

Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project

LYNNE LAMBERT

Interviewed by: Charles Stuart Kennedy
Initial interview date: January 24, 2002
Copyright 2004 ADST

TABLE OF CONTENTS

Background	
Born in Ohio; raised in Ohio, Pennsylvania, and Indiana	
Smith College; Johns Hopkins (SAIS) - Bologna (SAIS)	
Radicals	
Private business	
Entered Foreign Service - 1970	
Athens, Greece - Rotation Officer	1970-1973
Consular duties	
Economic situation	
Terrorist attacks	
State Department - FSI - Farsi Language Training	1973-1974
Teheran, Iran - Commercial Officer	1974-1977
Marriage	
Shah	
U.S. interests	
Business	
Environment	
Politics	
SAVAK	
Terrorism/security	
State Department - Office of Commercial Affairs	1978-1980
State Department - FSI - Economic Studies	1980
Commerce Department	
State Department - Personnel Assignments and Career Development	1980-1981
Assignment process	

Paris, France - OECD - Investment Division Relations with European Community [EC] Foreign investment policies French Cultural element Intellectual property GATT Right of Establishment International Energy Agency [IEA]	1981-1985
State Department - European Bureau - Regional Political- Economic Officer European Community U.S. Trade Representative [USTR] Airbus Agriculture	1985-1987
London, England - Trade Policy Office European market UK and Europe Prime Minister Margaret Thatcher Single Market UK-U.S. relations “Europeanists”	1987-1990
State Department - Economic Bureau - Developed Country Trade Trade difficulties NAFTA Clearance problem	1990-1992
State Department - Office of Pacific Island Affairs - Director Former Trust Territories Micronesia Marshall Islands Interior Department activities Asian Development Bank [ADB] Palau Papua New Guinea USAID	1992-1994
State Department - Latin American Bureau - Canada Desk Officer Quebec separatism U.S. trade and investment NAFTA Canadian “mosaic”	1994-1996

Border crossings Canada and the UN U.S.-Canada differences	
Budapest, Hungary - DCM Environment NATO membership Relations	1997-1998
State Department - U.S. Action Plan on Food Security World Food Programme AID-State relationship USIA	1998-1999

INTERVIEW

Q: This is an interview with Lynne Lambert. This is being done on behalf of the Association for Diplomatic Studies and Training. I'm Charles Stuart Kennedy. Could you tell me when and where you were born and a little about your parents?

LAMBERT: I was born in 1943 in Youngstown, Ohio. My father worked for U.S. steel and, being in a defense industry, was not in World War II. Both of my parents were children of the Depression but both managed to graduate from university with advanced degrees.

Q: Which university?

LAMBERT: My dad went to Purdue. He was an electrical engineer. My mother went to the University of Pittsburgh. She was a history major. Then she did her master's degree work in what is now the business school, but at that point it was marketing and retailing.

Q: You moved to several towns.

LAMBERT: I wanted to say something. My granddad worked for U.S. steel and was not laid off in the Depression. So, I don't think that my mother's side of my family suffered too much. But my father's father lost his businesses, which were a dairy distribution business and a wine pressing and bottling business. His losses happened the first year my father was in university. As a result, my dad had to wait on tables, play football, and make the dean's list (which paid \$200 a semester) to get enough money to keep going every year, which he did.

Q: On your father's side, your maiden name was what?

LAMBERT: Foldessy. My paternal grandfather was the only one of my grandparents who

was born overseas. He was born in Hungary. He took a world trip to avoid the draft and ended up for some reason – I don't know why – in California. He for many years was pictured in the Encyclopedia Britannica's picture of the San Francisco earthquake. He had some kind of a wine business in California. For family reasons – again, I'm not sure why – he moved to Cleveland, which has the largest Hungarian community in the U.S. He had relatives there. He met my grandmother in Cleveland and lived there the rest of his life. My grandmother was what we now call Czech, but she always maintained she was Bohemian.

Q: In some families, coming from the Old Country hangs on. In other ones, it gets dismissed rather quickly.

