.

Jacques Delors became president of the EC Commission in 1985 and immediately launched an ambitious program to reform EC structures and create a true single market. His efforts culminated in the Single European Act (SEA), which came into effect on July 1, 1987. It was the first substantial change to the Treaty of Rome. The main objectives were to create a large internal market by January 1, 1993 and to streamline the decision-making capacity of the Council of Ministers (which would be necessary to pass the 300 or so measures Delors put forward to unify the market). The SEA also formalized political cooperation (but did not yet create machinery to support it) and strengthened the parliament's powers marginally by making Community agreements on enlargement and association agreements subject to parliamentary assent.

Delors tripped up when he made mention of “Fortress Europe” in conjunction with the SEA and ignited a political firestorm in the U.S. The fear was that the internal market would be liberalized but external barriers would be raised. (This was a replay of the concerns that surfaced when the Common Market was established. Back then, there was a spirited debate between those who thought the Market would be “trade creating” and those who feared that it would be “trade diverting,” because the Market would adopt a common external tariff, which would be higher than many national tariffs. President Kennedy preemptively launched what became the Kennedy Round of trade talks to bring the external tariff down. His initiative succeeded.)

The concerns sparked by the move toward the SEA struck me as overblown. So I wrote a speech in which I pointed out that U.S. companies would be major beneficiaries of the single market. (Ironically, many of those companies had invested in Europe years ago, out of misplaced concern that the Common Market treaty of 1957 would close Western Europe to their exports.) U.S. manufacturers and service providers established in Europe already treated the EC as a single market conceptually. They were poised to benefit significantly from Delors’ initiative.

Q: And you gave that speech?

LAMB: I gave it in Washington in 1987. The Department published it, and the ideas expressed in it gradually took hold. I would like to think that the speech had something to do with that. U.S. business interests eventually found their voice and were saying, in

essence, “Yes, we think this will work out to our advantage and we don’t see imposition of external barriers as part of the Delors plan.”

Q: And Delors and others perhaps stopped using the expression Fortress Europe.

LAMB: Well, he could never disentangle himself from that completely but, yes, he did stop using it. When he first began to say “I didn’t mean that,” everybody said “He’s protesting too much. He must really have meant it.”

Perhaps this is as good a time as any to mention that I tried to deliver a thoughtful speech on trade policy, one worthy of publication by the Department, about once a year. I spoke on “Trade in the 1980s” in 1982 in Ames, Iowa; on “East-West Economic Relations: The Case for a Prudent Course” in Los Angeles in 1983; and on “The Logic and Politics of the Next Trade Round” in Chicago in 1984.

Q: Was there an on-going dialogue on trade policy with the European Community that took place annually?

LAMB: We met, of course, at the OECD and at Quad meetings. At the OECD we engaged in dialogue with the member states as well as the Commission. There were a series of on-going efforts to get the Uruguay Round going, including a ministerial meeting of the GATT in 1982.

That ministerial meeting brings another amusing incident to mind. When Mr. Shultz took office he brought Allen Wallis in as his under secretary for economic affairs. Mr. Wallis was a distinguished economist from the University of Rochester and, as I learned, more a libertarian than conservative, i.e., he struck me as someone who might wonder at times whether traffic lights were a reasonable restriction of freedom. When he arrived in the Department, Allen asked me to brief him on the upcoming ministerial meeting that he was going to attend with Bill Brock. I presented the case in conventional terms, without questioning the GATT bargaining structure. I just assumed we were on the same page. Well it turned out we were not on the same page at all. Allen Wallis, like me, believed that in an ideal world the proper thing to do from an economic perspective is to get rid of your own trade restrictions, no matter what others do. It took at least two more meetings before Allen fully trusted the advice I was giving him. He did ultimately go along with the conventional approach to trade liberalization, but he didn’t like it. In time, we became good friends.

Q: Was your office, was the bureau, quite involved in sort of routine, on-going GATT matters or again did USTR pretty much handle that and did they have their own operation in Geneva?

LAMB: USTR handled routine GATT matters. By the time I took up the trade portfolio USTR had had an office in Geneva for some years, an office that I visited a few times.

Q: I would like to talk a little bit about the export side of things that you were involved with, where the imports are not so much an issue. This was a period where sanctions of various kinds were in effect and you were involved with Iran and others.

LAMB: I had little or nothing to do with sanctions already in place. Sanctions were generally administered by the Treasury Department, including Treasury entities such as the Bureau of Customs. I did get involved with the 1986 expansion of sanctions on Libya, which responded to the bombing of a Berlin disco. (1982 sanctions had banned oil imports from Libya, a meaningless measure, given the global market for oil, which did no harm to Libya or to the U.S.). The 1986 expansion included a total ban on direct import and export trade, commercial contracts, and travel-related activities.

Based on everything I knew then and have learned subsequently, unilateral sanctions don't work. They may give you a *frisson* for having taken some action, but they will not influence outcomes and are disruptive. In the case of Libya, my arguments were supported, as one might expect, by the Near East bureau. Abe Sofaer, the legal advisor, backed sanctions, throwing his support behind Jim Baker's Treasury Department, which was pushing for them. Bob Kimmitt, the executive secretary at the Treasury, took the lead on the issue. I lost the argument and the sanctions were imposed, to no discernable effect. (Subsequent multilateral UN sanctions, put in place after the bombing of a Pan Am flight over Lockerbie, Scotland, eventually induced a change in Libyan behavior.)

Q: Were you involved in the South Africa sanctions?

LAMB: Tangentially. The administration was reluctant to join those sanctions.

Q: That was a congressional initiative?

LAMB: Yes.

Q: Was much going on with regard to Iraq?

LAMB: I recall being asked to approve government loans to Iraq to support the sale of U.S. agricultural products. For reasons enshrined in legislation (but opaque to me), the State Department had to concur in the extension of these loans. In the case of Iraq, the product was wheat. I heard from my friends at the Wheat Council and I remember signing off on some loans.

Q: We weren't so much concerned about Saddam Hussein in those days. Iraq was having a war with Iran.

LAMB: Exactly, there was less political concern. I was worried that the war with Iran would impact Iraq's oil revenues and hence their ability to pay us back.

Q: You mentioned taking positions on various things in interagency discussion, sometimes in public speeches, contact with industry and so on. Did you feel a fair amount

of freedom to do that or did you constantly need to check the policy or the line or even tactics with others? Or did you have a fair amount of leeway?

LAMB: It depended. On certain matters, for example, opposing shoe import restrictions, I could proceed on my own. But on sanctions, to take another example, I needed the support of the assistant secretary. He would decide if he had sufficient latitude to back me or whether to take it upstairs. But sometimes this ritual was circumvented. As I've said, Ken Dam was involved in many economic questions. From time to time he would just get me on the telephone, tell me what was on his mind, and, after we talked it through, tell me what he wanted me to do.

Assistant Secretary Doug McMinn was a capable and connected Washington operative who came to State from the National Security Council staff. Doug was, literally, "plugged in" to an informal telephone network that linked the key players on trade issues. He would let me do my thing, i.e., take the free trade approach, up to a point. But when the network contacted him and offered another view, he would take stock, confer with me, and decide whether I should be overruled. Of course, he was careful to protect me in the process, since my effectiveness depended on it.

Q: And you occasionally would get phone calls from other figures in the outside world. You mentioned before that former Secretary of State Dean Rusk would sometimes call you.

LAMB: Indeed, it was startling at first to pick up the phone and hear a voice which you recognized say "This is Dean Rusk." Mr. Rusk, who was teaching at the University of Georgia, posed pointed questions, which usually implied criticism. "Why are you doing X? Why haven't you done Y?" I don't remember the specifics, but they often involved fairly obscure matters.

Q: Anything else you want to talk about your time from '82 to '85, as the deputy assistant secretary for trade and commercial affairs? We haven't talked about commercial affairs much.

LAMB: In 1980, in a bow to the growing integration of the U.S. economy with the global economy, the responsibility for supporting U.S. firms in foreign markets was transferred from State to the newly created Foreign Commercial Service (FCS) in the Department of Commerce. Thereafter, FCS officers staffed the commercial function in important markets, while State performed commercial duties elsewhere. State commercial officers were in direct contact with Commerce. State did little to support their activities.

I did attend meetings with State commercial officers, including one in Lome, Togo. Togo's long-time dictator, Gnassingbe Eyadema, had built a large, modern hotel to attract the Organization of African Unity to hold a summit meeting in Lome (it never happened). The hotel featured numerous "presidential" and "ministerial" suites and I was housed in one of the latter. During the conference, I popped over to party headquarters and bought a watch with General Eyadema's picture on its face. The conference itself was a useful

morale builder in which the Department of Commerce participants lauded the efforts of State commercial officers. My presence was intended to assure them that their work was valued, which it was, and to set it in the context of trade policy in general.

On major deals like the sale of commercial aircraft, our embassies tended to work with Commerce and the desks in State's regional bureaus to organize U.S government support. The economic and business bureau did not play a significant role.

Q: At the time you were there, was there a separate office of commercial affairs under your supervision?

LAMB: Yes, we had an office of business and export affairs. More broadly, my staff and I had on-going contacts with individual companies, trade associations, the National Association of Manufacturers, and the Chamber of Commerce. But we dealt with them on trade issues, for the most part, and only rarely on efforts to close major sales abroad.

Q: Do you remember any particular concern in general about the way ambassadors, embassies abroad, took an interest in commercial matters, export promotion, investment protection? I know certainly in later times this was the subject of cables from the secretary and so on to make sure that they were paying attention to that dimension.

LAMB: The underlying concern was there. And to some extent it was justified. The support that U.S. business received abroad depended very much (too much) on the personality and interests of the ambassador. Some worked the commercial dossier; others tended to neglect it.

Beyond that, though, one of the problems with U.S. commercial policy was the inability of our government to favor one U.S. supplier over another. On many major sales our diplomacy was tied in knots because there were two or three U.S. competitors for a mega contract, whereas other countries could back a single "national champion." Beyond that, our scruples prevented us from backing U.S. firms with parallel measures by our government, such as foreign aid, UN votes, and the like. Other countries did not shy away from such measures.