LAMBERT: I think a little bit of both. My grandfather had both a dairy and a wine business in Cleveland. He hired Hungarians. So, there was Hungarian spoken around the house. My grandmother learned enough to speak to the people that were hired. And she was a terrific Hungarian-style cook. My uncle learned quite a bit of Hungarian. My father evidently never spoke more than a few words. But my grandmother wasn't of Hungarian extraction, and they certainly spoke English at home. My uncle was a bit of a professional Hungarian all of his life, partly because he didn't succeed in too much else. I don't think my father really felt close ties to his ethnic roots.

Q: You grew up where?

LAMBERT: U.S. Steel is a bit like the military and the Foreign Service. My dad was an electrical engineer, and he eventually became a design engineer. We were moving to places that had new steel mills or steel mills that were having major renovations and needed design work. I was born in Youngstown, although my family base was really Pittsburgh. Then we moved to Yardley, Pennsylvania, where the Fairless Works was being built, and then to outside of Gary for major renovation of the Gary Works. At that point, open hearths were being replaced. I can remember as a little girl the skies of steel cities being lit by fires and looking very dramatic. The open hearths were being phased out by continuous casting, a different method and unrelated to the open hearth. So, Gary, which was the largest plant U.S. Steel had, was being renovated. Then my dad moved to, and eventually headed, U. S. Steel's design office, which was located in Chicago, but the family stayed in Indiana.

Q: Your family, coming from the executive side of the steel business during this time, a time of ins and outs, I take it they were at some level of the Republican side?

LAMBERT: Yes, they were Republicans, and they were pro-management. My parents felt that the union wages were out of control and would eventually make the steel industry less competitive. In fact, it happened. Maybe there were other factors as well. For a while, the productivity gains were significant, especially the continuous casting. So, American Steel had a breathing space, but it didn't last that long.

Q: You went to school mainly in Indiana?

LAMBERT: No. I went to school in Youngstown and then in Yardley, Pennsylvania, from about the age of eight until about 13. My high school was in Indiana.

About some of my other relatives... On my mother's side, my grandmother's family came to the United States before the Revolutionary War and had lived in Williamsburg. There is a pew in Bruton Parish Church in Williamsburg that has their name on it. My grandmother was a schoolteacher, and her father was an orchestra leader. They moved to Pittsburgh where my grandfather directed the Carnegie orchestra. My grandmother was probably in her late teens. She met my grandfather, who was of German extract, in Pittsburgh. I think maybe one of his parents was born abroad but the other in the U.S. They had fairly strong German roots. He was a professional basketball player. She pushed him to finish high school and then go to Carnegie Tech (now Carnegie Mellon) to get an engineering degree. So, until my mother was nine, her father was studying nearly all the time and everybody had to be quiet at home. He was studying and working. He did quite well in management at U.S. steel after he got his engineering degree. I think it's unusual that I have three grandparents out of four that are university graduates and two of them engineers.

Q: Particularly in that generation. I assume it was always a given that you were going to go to college.

LAMBERT: Oh, yes.

Q: In elementary school, were there any particular areas or course that you were interested in?

LAMBERT: I'm not sure about elementary school, but in high school, I met a woman who was a friend of my mother's. I thought that she had the most interesting life I'd ever heard of. She was very glamorous. She was a Foreign Service Officer. I was very interested in electoral politics and government generally, but this was the first idea I ever had of joining the Foreign Service. I was probably about 14 when I met the woman. I was probably better in math and science than I was in verbal studies, but I was more interested in politics. I went to the convention that nominated Nixon.

Q: This would have been when?

LAMBERT: 1960. I was for Nixon.

Q: Did you wave pom-poms?

LAMBERT: Yes, and I was part of the floor demonstration when the nomination was announced. It was just terribly interesting to me. That interest continued through college and still.

Q: What about reading? Do you recall things that you enjoyed reading?