Q: Yeah, it's an old issue. Another one is, certainly in certain markets, the embassy, even the ambassador, would find it very difficult to know what the situation was, or what, if anything, they should do, could do, to be of assistance. Particularly in more developed markets where the U.S. company was well positioned, well represented, rarely would they interact with the embassy. Whereas in other countries, the first place they would come would be the embassy. Hopefully they were not ever turned away.

LAMB: Yes, that's right. If companies do not want the government's help, that's their call. In other cases, where assistance is desired, it helps to have the effort coordinated between the embassy and Washington.

Q: But really they have to be carried out in different ways. The same thing doesn't work in every situation.

LAMB: That's a lesson that, I hope, has been learned by now.

Before we leave this topic, I should say a word about the Foreign Corrupt Practices Act (FCPA) of 1977. Congress passed legislation to penalize U.S. companies who bribed foreign officials to obtain business abroad after a 1976 SEC investigation revealed that Lockheed had spent \$22 million to bribe Japanese politicians, including the prime minister, Kakuei Tanaka, in conjunction with the sale of commercial aircraft. Having done that, the Congress turned its attention to what other governments were or were not doing, and what the Department of State was doing about *that*.

Well, what we were doing, frankly, was not particularly effective. We briefed other governments on the FCPA and urged them to impose similar penalties on their companies. (We, and the Congress, were aware that some governments considered such payments to be "the cost of doing business," to the point of allowing them to be deducted on income tax returns.) In addition to coordinating these demarches on foreign governments, I testified before Congress on several occasions. My testimony defended the actions we were taking (ineffective though they were) to convince other governments to fall in line. I also sought a measure of relief for companies doing business abroad that were subject to new record-keeping and accounting standards mandated by the Act that I agreed were excessive.

[Let me insert a general comment on congressional testimony. As a rule I did not enjoy it because my usual role was to serve as "designated whipping boy" on FCPA matters, textiles, agriculture, and technology. Why weren't we doing more or, on some tech transfer issues, less? I remember one hearing on agriculture where I received a "when did you stop beating your wife-type" question from now-retired Nebraska congressman Doug Bereuter who was, by the way, a staunch friend of OECD. I was momentarily tongue-tied but vastly relieved when Under Secretary of Agriculture Dan Amstutz spoke up to take responsibility for whatever was bothering Mr. Bereuter on that particular day. Despite the almost ritual hectoring, though, it wasn't all that unusual to have a congressman come up after a grueling hearing and say, "I know you are doing your job. Please understand that I am just doing mine."]

Fast forward to Paris in 1988, where I was serving as ambassador to the OECD. Having grown impatient with our efforts on bribery, the Congress instructed the Department to negotiate "in the OECD" a treaty banning bribery of foreign officials. The instruction was duly passed to me. I viewed it as a "mission impossible." I had a choice; either make a bold proposal and have it rejected summarily, or work the system and try to squeeze something out of it, however meager. I chose the latter course. I sought the advice of Secretary General Paye, who was disposed to be helpful to the extent he could. He told me that he could not put the item on the Council agenda, but that I could raise it under "other business" and he would commit to a full discussion of it. He advised me to give a heads up to other ambassadors who could be counted on (because, they too, owed me) to

give my proposal as sympathetic a hearing as they could. I did so. At the appointed hour, I made the U.S. proposal. No takers. Could one of the committees take up the matter? No. But, of course, no one spoke up in favor of bribery. That gave Paye a very narrow opening. He proposed that an ad hoc working group of delegates from capitals (an important stipulation) be convened to report on what *existing* national legislation provided for regarding the bribery of foreign officials. I grasped this straw and the Council agreed to convene the working group.

This was, as they say, “the start of something big,” although not of something quick. The effort launched in 1988 culminated in a treaty after all, the Convention on Combating Bribery of Foreign Officials in International Business Transactions, which was signed in Paris in December, 1997 by thirty-five countries (Secretary of State Madeleine Albright signed for the U.S.). The lessons to be learned here? First, you have to start somewhere. Second, the wheels of multilateral diplomacy grind slowly. Third, “sunshine” helps. As the feeble state of legislation in most OECD countries became known, so did their embarrassment rise. The fourth is that times change. Over the long gestation period of the treaty, attitudes toward bribery evolved. It began to be understood that good governance was essential to economic development. By countenancing bribery, governments were undermining their development objectives.

Q: An interesting tale. Well, in 1985 you moved upstairs in the economic bureau, to be the principal deputy assistant secretary. I don't know if it was a big change for you or basically pretty much the same kind of work, same thing, except from a different desk.

LAMB: The principal deputy job takes shape around the needs of the assistant secretary and the skills and “tracraft” the incumbent brings to it. Aside from filling in for Doug McMinn and spending more time on the Seventh Floor, it was pretty much “same old, same old” with a focus on trade. Tezi Schaffer had moved to the Near East bureau to take a deputy assistant secretary position and there was a gap in filling my old job. Although I nominally had some oversight over the rest of bureau, those parts got along without me for the most part. Energy, monetary affairs, and transportation functioned well without my involvement in their day-to-day business. I did continue to keep an eye on trade, attended TPRG meetings and, with my enhanced status, spend more time at the White House in interagency meetings convened in the Roosevelt Room by the USTR. My focus on technology transfer remained intense during this period.

At one point I was asked to appear before the Senate Banking Committee, along with a Commerce Department counterpart, in connection with an on-going effort to renew the Export Administration Act. As you know, when officials are called to testify on pending legislation, the testimony is submitted to the Office of Management and Budget, which ensures that what will be said reflects administration policy. A key issue raised by the legislation was whether to maintain the existing balance of power among the competing agencies, which was the stated administration position, or to tilt toward Commerce as some on the Banking Committee wished. I delivered my prepared testimony or a summary of it and confined my responses to questions to agreed policy. To my surprise and dismay, the Commerce Department official, who happened to be a political

appointee, pushed for increased authority for his department. To judge by the leading questions the senators asked, I was the victim of a set-up. The committee staff and Commerce were in cahoots. I had to decide whether to call them on it or remain silent. I held back, reasoning that I would take a pounding (and accomplish nothing) by blowing the whistle. Although this incident was of no import in the grand scheme of things, it personalized for me the breakdown of discipline that plagued the Reagan administration in the second term.

Q: You mentioned Commerce, Defense Department, did the CIA or the intelligence community in general get involved in these questions about what was strategic, what we should restrict?

LAMB: The intelligence community had valuable things to say about which countries were seeking what technology and for what purposes.

Your question reminds me, though, of an effort by CIA to raise its profile on international economic policy generally. The head of the Policy Planning Staff at that time, Dick Solomon, asked Secretary Shultz to meet with a delegation from the Agency to discuss their role. I was asked to attend, probably because McMinn wasn't available. The CIA presenters laid out a "zero sum game" theory of the workings of the international economy and how, with their assistance, the U.S. stood a better chance of "winning." It boiled down to an argument that their methods could be deployed to secure advantages for U.S. business. Shultz, for some reason, let me respond. I said, "Your model of the international economy is incorrect. It's not about national winners and losers. If things go well for the United States our share of global GDP will continue to fall (it has). Beyond that, and perhaps more to the point of your specific proposal, the benefits of intervening on behalf of U.S. business are vastly outweighed by the risks entailed." Shultz just concurred and that was the end of that.

Q: So he liked your response, supported it.

LAMB: He supported it, gently, without offending anyone. I should add that the intelligence we received about what other governments were doing to influence major foreign procurements was *very* valuable. If I didn't say that in this meeting, I should have.

Q: Now, Shultz is still around when this happened?

LAMB: Shultz is still around. There was a presidential election in '84. Reagan received a second mandate. After the election, James Baker, the White House chief of staff, and Don Regan, the secretary of the treasury, switched jobs. Shultz remained secretary of state. It wasn't until Bush I, in '89, that Baker moved over to State.

Q: So Shultz was Secretary of State for approximately six years.

LAMB: Yes, I think that's right. So what else was going on that was important?

One episode that has not been reported upon and that does not appear in Shultz's memoirs concerns his effort to convince President Reagan of the merits of a gasoline tax. The secretary had become convinced that the U.S. had to curb its appetite for imported oil for national security reasons, and that the way to do that was with a gasoline tax, with the wrinkle that the tax would be rebated at the end of each year. Despite the rebate, consumers would face a difference in relative prices and reduce their consumption of gasoline. But those unable to do so (because they faced long commutes or could not afford to buy more fuel efficient cars and trucks) would not suffer a financial loss. Regrettably, the rebate idea has been lost in the shuffle as the idea of a gasoline tax idea continues to be bruited about. The rebate ensures equity as well as revenue neutrality, while the tax still accomplishes its objective of curbing consumption.

Q: And it would be done through the federal income tax returns in some way.

LAMB: Perhaps by a credit against payroll taxes, so that those do not pay income taxes also receive the rebate. But that's just an informed guess.

Our energy unit worked directly with the secretary on the proposal. It was a deeply staffed piece of work. Charts were prepared projecting the impact of a tax on imports, on consumption, on the refining industry, and so on. Although I was principal deputy, I wasn't "in the loop," as they used to say. But I picked up enough hints to form an impression of what was afoot.

Shultz had a regular private meeting with President Reagan on Wednesdays (and perhaps one on Friday as well). This was the venue he chose to make his case. I know to my certain knowledge that he broached the matter at least twice. He did not succeed. As I was told, the president's position was "This is a tax and I'm not going to raise taxes," although he had done just that on several occasions. And that was the end of that.

Q: As the principal deputy, you worked with Doug McMinn and replaced him whenever he was traveling or had conflicting commitments. And there was a deputy assistant secretary for trade. There were several other DAS's?

LAMB: For monetary affairs, energy, and transportation (mainly aviation).

Q: But you never got much into their work?

LAMB: Rarely, although I was kept briefed and would occasionally have to front for them in meetings with the secretary when Doug was absent.

Q: How about the whole question of policy with the international financial institutions, the World Bank, so on?

LAMB: We had to be careful about exerting influence with our Treasury Department colleagues because they tended to push back very hard against efforts to shape their

positions on foreign lending. This could put us at odds with the geographic bureaus, which tended to favor lending to what I will call their “clients.” If we and the Treasury opposed a loan, it was often because we either thought the money would not be well used, or that the country concerned was taking on too much debt, or both. The geographic bureaus were often (but not always, of course) currying short-term political favor in support of other, no doubt worthy, objectives. Some of these decisions were of the “slam dunk” variety, others were close calls that required the intervention of the under secretary or, on rare occasions, the secretary.