LAMBERT: I was a good reader and read a lot. I liked mysteries as a child - "Nancy Drew," "The Bobsey Twins" - and I still read primarily mysteries. Now I tend toward British mysteries. Before I was very old, 11 or so, I started reading adult mysteries. I also read classics, like "Gone With the Wind" and "David Copperfield." I remember reading "From Here to Eternity" my freshman year of high school on the beach of Lake Michigan. It was the most risqué thing I had ever read. It took me a long time to read it. I got sand in the book, and the book sort of protruded at the edges. My friends used to call it "From Here to Maternity."

Q: What sort of school were you in in Indiana?

LAMBERT: A township high school, called Porgage High School. It was outside of Gary. We lived 10 miles east of Gary, on the lake in the sand dunes area. The dunes were a subject of political activity at the time, maybe a precursor to the environmental movement. Midwest Steel wanted to build a mill in the dunes area. Most of the people living lakeside formed a "Save the Dunes" movement. There were scientific studies that thought that the beach would erode. We had a beautiful beach at the time I lived there. I think executives from different businesses in Gary, Chicago commuters, and academics tended to live in the dunes. Our particular community was called Ogden Dunes, but there were several other lakeside communities also in the "dunes" area. My high school was about 1/3 people from the dunes area and about 1/3 farming families and about 1/3 from trailer parks. So, it was a very diverse school. I didn't notice that it was ethnically diverse. We only had two African-Americans in my class. They were twins.

Q: How did the groups mix?

LAMBERT: Not very well. The better students tended to hang out together. These were basically from the area I lived and students from farm families. We were in the most activities, except for sports. We ran the plays, the music, the newspaper, and the student government. I must have signed up for every activity there was because they had to adjust my picture in the yearbook to make room for all of my activities.

Q: Singing?

LAMBERT: Yes, I was in the glee club and another singing group. I was active in plays. I had the lead only in one, but I was active generally in theater and music.

Q: Which play as that?

LAMBERT: It was some Christmas play about an angel who lost her wings.

Q: Before I forget, do you remember the name of the lady who so impressed you who had been in the Foreign Service?

LAMBERT: Yes. Her maiden name was Margaret Beshore. She married somebody who

became the head of the Peace Corps.

Q: How much did the outside world intrude while you were in school up through high school? You graduated from high school when?

LAMBERT: 1961. I was very interested in elections, but probably knew little or thought little about foreign affairs.

Q: We're talking about a very active time, particularly in the Cold War and all that. Did that intrude much?

LAMBERT: My first political memory is the McCarthy hearings. I can remember my mother ironing and cursing at McCarthy. I remember when Taft was competing with Eisenhower for the Republican nomination in 1952. We were living in Ohio then, and he was a great Ohioan. I remember political events pretty much from there on, particularly the election between Kennedy and Nixon. My parents were diehard Republicans and so was I at the time, but we all realized that Kennedy was attractive and energetic and something different. That's probably what I remember. I remember Sputnik. But international affairs really wasn't so much on my horizon, except I do remember the Indian independence and India's growing into world-class stature and a few things. Of course, I remember the Cold War. In school – elementary school, I think – we had “duck and cover” drills, and some people had bomb shelters, in the event of an atomic bomb.

Q: How about the civil rights movement? It was beginning to gain some steam. Did that impact on you all?

LAMBERT: Not so much in high school, but in college... In the early sixties, when I was in college, a lot of my friends were going out on marches and traveling to different parts of the country, getting arrested. Then we also had the Vietnam debate when I was in college.

Q: You went to college from 1961 to 1965. You went to where?

LAMBERT: I went to Smith College in Northampton, Massachusetts.

Q: Why Smith?

LAMBERT: I definitely wanted to go east, which was unusual in my high school. We visited a number of colleges and I got into all of them. I think geographic distribution helped me. Some of the eastern colleges looked sort of beatnik to a young girl from Indiana. Smith for some reason looked more normal to me, and I had a great experience visiting the campus. I think going to a women's college in those days was a little different from today. I did not recommend it to my daughter. But in those days in Massachusetts, in New England, all the colleges were single sex. The University of Massachusetts was the only coed college that was right nearby. But there were very few schools that had men and women.