Q: So you would tend to take a longer-range perspective.

LAMB: Yes, at least that’s how as we viewed our stance.

Q: And you of course also were aware of other non-country specific considerations?

LAMB: Indeed, you had to factor those in as well.

Q: Were you, was there a committee that you were part of that advised Treasury or did this have to be done more informally?

LAMB: It was done informally. There were committees chaired by the Treasury for various purposes, such as passing on sensitive foreign investments in the U.S., but none for overseeing lending by the international financial institutions.

One thing I wanted to mention that occurred during this period was the day we fell off the “free trade” wagon. It involved a speech by President Reagan in which, for the first time, he linked the notion of free trade with “fair trade.” To me, fair trade was generally a code phrase favored by protectionists. Although he lapsed on occasion, the president was basically a free trader. But somebody had inserted the phrase into his speech, which was sent over to us for comment. I was unable to impress upon my superiors the importance of fighting over this phrase and it stayed in the speech. Once spoken, it had the deleterious effect that I anticipated. There was much talk about fair trade (never defined) and questionable proposals were advanced in its name.

Q: And often the previous expression or term was “freer trade”, the idea that you try to liberalize or reduce barriers, not necessarily eliminate them. Fair trade of course also had the implication I suppose or the rationale that it was two-way, that we were trying to get fair access to somebody else’s market and not necessarily eliminate free access.

LAMB: The problem is that “free” or “freer” is clear in its implications. “Fair” is a judgment call, and I didn’t trust the motives of the presumptive judges.

Q: That’s a good example of making policy through a speech.

LAMB: Speeches and public statements made at the White House or the State Department are powerful instruments. I was frequently asked, in my various Department

jobs, to get this or that out of a speech or to get something into one. I quickly learned that the speechwriters, housed in the Policy Planning Staff, were being importuned from all sides once a speech draft began to circulate. I tried to keep my meetings with the drafters short, and always to provide them with a specific proposal, in writing, that accomplished my purpose, but had the lilt and lift that suited their purposes. Bottom line: I won a few, but lost on many occasions. When that happened, the republic did not crumble.

Perhaps a further word about “the power of the pen” would be in order. Earlier in our discussion, we touched on this power in a light vein when I brought up the memorandum of conversation I drew up following my meeting with Roy Jenkins. Early on in the Foreign Service I learned a lesson that is lost on many people. It is this: if you want to prevail, always be the first to put pen to paper. Done deftly, this will focus subsequent discussion on a draft slanted your way. Fortunately, I was a quick drafter and usually had a pretty good sense of how far I could go in “tilting” the product to advance my objective. If there was drafting to be done, my hand was always the first one to go up.

Q: The principal deputy position often is involved with management issues, human resources, and assignments. Was that a big part of your job? What kinds of things do you remember from that aspect?

LAMB: It was very important. When I worked with Assistant Secretary John Thomas, after my training assignment at MIT, I observed something that stuck with me. His approach to management was heavily based on recruiting good people, inspiring them, and supporting them. The key is a constant talent search. Later, in EB, I concluded that getting the right people to work for me was vital.

Staffing a functional bureau is a challenge because the bureau does not influence the staffing of posts abroad to the same degree as the geographic bureaus. Officers who work for you want some assurance that, if they perform well, they will receive a good onward assignment. So the principal deputy’s job involves knowing the talent pool in Washington and overseas, knowing the demands of the jobs to be filled, and then working with the human resources people and the geographic bureaus to engineer assignments that work well for the officers concerned and, as we used to say, “the needs of the Service.” You are constantly evaluating the talent pool, constantly evaluating the changing needs of the bureau for certain kinds of expertise, and working with human resources and the regional bureaus to influence onward assignments. Doug McMinn felt equally strongly that talent had to be nurtured and rewarded and did his part.

Q: Was Frances Wilson, whom we have talked about, still around in your time, or she had retired?

LAMB: Frances had retired by the time I came to the bureau. But I was influenced by her maternal (matriarchal?), approach to “her” officers and their well-being.

Q: She was one of those it was good to stay on the right side of and I don’t know if it helped you if you were.

LAMB: On balance, I think it helped.

One other thing I want to mention is the value of sitting on performance panels. One way that you evaluate the talent pool is by reading files. Although many officers try to avoid serving on panels because of the extra work involved, I found it valuable. I did it two or three times. As far as I am concerned, the panels succeed in identifying talented officers. If you read a lot of files you can accumulate valuable information on the breadth and depth of the talent pool.

Q: Okay, anything else you want to say about your time in EB?

LAMB: No, I think that covers it.

VIII. Paris

Q: Okay, where did you go from there and how did that come to happen?

LAMB: I become the permanent representative to the OECD, which carries ambassadorial rank. The route back to OECD was circuitous. With the support of Doug McMinn, Secretary Shultz put my name up to be the U.S. representative to what is now the European Union, an assignment I welcomed, although, to be honest, the day-to-day workings of trade policy can be pretty tedious. I wasn't thrilled with the prospect of returning to Brussels, but the assignment was a good fit. (And let's face it, the chances of a career officer being named ambassador to an important post in Europe were and are slim.)

At that time, having switched jobs with Jim Baker, former treasury secretary Don Regan was President Reagan's chief of staff. His assistant, whose title was secretary of the cabinet, was Alfred Kingon. Al, who had been publisher of Institutional Investor, came to work for Regan in the Treasury Department. Although he was mainly concerned with public affairs, Al would occasionally represent the Treasury on the Trade Policy Review Group, where I represented State. (Al was the White House official I contacted to try to get "fair trade" out of the text of the Reagan speech we discussed earlier). When my nomination papers crossed Al's desk, he decided *he* was going to go to Brussels. He actually called me and told me that he was going to claim the assignment. Thanks, Al. The timing was good for him because Don Regan eventually left his post as chief of staff (pushed out by Nancy Reagan), which would have left Kingon in a difficult situation. My consolation prize was that my name would go over as the candidate to be the permanent representative to the OECD. (I did not deal directly with Secretary Shultz on any of this but, as relayed to me by Doug McMinn, the secretary said that he could not do anything about the Brussels assignment, but that if I wanted to go to Paris he would see to it that the nomination went through.)

Q: This was '87, the year before the election.

LAMB: Right. It raised the question of what would happen after the election. If a Democrat won, I would probably be sent packing. If a Republican won, my chances of staying were better. But I put those concerns aside.

I did have another option. At Frank Carlucci's initiative, I was interviewed -- at arm's length so to speak -- for the top economic job on the National Security Council staff that Carlucci then headed. The interview by Ken Adelman, then head of the Arms Control and Disarmament Agency, had a pro forma quality; my sense was that I was being offered the job. I turned it down, probably due to the lure of acquiring an ambassadorial flag. Who knows, if I had accepted, you might be talking to one of the principals of the Carlyle Group (Carlucci is chairman emeritus of Carlyle). On my yacht.

Terry Sanford chaired my Senate hearing. I was a member of a panel of three or four, so the attention of the senators was shifting back and forth; none of us received especially close scrutiny. Senator Lugar's questions to me focused on soybeans, which I knew something about. Everything was going well until Senator Sanford was about to close the proceedings. "Oh, by the way, Mr. Lamb," he said, "Senator Helms will have some written questions for you." As you know, the prospect of having to answer written questions is never welcome; questions from Jesse Helms could involve serious jeopardy. I had no idea what might have caught his interest or the interest of his staff.

Q: You waited by the mailbox?

LAMB: In trepidation. But no questions were forthcoming and the nomination proceeded quickly to the floor and passed. I was able to start preparing to move to Paris.

Q: And you did the ambassadorial seminar?

LAMB: Yes, I did. The seminar was very good. Two former ambassadors, Tony Motley and Shirley Temple Black, conducted it. We had a good mix of political and career people. The Foreign Service participants were part of the teaching process. We were helping our political appointee colleagues to acquire background that would help them do their jobs. Some were rather full of themselves, but most took good notes. I thought that having Tony and Shirley as co-chairs helped the political appointees to absorb the lessons on offer.

Q: Shirley Temple Black did the ambassadorial seminar, coming from San Francisco, pretty much throughout the Reagan Administration. She had been chief of mission to Ghana during the Nixon Administration; during the first Bush Administration she went to Prague. I've always thought it a little odd that this California movie industry president that we had (Reagan) never offered her anything other than the ambassadorial seminar, which I think she did well. I also went through it with her as a leader, respected her and felt like when I did go to Ghana later, that having known her was helpful to me.

LAMB: When she was in Prague we renewed our acquaintance at a chiefs of mission meeting in Oslo. She is a gracious lady.

Q: Well, why don't you talk a little bit about what the job as U.S. permanent representative to the OECD entails, both within the mission and as far as dealing with Washington and, I suppose, dealing with the other ambassadors. You knew what you were getting into in many ways, but how different was it this time?

LAMB: What do ambassadors do when policy makers have access to CNN, Fox News, the telephone, and email? One of my notions, which we have already touched upon, is that ambassadors help Washington coordinate itself. The agencies have overlapping interests that they have difficulty in reconciling. Ambassadors are well placed to identify conflicts, whether actual or potential, and to take steps get them resolved. That can mean simply asking people to work out their differences. It can mean injecting a proposal of one's own that the bureaucracy in Washington is forced to address and in the process sort out its differences. It can involve informal contacts, telephone calls, personal relationships, putting up visitors at the residence and talking to them informally about emerging problems.

Similarly, within an embassy or mission, conflicts can appear in local variants. The ambassador has to be alert to those and to try to reconcile divergent views.

An ambassador assigned to an international organization continuously interacts with the permanent staff. The OECD has about 2,000 people on its payroll. While the secretariat is pledged to support the committee structure and serve the member governments, the not so surprising reality is that it can have an agenda of its own. It needs to be motivated, guided, and occasionally curbed, reprimanded, and otherwise brought under control. I found in looking back over how the U.S. has been represented at the OECD that ambassadors tended either to seek to intimidate the secretariat or to seduce it. In either case, the objective is to bend the institution to your will. Well, temperamentally, I'm a conciliator and a motivator. That meant that I preferred seduction to intimidation. I wanted to work *with* the Secretariat. This entailed a minor course correction. My immediate predecessor leaned in the other direction. Ambassador Edward Streater arrived at the OECD in a way analogous to my own. He should have gone to NATO, but that assignment did not materialize.