Q: Talk a little about Smith in the '60s.

LAMBERT: It was a very liberal place politically and very active. The two great movements of the time were Vietnam and civil rights. Most students spent a lot of their time talking about both. Smith was very difficult academically, at least it was difficult for me. To take the time to travel to other places to be in demonstrations, possibly get arrested, was something that I didn't feel I could afford. I probably wasn't that committed to those causes, but I was committed. These were such major movements. The debate at Smith was more on Vietnam. I think universally the war was considered wrong. The question really was how you extricated yourself and what level of opposition you wanted to show. There was a very radical movement on campus. There were SDS students, Students for Democratic Society, who were extremely radical and really committed their university years to this cause. Other people more like me thought the war was wrong, but I guess saw some nuance and debated how you could extricate yourself rather than just do it now and disobey laws.

Q: How was the faculty on this?

LAMBERT: About like the students. They were either extremely radical or very liberal. The faculty was as involved in these two movements as the students. The faculty would often go to demonstrations with the students. We had debates. The debates were the two points of view that I tried to show. A lot of ethical issues, a lot of peacenik issues. I think something else crept in – that was an acknowledgment that the Soviet Union and communism were an alternative way that might have some validity. This was after the Hungarian uprising, and I don't think anyone thought that the Soviets wore white hats. But I think some of the things that went on were not as well known as they are now. I think that there was a tolerance of different forms of government – you know, no one “right” way, and an appreciation of some of the ideals of classlessness, healthcare and education for all. I think this viewpoint was fairly universal in liberal New England colleges – not a sympathy but a tolerance.

Q: Was there an overall rejection of authority?

LAMBERT: Yes. Smith itself was pretty self-governing. The professors were very accessible. I don't know of an academic uprising. We had hunger strikes from time to time which the school actually arranged. They arranged orange juice and a few vitamin-type preparations that you could have when you were on one of your hunger strikes. So I doubt you'd call it “rebellion” within Smith. It was very largely self-governing anyway. But there certainly was the thought that if the government's wrong, it's your duty to disobey the government. A lot of male students that we knew were facing the draft. We felt that they should refuse to go or go to Canada or parade in the streets. We felt the war was wrong and therefore the right thing to do was to oppose it.

Q: I went to Williams. I was the class of '50. How did the social life work? In my day, we

went up to Smith. The young ladies had to be in at a certain time. It was a pretty staid mating process, if you could even call it that.

LAMBERT: Well, I went to college in the age of the pill and marijuana, so it was quite a social change. I'm a little bit on the cusp of it. I had most of my high school and all of my college in the '60s. I think the late '60s became even more radical than the early '60s. The social life was basically that you worked your tail up during the week. Then you partied all weekend, usually at another school. The girls who had dates, which wasn't everybody, would go away for a weekend to a men's school, including on blind dates. There was a lot of drinking and a lot of marijuana smoking. Being on a campus, you didn't have to drive. But the social life was pretty much confined to weekends, although there was some exchange between the four colleges that are near Northampton. So we did have men in some of our classes (not very many). I think today everybody does the four college exchange.

Q: In college, who were some of the teachers that stood out?

LAMBERT: I had a lot of wonderful teachers. I think that it's important to know that Smith is a teaching college rather than a research college. A few of my professors were widely published and well known, but they were not my favorite teachers.

Q: Was Mary Ellen Chase there at that time?

LAMBERT: No. I think she had retired by then. The big name was Henry Russell Hitchcock, who was an architect historian. The art department in particular had a lot of very big names. I think that Leo Weinstein, who I studied constitutional law with, was well published. Most of my professors were published. They weren't big names, but they were terrific lecturers. They interacted enormously with the students. Looking at my daughter's time in college (She graduated from William and Mary), I thought that she had good access to her teachers, but the involvement of her teachers in political issues and social interactions seemed less than what I encountered at Smith. Wednesday night, we invited faculty to dinner. In my house, I think there were three or four tables of faculty every week. I think the ability to know your professors was one of the exceptional qualities that Smith offered.