Q: He'd been for many years the number two in London.

LAMB: Yes, and he headed the military-political office (RPM) in the European bureau before that. He was expert in security matters and intimately familiar with NATO. At OECD he thought the best way forward for the U.S. under his leadership was to promote change by aggressively seeking to hive off activities we did not like and moving resources to those we thought should be beefed up. Surveying the scene when I arrived, I thought that the results achieved to date had been modest, but had caused a certain amount of turmoil. I decided to turn the whole thing around 180 degrees and try a different approach. Ed's and my goals weren't all that different. It was a matter of style.

Q: And were you encouraged in that direction by the powers that be in Washington or was this pretty much something you could do on your own?

LAMB: I had the latitude to make the adjustment. The key, as I saw it, was to bring the mission staff along and to have them back me in my approach.

Q: And who was the secretary general at the time?

LAMB: As I mentioned earlier, the secretary general was Jean-Claude Paye. Prior to being elected secretary general, he had been the senior permanent official at the French foreign ministry, the *Quai d'Orsay*. One of my predecessors, Abe Katz, had almost single-handedly engineered Paye's election by convincing U.S. officials that it would be advantageous to have a French figure, to put it crudely, inside the tent p----- out, than outside the tent p----- in. Although Jean-Claude was an experienced, adroit French diplomat, he shared the conceit of many French officials that their role in life was to speak truth to power, i.e., to get under the skin of the United States. I had encountered him at the *Quai* on CoCom issues when I was in the Department. I found him difficult to deal with at the time because French interests were best served by opposing us rather than seeking accommodation. Still, I thought that Abe Katz was right to back Paye. I thought that he would strive to be evenhanded as secretary general. Paye and Ed Streator did not get along. Perhaps there was too much history there, although I can't be sure. It having been said that "you can catch more flies with honey than with vinegar," I decided to go on a charm offensive. Ultimately, it worked, but Jean-Claude and I got off to a rocky start.

Here's what happened. One of my tasks was to host a regular dinner for the senior members of the of the economic policy committee, chaired by the chairman of the U.S. Council of Economic Advisors. In addition to the members, Jean-Claude and the head of OECD's economics department attended the dinner. Well, we got the seating wrong -- I went along with the seating plan prepared by the social secretary that I had inherited. Paye was not seated to my right, where he belonged. I blundered and Jean-Claude was frosted. It took a couple of weeks to overcome that, beginning with an abject apology on my part, but eventually we got beyond the incident.

Q: You had nowhere to go but up, presumably.

LAMB: But we did progress from that low point, thankfully. One of the things I did for Jean-Claude was to help him conduct meetings of the Council more efficiently by refraining from speaking unless I had something important to say, a discipline not always exercised by my colleagues. It is not necessary that the United States representative speak to every point and, *mirabile dictu*, it turns out that if you only speak when you have something to say, you are more likely to be listened to. So that worked out. There were other ways that I could be helpful and, in that way, foster the relationship.

Q: I assume there were a number of American nationals in the Secretariat. Was there a senior American of influence?

LAMB: At the time, the OECD had three deputy secretaries general. Today there are four. From the creation of the organization, the senior deputy was always an American national. In the early days that post was held by a serving Foreign Service officer. When I arrived, the American deputy was Jack Myerson. Jack had taken the job on the stipulation that he be allowed to retire from the Service; that had financial advantages for him, but it loosened State's control. When it came time to consider renewing Jack's term I told him that I wanted to bring in a new deputy, someone with recent international economic policy experience in State. It was handled well and Jack, although he was willing to extend, was quite happy. But I made a serious tactical mistake. As part of my "charm offensive," and because it appealed to me as good personnel policy, I asked the Department to put up three candidates and let Jean-Claude chose one of them. This prolonged the process. To boot, the matter was in the hands of Under Secretary Allen Wallis. Lacking a bureaucratic sensibility, he did not bring the matter to closure on a timely basis. As a result, when Secretary of the Treasury Baker was in Paris for some OECD event, he took Jean-Claude aside and put forward his own candidate, Robert Cornell, a deputy assistant secretary in his department. Paye selected Bob. Although Bob turned out to be a perfectly fine deputy secretary general, I regretted our inability to fill the post with a deserving FSO. When Bob retired after six years, the job returned to State Department control.

As to the presence of Americans in senior secretariat positions, the U.S. is under-represented in relation to its contribution to the budget (if that is a useful gauge). We staffed about seven percent of the top posts. The reason is that, whereas an OECD posting adds luster to the resumes of economists from most OECD countries, in the U.S. an OECD assignment is often viewed as a detour on the path to advancement. But we did our best, with the help of the Department, to publicize job openings and find U.S. candidates to fill them.

Q: Well, I was going to ask you a little bit about the structure of the mission itself at the time you were the permanent representative, perhaps compared with what it was earlier and who was your deputy and how all that worked. Was he from Treasury Department?

LAMB: No. By the time I arrived, the deputy chief of mission was an FSO. The Treasury official in charge of the economic and finance section, John Lange, was designated deputy chief for economics and finance, but he did not have a role in the overall management of the mission. Tim Deal was the DCM I inherited from Ambassador Streater. He served with me for a year and helped me with the transition from the Streater approach to the Lamb approach, while avoiding obvious signs of discontinuity. He did a wonderful job for me.

Tim was succeeded by Dick Hecklinger, whom I recruited, and who was with me for the remainder of my tour. (Later Dick served as U.S. ambassador in Bangkok. Following that, he succeeded Sally Shelton as the U.S. deputy secretary general at the OECD.) I relied on Dick to keep in touch with thinking in Washington on matters the mission was dealing with, as well as on broader geopolitical considerations as the cold war was winding down. When Washington opened for business at about 3 pm Paris time, Dick

would get on the phone and gather the intelligence that was so helpful to the mission in charting its course in a changing environment.

Q: The United States Mission to the OECD was still located in the OECD building?

LAMB: Yes.

Q: And you would have Marines on your floor or security procedures?

LAMB: We had secure access to the mission and Marines provided security. It was an honor to return their salutes. But the troops were later removed on the advice of a team of State inspectors. The inspectors told me that the purpose of Marines is not to protect people but to protect classified information, and that the mission did not have enough classified documents in its files to warrant a Marine presence. So the Marines were withdrawn and replaced by local hire guards. Although I protested the decision at the time, the new arrangements were perfectly satisfactory.

Q: Was the work of the Council the main area that you spent time on, whereas the economic policy committee, the development advisory committee, some of the other activities, were largely staffed, led if you will, by people from Washington?

LAMB: I did work with delegates to committees, but this did not ordinarily involve heavy lifting. There was one exception. The president's science adviser, Bill Graham, led the U.S. delegation to the Committee on Science and Technology Policy. Bill wanted to negotiate a framework agreement that would encourage and establish ground rules for intergovernmental cooperation on large science projects. To help him accomplish this goal, I got into the trenches, sat with him in committee, and helped him reach agreement on a document that met his needs.

In the Council, I handled the routine matters such as approving budgets and negotiating communiqué language, but I also advanced several initiatives. I went to Paris with three goals in mind. I was following the advice of Warren Christopher who, you will recall, had advised one of my predecessors, Herb Salzman, to limit his reach in the job. One of these goals was to bring South Korea in as an OECD member. There were a number of reasons for this. One of them was that the organization needed better geographic balance. Despite the presence of the U.S., Canada, Australia, and New Zealand, it remained too heavily weighted towards Europe. Second, we believed that membership would help consolidate democracy in Korea. (In 1987 President Chun left office in the face of student unrest and international pressure in the build up to the 1988 Seoul Olympic Games. A sixth constitution was passed on October 12, 1987 and Roh Tae-Woo succeeded Chun in the first direct presidential elections held since 1971. Once in office, Roh instituted further political reforms and launched a bold anti-corruption campaign.) Also, we felt that OECD membership would contribute to the liberalization of the Korean economy. At the time, Korea maintained controls on inward direct investment. If it adopted the OECD Convention, Korea would have to abide by OECD's obligatory Code of Liberalization of Capital Movements, which would require it to lift

controls. Finally, although this was only a distant cloud on the horizon, the idea of establishing an “Asian-OECD” was in the air. We wanted to foreclose this possibility.

Contacts between OECD and South Korea increased after my late-80s initiative, but formal accession negotiations did not begin until 1995. Korea was somewhat wary of the liberalization it would have to undertake to become a member (even though it was understood that liberalization could be phased in), and it was reluctant to give up its status as a developing country. (Some OECD members, including the U.S., were adamant that Korea abandon its membership in the G-77, a pressure group active in the UN system.) Korea joined the OECD in late 1996.

A second goal was to secure an agreement among OECD countries to promote and protect foreign direct investment. In addition to the capital movements code that I mentioned a moment ago, OECD countries adhered to a voluntary “national treatment” instrument that committed them to treat foreign-owned enterprises no less favorably than domestic enterprises in like situations. With Washington’s backing, I proposed in Council that we transform this voluntary undertaking into a binding agreement. (I should note that my objective was both to make the world safer for U.S. investors and to counter, admittedly in a modest way, pressures for investment protectionism in our own country. Although the purchases by Japanese investors of iconic U.S. real estate -- Rockefeller Center and Pebble Beach -- did not take place until 1989 and 1992 respectively, concern over Japanese investment was already building.

Although the Council said “no” to the initiative, it didn’t die. Discussions ensued in the relevant OECD committee. By 1995 (yes, as we observe yet again, the wheels do grind slowly), agreement was reached to begin negotiations on a “free-standing” treaty, i.e., an undertaking not embedded in the OECD, governing foreign investment. Within the U.S. government, this involved settling a dispute between Treasury, which championed its approach of negotiating bilateral investment treaties (“bits”), and other agencies that preferred a more comprehensive approach.

The prospective treaty was dubbed the Multilateral Agreement on Investment, or MAI. The approach followed the traditional OECD model of working out the details of a policy issue within the OECD before opening the process to other countries in the World Trade Organization. Unfortunately, the effort came to naught in 1997. The MAI encountered opposition from the EC Commission, which favored negotiating in the WTO; from developing countries opposed to relinquishing control over inward investment; and from opponents of globalization. France -- where anti-globalization forces, united under the banner of the organization ATTAC -- held sway, administered the death knell. In October 1997, France withdrew from the negotiations, insuring their collapse. In the wake of the debacle, one had to wonder whether the effort had been necessary. Developing countries continued to seek foreign investors and in the vast majority of cases treated them well. Doing so, after all, was necessary to attract additional investment.