Q: You said before that French was a bit of a problem when you arrived.

LAMBERT: Oh, gosh. Most of the women had gone to prep schools, and I graduated from a public high school. While I was okay in math and science and was always pretty strong in that area at Smith, I was less competitive in the verbal areas and particularly in French. I had had two years of high school French, but we never really spoke any French. We certainly didn't discuss literature in French. We conjugated some verbs. I had had Latin before that, so I had a pretty good grammar basis. At Smith I signed up for a French literature course, where we read classics, discussed in them French and wrote our papers in French. There was an easier version of the course where you could write your papers in

English, but I thought I was such a hotshot that I took the total French immersion course. Of course, I didn't understand anything that was being said. It took me about eight weeks before I went to the professor to explain that I didn't understand anything, and she spoke to me in French, although she was an American. I just couldn't get my point across. I should have gone to the dean and dropped the course, but I didn't. I got a D the first semester. Of course, this was a year course where you got a year grade. Then second semester, I had to do a paper on "Le Cid." I worked from January until the paper was due. I looked up every word and every grammar construction. I really didn't have anyone else look at it. I turned it in, and the teacher accused me of cheating. I should have gone to the dean. I think I was just intimidated by the whole situation my first year and a little bit my second year, and I didn't even think of seeing the dean. So, I ended the year with a C+ in French, which was not a bad grade considering my starting point. But it was terribly intimidating. French was a problem for me again in graduate school. In graduate school, we had to pass a competency exam in French. It took me the whole two years until the second semester to pass French. I think it was partly psychological that I was so intimidated by this experience. I look at myself now and think, "What was wrong with me?"

Q: All of us look back at how one maneuvers. It's all part of education. You don't burst full-grown and confident into the world. You learn from these things.

While you were taking these courses, were you still looking at the Foreign Service? Were you finding out any more about the Foreign Service?

LAMBERT: No. I was opposed to anything to do with the government because of Vietnam. But it did happen that my senior year, I took a course in international relations. I was a government major. The teacher was extremely accessible. His brother was in the Foreign Service and was serving in Greece at the time. His brother had gone to Johns Hopkins School of Advanced International Studies [SAIS]. He talked about his brother a lot and the career choices that his brother had at the State Department. By then, I had done a lot of work in foreign policy and was very interested in it. Of course, again, the glamour of this life was very attractive. Because I didn't really have any plans when I graduated, I applied to graduate school. I applied in international relations. I don't think it was a commitment to the Foreign Service, but it was just the next step academically with some intrigue about the Foreign Service. I was accepted and went to Johns Hopkins School of Advanced International Studies.

Q: While you were at Smith, how did some of the events play – the death of Kennedy, the Cold War... Did you find the faculty at least sympathetic towards the Soviet Union?

LAMBERT: More tolerant than sympathetic. I hate to put words in people's heads, but my impression was that there was a very far left element. Then there was kind of a mainstream liberal element. I think that there was a lot of tolerance about what was going on in the Soviet Union. For one thing, capitalism had a bad name then. There was some news about capitalistic occurrences that were unpleasant. I remember reading Kefauver's book on the pharmaceutical industry. I think socialism was viewed as a kinder, gentler way. In a liberal

community like Smith, there was a tendency to support more government, and a decided sympathy for government sponsorship of the arts. We all knew that Russia had very high quality arts. We also knew about universal health care and free education for students of merit. These were some of the things from the Soviet Union that were coming across as laudable.

Q: How about foreign trips? This was an era where the students were taking off and going on their Wanderjahr or at least the summer. Did you do this? What was your experience?

LAMBERT: I went to Europe one summer. I went for about 11 weeks, quite a long trip. Part of it was on an organized tour. Then some of us split off and made our own way, not backpacking and hitchhiking, but with a Eurail pass. It was a terrific experience. When you're in your early 20s and you have a little bit of foreign language, you can meet people in a way that it's harder to when you travel with a family in later years. Everyone "tutoyed" in France, which is the familiar "you." We'd hang around in student restaurants and have great access to people. Again, this was the era of Vietnam and civil rights, and the Europeans universally were opposed to Vietnam. We found kindred spirits, being students, liberals, and internationalists.