The third thing I set out to do was to promote economic reform in Eastern Europe. The Warsaw Pact countries were slipping out from under the control of the Soviet Union and

it was important to demonstrate that the West was going to assist them. It was also important, frankly, that the OECD demonstrate its relevance in a changing political landscape. The idea I came up with, aided by Dick Hecklinger and others in the mission, was that OECD should establish an East-West Center to advise on how best to make the transition from centrally-planned to market economies. I came back to Washington, talked to people in the Department, including Bob Zoellick, and on the NSC staff, including Bob Blackwill, and secured their support. I didn't think we needed much money -- a million dollars would do. We would leverage the million into four million by raising a proportionate amount from the other OECD members. As to the source of the funds, there was a bill moving in the Senate, sponsored by Joe Lieberman, which appropriated money for Eastern Europe that I thought we could tap.

To make a long story short, I got it done. Jean-Claude took some convincing. For some reason, he thought a "center" might drift out of his control. He welcomed the money, but wanted to disperse it throughout the organization. I wanted the visibility that a center offered. I prevailed, although the center remained a small entity and the programs conducted on the behalf of Eastern Europe were decentralized, as Paye (and I, for that matter) wished. The center, now renamed the Center for Cooperation with Non-Members, still exists. It conducts "outreach" to countries such as Brazil, China, as well as many others.

Q: And the million dollars, was that a one time only payment?

LAMB: Well, it was purposefully left a little vague. It was understood it wasn't one time only, but it was also understood that it wasn't part of our regular assessed contribution. Other countries dealt with their share of the cost based on their administrative structures. Most of them simply added it to their regular bill. I knew that our (annual) million would have to be worked into our regular contribution eventually and that doing so would be an enormous headache for Washington. I went ahead anyway, and I am glad that I did.

Q: 'Cause while you were there from '87 to '90 the Soviet Union would end, the Berlin Wall came down, Europe changed dramatically. Were there other aspects of all of that that affected, that impacted on the OECD or the OECD was able to influence?

LAMB: I've mentioned Secretary of State Baker's strategic vision, which centered on U.S. participation in important regional groupings. Taking that as a starting point, I tried to figure out a way to insert the OECD into his concept. Dick Hecklinger and I spent hours pondering how to fit the OECD -- a global organization with a limited membership -- into Baker's construct. To get a better sense of their thinking, I went to Washington and visited with Counselor Bob Zoellick, Under Secretary for Political Affairs Bob Kimmitt, and Jim Dobbins, who was then the principal deputy in EUR. I am sorry to say that the effort failed. There was no mention of the OECD in the series of speeches that scoped out the institutional scheme for post-cold war diplomacy.

Q: But I assume that some of the other permanent missions were not terribly active, maybe understaffed. You want to talk about some that were really good and effective?

LAMB: We've touched on the question earlier. Let me say here that the Japanese had the largest mission and they were very active. Many of the smaller missions made the most of limited resources and were quite effective. The French didn't have a permanent delegation of any size because they drew on their ministries to do the OECD work.

Q: Must be a little bit like the Organization of American States in Washington, where we do have a mission but there are lots of other people. Want to talk a little bit about, I want to go on to the political aspect, but maybe a little bit more about sort of attitudes towards this international economic coordinating body on the part of the two Secretaries of State that you were especially involved with. George Shultz, an economist by background, probably enjoyed coming to Paris for OECD meetings. Jim Baker, who probably didn't have quite the same background.

LAMB: You know, it was just the opposite. Let me step back and say that I had a rare opportunity to watch Shultz and Baker interact in Washington. Baker hosted a regular breakfast meeting, once a week I believe, when both he and Shultz were in Washington. Their deputies (Darman and Wallis) sat in, as did National Security Adviser Frank Carlucci. Shultz usually brought along Doug McMinn. When McMinn was unavailable, I attended.

The meeting was very relaxed, with no agenda and no record made. It covered whatever happened to be on their minds. In his approach to international economic policy, Baker differed radically from Shultz. Baker was not passive. For example, take intervention (buying or selling dollars) in foreign currency markets. Shultz was philosophically and temperamentally opposed to intervention. Baker thought being seen to be managing things was an important part of his job. Remember the Plaza Accord of September 1985, in which the G-5 countries agreed to intervene to devalue the dollar. That's something that I can't imagine Shultz having anything to do with.

Baker supported the OECD because he liked to use international economic institutions and to be seen using them. He wanted to foster the notion that these institutions were monitoring and guiding the system under the tutelage of political leaders and acting to benefit citizens. (Baker attended several OECD meetings, both before and during my tour as ambassador.)

I have mentioned that Shultz came to the OECD in 1982 to nail down the resolution of the Soviet-European pipeline dispute. Abe Katz, our ambassador at the time, did a fantastic job of preparing the necessary decisions in negotiations in the Council. He worked out the parameters of the IEA study, which dealt with dependence on Soviet gas exports and the OECD study, which addressed the export credit angle. The end game, at the meeting Shultz attended, featured Ambassador Katz moving around the room showing language to other ministers of foreign affairs and nailing down the final agreement. It was an example of what a skilled player in that position can accomplish under pressure.

Q: Usually, though, the communiqués were worked out in advance.

LAMB: Yes, although there were always a few contentious points to be decided by ministers. Nowadays, the organization has replaced the communiqué with a brief chairman's statement. This is an improvement in some ways, although the lengthy communiqués provided guidance for the secretariat on what it should be doing in the interval between meetings. The organization may be relinquishing an important management tool.

Q: Why don't you talk a little bit about the International Energy Agency at the time that you were there as permanent representative. Were you responsible for U.S. participation, U.S. relationship with it?

LAMB: I did not have a formal role with respect to the IEA. Although many of my fellow ambassadors represented their countries on the IEA Governing Board, the U.S. was represented by a delegate from Washington

Q: From the Department of State?

LAMB: From the Department of State, yes.

Q: So on, you wouldn't go to meetings, would your mission, you, perhaps others on your staff, meet with the Secretariat, other delegations before meetings, Governing Board meetings?

LAMB: An energy officer on my staff dealt with the IEA secretariat. The deputy executive director of the IEA has always been an American from the State Department. During my tenure John Ferriter, who had served with me in mission in the 60s, held the position. If I needed to know anything about IEA matters, it was easy to pick up the phone and talk to John.

Q: Is the secretariat of the IEA co-located with that of the OECD?

LAMB: It occupies separate quarters in a building on the Left Bank and has its own meeting rooms there.

Q: But the, to the extent anybody was involved between meetings it would be the OECD mission, as opposed to the embassy?

LAMB: Correct. The embassy had no role.

Q: You want to say anything about the relationship with the embassy?

I was fortunate in my relations with the U.S. ambassadors to France who served with me: Joe Rogers, who was in place when I arrived, and Walter Curley, who succeeded Joe. We met once a month, informally over drinks, in our respective residences, just to chat.

Ambassadors can't be "one of the boys," so, aside from your deputy and your spouse, to whom you might confide your occasional doubts and misgivings, you are alone. Joe and Walter lived in the same bubble and we welcomed the chance to talk candidly about our problems and frustrations, both major and minor. Joe came to my rescue early on: the Arts in Embassies program that borrows American art for display in embassy residences had run into budget problems and could not ship paintings to hang on my walls. When I mentioned this to Joe, he offered to lend me a painting by Milton Avery that he had put in storage. It turned out to be a superb canvas, bordering on the abstract, in tones of grey. (As for the rest of the paintings we needed to cover the walls, Lee Huebner, publisher of the International Herald Tribune, came to the rescue. He introduced us to a French artist, René Théobald, who loaned us a number of her semi-abstract oil paintings. When Helen and I left Paris, René gave us a reproduction of a watercolor depicting Notre Dame, which she inscribed "Hoping that Paris will always be in your heart." Well, it is and so is René.)

My regular meetings with Joe and Walter were probably helpful in sending a signal to our administrative support that the mission should be well treated, which it was. As to what I could do for them, although they were well-served by the embassy economic section, I had more direct contact with the economic movers and shakers from Washington and other capitals and could pass along useful insights as well as good gossip. Both of my colleagues included me in high-level visits. To cite an example, when Vice President Bush came to Paris on one occasion, there were a couple of meals at the embassy to which I was invited. One was a small, informal lunch with three (including the VP) on the U.S. side, and three French ministers. I occupied very valuable real estate on that occasion and I was grateful to my host. The other meal, a larger dinner, was less important but I welcomed the invitation as a gesture of comity and support. This was the dinner where I had my conversation, recounted earlier, with the wife of the CEO of Airbus; General de Gaulle's son, a retired admiral, was at the same table. He resembled his father.

Many congressional delegations visit Paris, but few seek out OECD. So I counted on the embassy and the ambassador, when necessary, to alert me to upcoming congressional visits. More often than not, I would go to the hotel where the delegation was staying and meet informally with whomever was interested in chatting. I remember one occasion when Newt Gingrich and a number of others had just returned from Eastern Europe. We had a good conversation on the evolving situation and I had an opportunity to make a pitch for OECD's new east-west center. One other angle involving Congress. There is a NATO parliamentary group independent of NATO itself. It has an economic committee that meets annually in Brussels and then pays a visit to the OECD. There would be a meeting with the secretary general and some of the directors. That evening I would host the American participants -- a senator or two and several congressmen -- plus ambassadorial colleagues and members of the secretariat. The reception was always appreciated and produced some useful interchanges.

I should mention that the embassy's regional security officer also serviced the mission. This was important because Paris was under siege by North African terrorists who had

exploded a number of bombs. It was important that the mission receive the same protection that was afforded to embassy staff. As for myself, if I was not at home, where guards were posted, or at the office, I traveled with a plain-clothes police escort laid on by the French authorities. This was reassuring but confining. I led a scripted life; the police had to know in advance when I would leave the house or the office, where I was going, and for how long. Although onerous in many respects, traveling with the cops had its up side. For example, the family never waited in line for movie or museum tickets. One of my escorts would go to the box office, pick up the tickets and escort us in. If we went to the countryside, we paid for our protectors' meals, unless the restaurant proprietor picked up the check, and many did. If we made a trip out of town by train, we would be met by a local police escort.

Now, you would think that the security threat would call for a discreet mode of transport. For a while we motored around Paris in an armored BMW that did not call attention to itself. Later, though, the BMW was replaced by a Cadillac that drew stares.

Q: Did you come back to Washington pretty regularly during the time you were there, about three years?

LAMB: Fairly regularly, yes. The secretary general visited Washington at least twice a year and I would accompany him. After joining him in his meetings with administration officials, the Fed chairman, and others, I would tack on a few days and make the rounds of my contacts. Since Washington is something of a revolving door, it was important to me to "put a face to the name" of those I was dealing with, and to let them get to know me. As I mentioned, I also visited Washington on at least two occasions to promote my OECD agenda.

Q: In those days there wasn't a third mission in Paris as there is now with UNESCO.

LAMB: There was not, no.

Q: I'd like to talk a little bit more about the political dimension of the OECD. I find very interesting the role you played with regard to Korea's membership, participation. I've often thought and I may be influenced by my assignment to Tokyo from '59 to '61, that in many ways after the recovery of Europe and the takeoff of the European Community, which really was an indication that the OEEC and the Marshall Plan had been a success, that one of its main political dimensions of the OECD was linking Japan to the rest of the industrial world and then later Australia, New Zealand, and Finland became members. You want to talk at all about that, as you saw it, when you were there as ambassador or by that time it was so accepted.

LAMB: Those countries were well integrated into the organization by the time I served as ambassador. Although the OECD did not find a place in the front rank of post-cold war international organizations, it acquired another political role, as symbolized by Korean entry, the subsequent entry of Hungary, Poland, the Czech Republic, and Slovakia, and expanded outreach to non-members. In a nutshell, its role became (and was becoming

while I was there) one of integrating like-minded, democratic countries into the fold. There are two constraints. One is the number of countries ready to embrace free markets and open political systems. The other is the OECD's method of work, which is based on bringing national officials together around the table. The table can only get so big before the "magic of the OECD" ceases to appeal or to work. The OECD has yet to solve the problem of how to expand while retaining its distinctive character.

One indication of how Japan values OECD membership was its decision to host a meeting of the Council in Tokyo to mark the 25th anniversary of its accession. The ambassadors and their wives, the secretary general and his wife, and members of the secretariat were treated to a trip to Tokyo (and Kyoto and the island of Kyushu, which was the birthplace of the then Japanese ambassador) at Japanese government expense. Perhaps the most revealing moment of the trip came when our group attended a reception at the home of a provincial governor in the city of Fukuoka on Kyushu. The governor was a dynamic young man -- with whom we had conferred in his office -- touted as a rising figure in the ruling Liberal Democratic Party. As we strolled up the long driveway to his house, lined with the tombs of his ancestors, the Japanese ambassador explained that the governor came from a long line of hereditary rulers of the island.

Q: Turkey?

LAMB: Turkey is in the OECD which, along with its membership in NATO, links it to the West. Will it become a member of the EU? Regrettably, although negotiations have begun, the omens are not good. Turkey would be a difficult fit under any circumstances, but the problems faced by many EU countries in integrating large Muslim minorities are going to make them especially wary of bringing in a very large Muslim country.

I've left the Middle East out of our discussion so far, but a very good tool for reaching out to countries in the region that embrace political and economic reform would be a reformed, modernized, rationalized OECD.

Q: Well, let's see, you were there for the election of George H.W. Bush and as you said the new secretary of state was Jim Baker, coming from the Treasury Department. Was there a question about your staying on at that transition or did you get your normal three years?

LAMB: After the election some of the new president's supporters, major contributors among them, were agitating to replace me. The information came from friends in the Department as well as press reports. I made some calls to people I knew in the Baker State Department in which I expressed my interest in serving out my full term and mentioned some of the initiatives underway that I thought could be brought to fruition if I remained in place. I also traveled to Washington in early 1989 to brief the incoming secretaries of the treasury (Nicholas Brady) and commerce (Robert Mosbacher), the USTR (Carla Hills), and the head of the council of economic advisers (Michael Boskin) on what the OECD could do for them.

Time passed, but I eventually received word from Under Secretary for Political Affairs Kimmitt (with whom I had tangled on Libya sanctions when he was at Treasury) that I would be kept in place.

Q: Okay, anything else you want to say about your time there? I think we've pretty well covered it.

LAMB: Ambassadors receive letters from the president telling them what their duties and responsibilities are as the president's representative in a country or to an international organization.

Q: And what their authority is.

LAMB: And what their authority is and where it doesn't run, i.e., to active military commands. At the time, I had a navy captain working for me. He was the Pentagon's man in Paris on the CoCom delegation. He was getting back channel instructions from Defense that were at odds with the formal instructions we received in cables signed by the secretary of state. So I called the captain to my office, told him that he was acting contrary to my wishes, and asked him to read the presidential letter in my presence. Now military officers are, as they must be, very sensitive to the chain of command. When he absorbed the fact that the chain ran from the president to me to him, it brought tears of remorse to his eyes. He corrected his conduct immediately. I always wondered what one did with that letter and was pleased to have found a use for it.

Q: Yes, I don't think I ever pulled mine out, used chapter and verse although it was helpful sometimes, at least to remind people of the authority. You also noted that the OECD has become less political; we talked about that but now OECD ambassadors are political appointees. Should countries have ambassadors to the OECD at all anymore? You've talked I think a little bit about that. There had not been a political appointee as OECD representative before your time or had there been?

LAMB: There had been two. Bill Turner was ambassador when I was the desk officer. Herb Salzman succeeded Bill in the late Seventies.

Q: But with strong economic policy credentials, perhaps.

LAMB: Bill was a management consultant and Herb was a turnaround artist in the business world. His wife was a Broadway producer. Both were talented and both did a good job. There's no reason why political appointees cannot do well. However, the added value that political appointees can sometimes bring to the job -- proximity to the White House -- does not count for much at OECD.

Q: Who was your successor?

LAMB: My successor was Alan Larson.

Q: Career officer?

LAMB: Yes, Alan was a career officer. David Aaron, who had been a Foreign Service officer in his youth, succeeded him. He later went to work for Fritz Mondale and, as noted earlier, became Brzezinski's deputy on the national security council staff in the Carter administration. David was succeeded by Amy Bondurant, a lawyer with a congressional staff background. George W. Bush appointed Jeanne Philips, a leading political fundraiser from Texas. The current ambassador, Connie Morella, a former congresswoman from Maryland's DC suburbs, replaced her.

Q: Anything else you want to say about your time in Paris at the OECD?

LAMB: Perhaps a brief word on official entertaining would be in order. At the posts where I served as a senior officer, Brussels and Paris, my workday and workweek were shorter than they had been in Washington, but many evenings were taken up with social obligations. A certain discipline was observed, however. Social events were scheduled Monday through Thursday; Friday nights and weekends were your own. In addition, no entertaining was done during the Christmas, Easter, and spring school holidays. In Paris, as in Brussels, Helen and I lived above the store in a quite comfortable suite of rooms. (Herb Salzman and his wife, Rita, had used their own money to install kitchenettes on the second and third floors of the residence. They had to quarter in a hotel while the work was done. The kitchenettes made the house much more livable for both our guests and us. Herb also funded a \$5,000 annual award for "excellence in international economic performance" by a mid-grade FSO.)

We had two guest rooms and one or both were usually occupied by official visitors (except during the holidays and in August, when the OECD curtailed its meeting schedule). With help of Irene Corron, the social secretary she and I recruited, Helen managed the staff of five and planned and oversaw the execution of the events we hosted. All I had to do was show up and be ready to deliver a toast. I much preferred to do working lunches, but a certain number of dinners and cocktail parties had to be laid on. Because the OECD "circle" of ambassadors and senior members of the secretariat was limited, we reached out to the wider Paris community to liven up official functions.

Occasionally we ventured out into the wider world. I remember receiving an invitation from the mayor of Paris, Jacques Chirac, to attend a ceremony at which he would give the key to the city to Frank Sinatra. (Sinatra, Liza Minnelli, and Sammy Davis were in town for a concert.) When the "Caddie" pulled up under the portico of the Hotel de Ville, a flustered protocol officer, who addressed me as "*Monsieur le chargé*," greeted Helen and me. I told him that I was not the embassy chargé, but he persisted. (I was told later that the real chargé had boycotted the event because he was not offered free tickets to the concert. I have no idea whether this was true.) We were escorted into a small reception room. I was presented to the mayor as "*Le chargé d'affaires de l'ambassade des Etats-Unis*." Chirac introduced us to Frank, Liza, and Sammy. As it happened, I had been in Tokyo a week or two before and had seen the three of them perform in concert on television in my hotel room. So we had something to talk about. The brief encounter went smoothly. Then it was time to move to a larger room where the keys would be handed

over. As we were trudging down a long hallway, I felt a hand on my shoulder. I looked around and heard a voice say, “Hi, I’m Greg Peck.” Made my day. My new friend “Greg” and I chatted amiably as Chirac droned on during the ceremony.

IX. Epilogue

Q: So you left there in 1990. What happened then?

LAMB: I was slated to spend a year at a think tank or as a “diplomat in residence” at a university. While still in Paris and weighing this prospect, which I did not find particularly appealing, chance intervened. The OECD has a Washington office, which was then headed by Mike Moynihan, the brother of Senator Daniel Patrick Moynihan. The office had been a publication sales center for most of its history, but Mike was a P.R. guy who had re-oriented it toward press relations and public affairs. When I hosted him and his brother at a lunch at the residence, I learned that Mike planned to retire. It occurred to me that Mike’s job might be a good fit for me. I contacted the secretary general, with whom I had, by now, established very good relations.

Q: Same Secretary General Paye.

LAMB: Yes. (Actually, before I said a word to Paye, I was in touch with the Legal Advisor’s office in the Department. The problem was the obvious one that I was representing the U.S. at the OECD; I couldn’t apply for a job with the organization without creating a conflict of interest. Since I was on the point of leaving Paris, I was advised that I could tell Paye that “If the Washington job is still open after I leave, I would like to talk to you about it.”) It was, and I did. I told Jean-Claude that if he wanted to reinforce the press and public affairs function in Washington and augment it with outreach to the Hill and the policy community, I would be very interested in the job. I also talked with the U.S. deputy secretary general, Bob Cornell, and Paye’s chief of staff, John Llewellyn, to iron out the details.