Q: I think of what one hears about some of the major universities, particularly the University of California, where there was a cadre of not really students but that hung around the area who lived off the student environment but were mainly sort of just not doing much except pontificating about the world in general. A girls school didn't cater to this sort group, did it?

LAMBERT: I don't think it did, no. Clearly the strength of the SDS movement at the time must have had some outside organization when you see the movement nationally later. But I wasn't aware of outside elements in that part of Massachusetts.

Q: Was there an equivalent to an SDS movement or not quite bomb throwers, but that type of thing at Smith?

LAMBERT: There were not bomb throwers, but there were students who were much more committed to their political beliefs than to their academic careers. There were very radical students willing to go into any demonstration. I don't know if it was from the students or from the outside. I had a friend that was active in it. She would trace bus routes and manage her money to be able to travel to demonstrations. So, I think most of it was student generated. I'm not aware of violence. The ones that got arrested were mostly sit-ins. I also think the violence came a little later.

Q: The drug culture was pretty much just smoking marijuana?

LAMBERT: Maybe not as much as one would think. Again, we were in a quite academic atmosphere that was very difficult and very competitive. The pot smoking pretty much was weekend activity, such as it was. I think drinking was the drug of choice then. There

certainly was some LSD, and I knew of some LSD trips that were very scary of some acquaintances of mine.

Q: In my time at Williams, which was very staid, all of us at Williams and everywhere else smoked these cigarettes. We were doing terrible things to our health. It probably would have been better if we had been smoking marijuana.

LAMBERT: Well, we all smoked cigarettes, too. And we drank. I wouldn't call it "binge drinking." It wasn't drinking just to get drunk. But it was heavy drinking every Saturday.

Q: This is still sort of the era that I came out of, too.

LAMBERT: People passing out.

Q: People passing out, but they weren't trying to pass out. It was different. I understand today there is more of trying to see how much you can get down, which has resulted in death sometimes.

You graduated in 1965. The anti-Vietnam protests were really at the peak. How did you feel about studying government at that time? Were you out to overthrow government?

LAMBERT: No, I wasn't out to overthrow it. I didn't want to work for capitalists or for the government. But I didn't have any alternatives, so I went to graduate school. In those days, almost everyone from the type of academic milieu that I was in did go to graduate school right away – the men partly to avoid the draft and the women because the men were there but also because it wasn't clear at that point what a woman could do. Even though the Smith vocational office suggested we should go to Katie Gibbs and learn how to type, none of my friends wanted to be a secretary, and we thought, rightly, that we would be able to land professional jobs.

Q: Katie Gibbs being the preeminent secretarial school at the time.

LAMBERT: But a woman in a professional career was new. The stepping stone had always been through secretarial work. This was another reason I went to graduate school; I hadn't the faintest idea what I wanted to do. When I got to SAIS, the atmosphere was quite conservative compared to Smith. There were a lot of ex-political appointees on the faculty. A lot of students were older, and many had been in the military. Instead of a debate between radical disobedience versus getting out as soon as possible, there were many students, and faculty, who thought the war was necessary. The whole outlook on business was much more conservative than Smith had been. The student body was much more conservative. Frankly, the school was very much easier than Smith had been. I had done a lot of the work that was required. I think it was an intellectual disappointment after the rigors of Smith and the excellent faculty we had had. We had some extremely good faculty at SAIS, but we still had a lot of ex-political appointees that didn't have the academic rigor and policy orientation that I was used to. A lot of them talked about themselves and their experiences.

I think it was disappointing academically but it was wonderful to be in a city, in Washington, wonderful to be in a co-ed environment. So, I had fun.

Q: Going back to Smith, looking at the change in women's attitudes, it used to be in my time that a woman would get a good education and maybe have one year in New York working as an editorial assistant or something, and then get married. So, the goal was really to get married.