Q: You went from representing the United States in Paris at the OECD to representing the OECD Secretariat to the United States?

LAMB: In a manner of speaking, yes, although the State Department would insist that it represents the OECD in Washington. By staying in touch with the desk and other Department offices, I avoided any conflicts.

Q: So you mainly, you’re in contact with people on the Hill, with think tanks, mainly in Washington or outside of Washington as well?

LAMB: I did a fair amount of public speaking outside of Washington. I got on the World Affairs Council circuit, which can take you to cities large and small. The job was a challenge. The competition for attention in Washington and the nation at large is intense. So you have to be focused. I spent about six years in Washington before I was asked to

come back to Paris to head a new public affairs unit in OECD's communications directorate. I did that for job for four years.

Aside from putting out public briefing material to communicate to the general public what the OECD does, I instituted a conference focused on "civil society," which is held in conjunction with the annual ministerial meeting. It draws on the presence of ministers and invited experts who assemble in panels to discuss the OECD-related issues of the day. That first conference, in 1999, attracted an audience of seven hundred. I retired, again, shortly thereafter. According to the OECD web site, planning for the 2006 conference is well underway.

Q: I have a very specific question that occurred to me earlier that I'd like to ask you now, just a factual question, the European Union, you had said before is very involved in OECD issues, matters, policy area and the member states are as well, in most cases. How did the European Commission representation take place? Did they have an office in Paris or did they handle everything by visits from Brussels?

LAMB: No, they had an office and a permanent staff in Paris headed by an ambassador, Raymond Phan Van Phi. He and I played doubles tennis together most Sunday mornings.

Q: Now you told me that when Warren Christopher became secretary of state in early 1993 that you were brought back to the State Department from I guess your OECD office in Washington to help the new assistant secretary designate for European affairs, Steve Oxman, get started.

LAMB: That's right, it was a chance to reconnect with the Department and I enjoyed it. My involvement came at Steve's initiative. I kept my day job and worked for him part-time and pro bono. Steve particularly wanted help with staffing. I had many conversations with him about prospects, I spoke to many people in the building to get their suggestions, and I did a lot of interviewing, which included talking with people whose resumes were sent over by White House personnel. My major achievement was assisting Steve in recruiting Alexander "Sandy" Vershbow to become principal deputy.

Q: You knew about Vershbow from your service on promotion boards.

LAMB: Although I had never met the man, I was very impressed by his file. High-flyers in the Department are sometimes called "water walkers." Sandy was one of them.

Q: Where was he at the time?

LAMB: He was the deputy at our NATO mission. He had not been there very long and wanted to stay, but Steve and I were able to talk him into coming back. Sandy did well in the position and was later posted to Moscow as ambassador.

Q: Okay, anything else you want to cover?

While I was giving Steve some assistance, Chris arranged for me to meet with Joan Spero, the under secretary-designate for economic affairs. We were to talk about her new job and whom she might propose for the assistant secretary position. This was probably, in whole or part, a job interview. To the extent it was, it did not go well. I sensed that Joan wished to hire an economist, to match her background. This, I underscore, is mere speculation on my part. As for my attitude, I wasn't particularly interested in returning to the Department. Helen had passed away the year before and I was coping with that. In addition, after 25 years or so of government employment, my finances were not in particularly good repair, and I had a son about to enter college. With a pension and a full-time job, I could at least perceive the light at the end of the financial tunnel. But the assistant secretary-ship is the pinnacle for an economic office; if importuned, I probably would have taken the job. What I *did* do was make a strong pitch on behalf of my friend, Alan Larson, a PhD economist. Al got the job.

Q: Any final thoughts?

LAMB: Reflecting on the way I approached my various jobs, I always strived to be innovative. I thought I owed that to my superiors, to the Foreign Service, and to myself. At the same time, while advancing my own ideas, I wanted to be loyal, and I was. I won't get misty-eyed about how unified we all were during the cold war; bureaucratic battles were constantly underway, some of which we have discussed. But I think that the scope for being innovative was probably greater in those days because there was a consensus on what we were trying to achieve, if not always on the means. While I found loyalty and initiative relatively easy to reconcile, I wonder whether that hasn't become more difficult in today's polarized atmosphere.

Q: Okay, well why don't we stop there. Thank you very much, Denis, for taking the time, for doing this. I've enjoyed it. I'm glad that you've taken the opportunity. Thank you.

LAMB: You're very welcome, Ray. Thank you.

Appendix A

Farewell Remarks to the OECD Council

July 20, 1990

I have enjoyed past moments in the Council when a departing colleague offered a few reflections on the OECD. I have particularly enjoyed those moments when the departing sage managed to be both mildly provocative and constructively brief.

I have distilled my observations down to ten points.

1. As the program and budget exercise now underway demonstrates anew each year, the OECD enjoys strong support in all our capitals. It need not and does not fear for its existence. The question for the organization, and thus for us, has been and remains whether the OECD can rise to its potential.
2. We have to assess that potential against the scope of the challenge the OECD faces. Recent events, as well as those that I am confident will follow, offer the prospect that a truly integrated world economy can emerge and enhance the well-being of all the world's citizens. There are major challenges before us of transition (for the Central and Eastern European countries and developing countries), of adaptation (for the OECD countries), and of integration for all.
3. Although there had been a gradual evolution over the post-war period, we see clearly now that the policy setting has changed decisively. There is no hegemon, no single economic power able to dictate the rules of the game and willing to absorb, in counterpart, a disproportionate share of the structural adjustment implicit in those rules as an inducement to compliance by others. If that were not enough, we are also more conscious that the formerly distinct spheres of domestic and international economic policy have become intractably confounded. Finally, and very much related to the two factors just mentioned, the locus of liberalization has shifted markedly from the global to the regional level.
4. The OECD's task as I see it is three-fold: first, to address the realities and the promise of global economic integration and serve as a counterweight to regionalism. Second, to assist government to perform the intellectual heavy lifting involved in defining what a new, stable, integrated international economic order should look like. And, third, to refine and exercise its own proper role in that order.
5. The OECD's assets are considerable. It has the right membership, it has the right orientation, it deals with the full range of relevant issues, and it has evolved a uniquely effective method of work through its committee structure backed by a competent and imaginative secretariat. As a global, but not universal, organization with an organic and productive relationship with the economic summit process, the OECD is well placed in the constellation of international economic organizations.

6. The OECD's focus is right. I agree with colleagues who point to the continuing relevance of its macroeconomic work, and note in passing that, in the case of two of the leading proponents of structural policy reforms, the U.K. and the U.S., the former lost control of credit creation in its economy and the latter lost control of its fiscal policy. Nevertheless, the recent concentration by the OECD on sectors, markets, and structures is right because it is in keeping with the way in which issues of transition, adaptation, and integration are framed.

7. When I think of the challenge of adaptation that the OECD faces, I keep coming back to [Australian Ambassador] Ed Visbord's observation that solving the question of new members, of improving the OECD's image with policy makers and elites, and of determining the concrete objectives that the organization should set for itself is analogous to finding a solution to a set of simultaneous equations.

8. The way I have come to look at it, the question of new members is posed by external factors. It will be solved because it must be. Image or reputation is based on what the OECD is and does. It can be clarified and amplified; it can't be manufactured. That leaves concrete objectives. Wrestling with this question, I have come to the conclusion that, while the OECD can continue to serve its members well by promoting cooperation at the present level of commitment, it can serve its members best by setting itself more ambitious goals. The Houston [G-7 Economic] Summit offers some veiled clues as to what might be done. The Houston Declaration speaks of making our work on structural adjustment "operationally more effective." To my mind at least this is an invitation to consider undertakings modeled on the European Communities' single market exercise and the U.S.-Japan structural impediments initiative. The Declaration also urges the OECD to continue to promote investment liberalization. Far-reaching undertakings among OECD members can be envisaged here as well.

9. Over recent months, the Council has devoted considerable time and energy to the question of new members. This issue is important, but not critical. On the other hand, the question of the European Communities' role in the OECD *is* critical and merits a fresh and careful look. The OECD will not be able to set and achieve ambitious goals unless the EC, as such, sees it in its interest to participate. As present it, and particularly the Commission, does not. There are three problems. First, to some extent, and for reasons that are in part historical, the Commission has seen itself as in competition with the OECD. We should overcome its concerns in this regard. Second, the Commission, with its principal powers residing in the trade field, takes a particular approach to liberalization. It prefers to exchange concessions in balanced agreements rather than to embrace liberalization for its own sake. We need to find an accommodation with the Commission on this point. Finally, the Community will always have difficulty in representing itself in the OECD. The Commission is constrained by its mandates -- or the lack thereof -- and the Council of Ministers, by its very nature, can have no position on an issue until a final decision is taken. Recognizing these problems, we should nevertheless look for ways to enhance the Community's role in the OECD, beginning with full membership and arrangements for the Council of Ministers, represented by the country holding the presidency, to be heard in our precincts.

10. In conclusion, Mr. Chairman, looking back over the three years during which I have had the honor and the pleasure of representing the United States in this body, a good deal has been accomplished. I take particular satisfaction in having worked with all of you to put in place and fund the Center for European Economies in Transition. I leave the organization convinced that whatever we have been able to do in the OECD in the recent past is only a prelude to the important accomplishments that lie ahead.

Appendix B

Pipeline Sanctions

I have in my files an undated Newsday article, one of a series on the “Permanent Government” in Washington, which discusses my modest role in defusing the sanctions crisis. Jim Klurfeld, Washington Bureau Chief of Newsday, authored the piece. The Bureau of Public Affairs had suggested to Newsday that I might be a suitable subject for the series and I agreed to cooperate.

The series dealt with the fact that, “Political officeholders come and go, but no matter who is in power, there is a cadre of career bureaucrats and congressional aides in Washington who help shape decisions affecting the lives of all Americans. They are members of a permanent government in which knowledge is power. This is part of an occasional series looking at some members of that government.”

Knowing that Newsday lacked a Washington outlet and that the article would not be circulated in the daily press clips, I was, on some points, rather more candid with Klurfeld than I otherwise would have been.