LAMBERT: It was in my day, too.

Q: Although Gloria Steinham is a product of Smith, what was going on while you were there?

LAMBERT: I think clearly the idea was that most women wanted an intellectually fulfilling life, and they also wanted to get married. A professionally fulfilling life at that point was still a little bit elusive to women. Certainly at Smith there were a lot of good role models. We saw women that were on the faculty. That type of profession most of my friends thought was possible within a marriage. But for the exciting things like women MBA consultants or women Foreign Service officers, there weren't a lot of role models. Gloria Steinham, partly because she was so attractive, was appealing, but most of the women in the women's movement were pretty frumpy. Meeting a suitable husband was certainly one of the goals for everybody. I didn't have anybody to marry, and I didn't have a career path I wanted, so I went to graduate school basically.

Q: That whole apparatus was one of the great gene pools that ever was created.

LAMBERT: Absolutely. I think though that by the time I got to graduate school, '65-'67, most of the women were more career-motivated. I think that there was much more motivation for career and certainly much more career knowledge in graduate school.

I took my second year in Bologna, Italy. Speaking of a leftist view of '60s academics, the city of Bologna had a communist city government. Certainly it was always held up as a model of the best government city in Italy. The university, one of the largest and oldest in Europe, was very left-wing. This was a prevailing viewpoint. Unfortunately, because I had to study French, I didn't learn Italian. I wasn't able to integrate as well with the student life in Bologna as some others did.

Q: You were in Bologna when?

LAMBERT: In 1966-67.

Q: Did you get any feel for the political situation in Italy or were you looking at Europe as a whole?

LAMBERT: I personally think one of the problems with the SAIS program in Bologna at

that time and maybe still is that it had a very stringent language requirement. I was taking French for my master's exam. Given my background in French, which was pretty dismal, I had to study French until the final semester of my two years. I was really terrified that I might not get my degree because I couldn't pass the French. Some people didn't get their degrees. I managed to get mine, but I know people that had to go back later. Because of that, I never learned Italian and many of the people didn't. I think this was a real loss because we were living in a university city that really had a lot to offer. At that point, Italians didn't speak English very well. I think this segregated us. Other than that, we were a very self-contained group that had a lot of social life and a lot of people from different parts of Europe. The Italians by no means were the majority, but we had French, Germans, English, about half European and half American. We had a very interesting multicultural group anyway. So I think that it was really not an Italian experience, unfortunately.

Q: You graduated in '67.

LAMBERT: Right.

Q: Vietnam was still ticking away. Had you become more conservative or middle of the roadish about Vietnam?

LAMBERT: I was on the left side, but I went to New York and needed a job. For some reason, and I'm really not sure why, I wanted to go into management consulting. I went to work for a company called McKinsey and Company. It's one of the blue ribbon top management consultant companies. I disliked the work there so much that when the State Department called and said, "You're running out of your eligibility. We have two more classes and then you're expired," I took up the offer.

Q: Someone along the way, you'd taken the written and oral exam.

LAMBERT: I did.

Q: When did you take that?

LAMBERT: I took the written part in Italy and the oral in Washington.

Q: Did you go down to Rome?

LAMBERT: Florence. We took the exam in the consul general's house. This again was a wonderful experience. He took us to lunch. He had a beautiful house. It was yet another positive exposure to the Foreign Service.

Q: This is the way one lives. In fact, right now, a lady who worked with me in Naples is consul general there. She was a visa officer in Naples back in the '80s.

LAMBERT: This guy's name was Rush Taylor. I don't know if he was the consul general

or the vice consul. But he was very impressive and, again, something that made the Foreign Service look good.

Q: Where did you take the oral exam?

LAMBERT: In Washington.

Q: Do you remember any of the questions or how the oral exam hit you?

LAMBERT: Yes.

Q: This would be 1968?