The text of the article follows:

A Key Role in Pipeline Drama

The key meeting was in Secretary of State George P. Shultz’s seventh-floor conference room. On the morning of August 23, the administration’s top-level economic and foreign policy officials, including Treasury Secretary Donald Regan, Commerce Secretary Mac Baldrige and Special Trade Representative Bill Brock had gathered with Shultz to decide what to do about the Soviet-European gas pipeline.

Three floors below, Denis Lamb was going over paperwork -- and waiting for the results of the meeting. As the deputy assistant secretary of state for trade and commercial affairs he had been intimately involved in the pipeline issue for more than three months, and once a decision was made on the seventh floor, he was one of the officials who would have to start implementing the policy.

The meeting ended about 1:30 PM, but it would be another two hours before Lamb would be able to put together a clear picture of what had been decided. After 18 years in the State Department bureaucracy, Lamb knew how to be patient and how to get information.

The decision, as expected, was to impose sanctions on European-based companies that were selling pipeline equipment to the Soviet Union. It would precipitate one of the most bitter and divisive fights inside the Atlantic Alliance in two decades.

[DL note: The decision to extend sanctions was made in June, over Secretary of State Haig's vigorous opposition. Secretary Shultz inherited the problem and worked from the outset of his tenure to overcome it. See Secretary Shultz' memoirs for a full rundown on how the sanctions were unwound.]

After learning what had been decided, Lamb directed his office to begin work in three separate areas: preparing the press guidance that would be needed when the decision was announced the next day, preparing messages to the allied governments and preparing options papers on how the confrontation over the pipeline could be resolved.

“I understood why the decision was being made -- the President had to show his seriousness of purpose on this issue, he had to get the attention of allied governments on this question of East-West trade,” said Lamb. “But I was also concerned about what happened once we got their attention. At some point we are going to have to settle what is a very nasty dispute. I wanted my people to be working on options for a settlement.”

It would be another 10 weeks before the dispute would be settled. The allies, as Lamb predicted, reacted vehemently against the American sanctions. And even after President Reagan announced that he was dropping the sanctions and that the allies had agreed to studies on East-West trade, the French still said they were not in agreement. But Lamb's actions that August afternoon began to set the framework for the conciliation he knew would have to follow.

Lamb was an important, but by no means the sole, actor in the drama of the pipeline dispute. The man who devised the strategy on extricating the administration from the pipeline dilemma was Shultz himself. And it was Undersecretary of State Lawrence Eagleburger, the third-ranking diplomat in the State Department, who actually negotiated the deal with allied governments. But at the next level of government it was Lamb and a group of other high-level bureaucrats in Treasury, Commerce and the White House who performed the day-in, day-out work that made a settlement possible.

Denis Lamb is a member of Washington's permanent government. He is not a political appointee, and his job in the Foreign Service does not depend on which administration is in power. He and many others like him constitute a class of specialists who influence policy by their expertise, bureaucratic skill and institutional memory. Occasionally they are drawn into the public arena, but these members of the permanent government are more comfortable -- and most often effective -- when they remain anonymous.

“Information is power,” says Lamb, repeating a phrase other members of the permanent government have used. “Knowing the substance of an issue -- its history and its content -- that is very important. The policy-makers aren’t always familiar with the history of an issue. Our job is to make sure they are... In a sense, we are the nagging conscience of the government. We represent continuity.”

“Lamb is 45 years old, soft-spoken and precise, a diplomat given to wearing the pinstripe suits of his profession and a manager who keeps a clean desk. Colleagues say he is calm, methodical, low-key and definitely not impulsive. There is no recollection of Lamb ever losing his temper. He is a student of bureaucracy.

“Who is for and who is against a position is as important as knowing the substance of an issue if you are going to be effective,” he said. “You shouldn’t call a meeting unless you know what the outcome of the meeting will be beforehand.”

Lamb works in one of most important and volatile areas of foreign affairs: international economic policy. The pipeline dispute, the possibility of an international trade war, the differences on steel subsidies, the attempt to forge a new, more restrictive policy on transfer of Western technology to the Soviets -- all these matters fall within Lamb’s area of responsibility.

In some respects, economic policy has become as important in foreign policy as arms control and security arrangements. It is a circumstance that at once fascinates Lamb and worries him. It fascinates because Lamb readily admits that being involved in “high policy” is what motivates him. “To be involved and know what is going on is important to me, it is a basic motive,” he said. But it worries him because the international economic system is in the midst of its most serious crisis since the post-World War II arrangements were made. “The U.S. benefits enormously from the international trading system, and it is a valuable element of U.S. foreign policy,” said Lamb. “But the system is under attack now, and we are working to keep it in motion. There is a hell of a lot to do.”

The administration’s pipeline decision added to the things Lamb had to do. It exacerbated trade tensions between the allies. But Lamb also understood the political imperative: The President could not lose face. And he knew that the State Department was viewed as untrustworthy. Former Secretary of State Alexander Haig had adamantly opposed making a major issue of the pipeline for more than a year. His loss on that policy question was a factor in his departure from the administration. “There is already a bad odor coming from State on this. We are suspected of subverting, and so we have less leverage than normal. We have to take a low profile on this,” said Lamb.

After the August 23 decision Lamb worked quietly behind the scenes with his colleagues in the department and in Treasury, Commerce and Defense to develop options to the pipeline sanctions. He concentrated on developing a new U.S. position on technology transfer to the Soviets and Eastern European countries.

“The thing that I find most frustrating in this job is that I never have an overview of an issue,” said Lamb, discussing his role in the pipeline dispute. “It is my job to work on one piece of an issue, and often I don’t have any idea of what the whole thing really looks like. You can never say this is my idea, and go out and do it. It is never that simple. But, by the same token, you rarely will get tagged with a policy that goes wrong.”

In that sense, Lamb did not have great difficulty when Haig left and Shultz came in. His job is to provide information and options to the secretary of state. But in providing that information he can, and does, influence policy.

Lamb has a unique understanding of the perspective from the seventh floor, a fact that is noted by his superiors. For two years during the Carter administration he served as executive assistant to Deputy Secretary of State Warren Christopher. It was an opportunity to watch policy being made from the top.

That is one of the ways in which Lamb, as a member of the Foreign Service, differs from other members of the permanent government. Foreign Service officers usually stay in a post for three years and then are reassigned, while other members of the permanent government may stay in the same job for 10 or 20 years. After working for Christopher, Lamb headed (sic) the American delegation to the European Economic Community and returned to Washington for his present job. The advantage is that he has had a variety of experiences; the disadvantage is that he does not accumulate the same degree of expertise as a longtime civil servant in one position.

Lamb has been a member of the Foreign Service since 1964, serving in Martinique and Paris and in administrative positions in Washington. Of the constant shifting of jobs he says, “The advantage of change is that it makes anything tolerable.”

In the early 70s Lamb was installing the Department’s computerized cable system -- a system that is just being completed. Now he heads an office of 40 that deals in matters of East-West trade, western trade, and export affairs. Christopher has high praise for Lamb’s work, especially for what he taught him about the Foreign Service.

“He told me how to get information, who to go to and how to find the right people,” said Christopher. “In that sense he was invaluable to a policy-maker coming in from the outside.”

That he could serve in a sensitive position during a Democratic administration and hold an important post into this Republican administration is what the permanent government is all about, says Lamb. “I spent all that time trying to be a good Democrat; now I’m practicing to be a good Republican,” he said with a laugh.

He says it usually takes a year to 18 months for an administration to integrate its approach with the reality of what the government has done in the past. For a conservative Republican administration acutely aware of its ideological positions, it has been even

more difficult -- but that is an aspect Lamb does not discuss. He said only, "The past policy has to be reconciled somehow with the new policy."

One of the ironies of working at the State Department on economic policy these days is that as the topic has become more important, the department has been stripped of its authority over the area.

Twenty years ago it was the State Department that formulated and negotiated international trade agreements. Now that is the job of the special trade representative, Bill Brock, who works out of the White House.

The reason for that transfer has to do with political realities, according to trade experts. As international trade has become more important to the domestic economy, it has become a domestic political issue. One in six jobs depends on foreign commerce. The State Department tends to see things from a foreign policy perspective, which is not always the same as a domestic political perspective.

Lamb says that the current structure makes his job easier. "I'm comfortable with it," he said. "In this way I can represent the foreign policy implications and let others present the domestic implications."

Those who work with him say that Lamb is always well prepared, and, maybe more important, willing to listen to their arguments. Although the State Department and Defense Department were sometimes in violent conflict over the formulation of a new technology transfer policy, Lamb, according to colleagues, was instrumental in moderating the differences.

The technology transfer issue is an example. The specific arguments reflected basic policy differences. The Defense Department, primarily worried about national security, advocates restricting any technology that could be applied to military use. The State Department, primarily concerned with foreign policy, sees East-West trade as an important political tool.

It is a result of the policy formulated by former Secretary of State Henry Kissinger in the early 1970s. By increasing trade with the Eastern Bloc countries, the United States has attempted to improve Western ties with them. The Commerce Department has argued that if United States companies do not sell the technology, European countries will.

Lamb tries to avoid ideological disputes with Defense and deal with practical matters. "My concern is with negotiability -- are we taking a reasonable stand that can be defended?"

He says he avoids saying that a foreign government will not accept a certain position, only that altering the position will improve the chances of implementing a position. Instead of saying he is against a proposal, he will say he is not comfortable having to defend it. "That, of course, is also a way of killing a proposal," he said.

A group of Defense officials, however, believed that the State Department did not appreciate the importance of stopping the leakage of Western technology to the Soviets.

“We are talking about a revolution in the area of strategic trade,” said one Defense official who talked on the basis that he not be quoted by name. “And we feel frustrated because too many in the bureaucracy, especially the State Department, don’t want to change. They don’t grasp the significance of the problem.”

But Lamb was singled out for at least giving the Defense point of view a hearing.

One example of how he works was a Defense proposal to upgrade the quarters for the October meeting of the Allied Coordinating Committee on Technology Transfer (called CoCom) in Paris. Rather than meeting in a basement office, Defense asked State for money to rent bigger and fancier offices. The idea was that it would add to the prestige -- and importance -- of CoCom. Many at State, weary of the battles with Defense, opposed the idea and said it could not be done, according to the Defense official. But Lamb suggested a compromise. Instead of renting new quarters, the opening days of the meeting would be moved to another, more prestigious site.

End of interview