LAMBERT: Yes. There was a panel of three other people, one from USIA and two FSOs. At that point, I really didn't care if I went into the Foreign Service or not. I was terribly relaxed and had done absolutely nothing to prepare for the oral. I was living in England – I went to work in London after finishing my MA in Bologna. I went in and I think they were somewhat patronizing, but maybe I invited that. The beginning of the exam went well – I remember being asked about the British devaluation, what devaluation meant. I had been teaching economics in London, and we had discussed the devaluation in detail. Then the USIA officer took the role of a cynical European journalist who made me defend my country and its policies, including Vietnam. Then they asked a number of American history questions, of which I knew nothing. They said at the end of that, “Well, let's not waste our time with this.” I certainly didn't think that I had passed. When I was waiting, I was planning what I would do next because I was in the States for a vacation. They called me in and told me that I had passed, but for heaven's sakes, before I entered the State Department, to do some reading on American history.

Q: But you kind of put that on hold?

LAMBERT: Oh, yes. I took my vacation in the States and came back and worked a few more months in London on my way back to the States. Then I worked at what was very high salary then in New York for McKinsey.

Q: What sort of work were you doing?

LAMBERT: I was a junior associate. I did consulting, on a large team, mainly the electricity and heavy industry segment. I worked on one project that was for the government of Yugoslavia on their power grid. I totally disliked it. I had more of a policy orientation from my background and I found it pretty superficial. I think it's changed now and maybe I would think of it differently now, but it seemed that the presentation was more important than the substance. We billed the client by the hour. I think I was then billing at \$50 an hour, which I wasn't earning, but I was billing. I used to feel very embarrassed charging the client for some of my hours. McKinsey hired mostly from Harvard Business School, also Wharton. They hired a lot of people who did a lot of the legwork, and then they

got rid of about half of them. My generation of people at McKinsey were mostly Vietnam vets. They had mortgages and families, and the fear of being let go meant a very desperate situation for a lot of them. It was an atmosphere that wasn't comfortable for me. I loved New York, but I didn't like McKinsey. I think the Foreign Service came to me rather than my going to it.

Q: You got called in '69?

LAMBERT: Yes.

Q: So you told them, "Yes?"

LAMBERT: Yes.

Q: When did you start?

LAMBERT: In April 1970.

Q: What was your A100 basic officers course like?

LAMBERT: Well, we were combined with USIA. USIA had the more liberal thinking, more articulate people, and certainly most of the women. Our A100 class didn't have a lot of women anyway. I think it might have been about 25%, but almost all of them, except for me, were USIA. The State Department contingent was more conservative, more in favor of our involvement in Vietnam. Some of the men had served in Vietnam and some had come out of the Pentagon or the Agency. It was a wonderful group of people, but again, even more conservative than Johns Hopkins. However, I had been to McKinsey in the middle. Another thing that's interesting is, at that point, I think you had to pass the entrance exam before the age of 30 and you had to enter the Foreign Service before age 31, which was the absolute cutoff. There were two people who didn't have a master's degree and they were a little bit younger, but the rest of us were all about the same age and in our mid-20s. A few people were a bit older, but it definitely was a more homogeneous group than you're getting today.

Q: Were you still looking at Europe as being your...

LAMBERT: Absolutely. I wasn't interested in anyplace else.

Q: What was the impression that you were getting from the people that came and talked to you about State Department work?

LAMBERT: We had a lot of talking heads. I think for anybody, the attention span that you have for eight hours a day of talking heads is limited. I know that they're trying to impart a lot of information, but it seemed to me a difficult way to orient someone. I particularly enjoyed the hands-on segments, one in economics, one in political tradecraft. Shortly

before we came in, there had been a suicide of someone who was selected out. For reasons only known to organizers of the course, we started out with a discussion of selection out on the first day. I think that we were all unnecessarily preoccupied with selection out. It really cast a shadow over the whole experience. It seemed to us that we could be selected out any day. In fact, the person I replaced in Athens for my first assignment was somehow selected out.

Q: Who was that?

LAMBERT: Steve Tindell. So, I think that this was known during my A100 class and we had a very skewed perception of the State Department.

Q: It was not a friendly place.

LAMBERT: We had to conform. We had to produce. We had to watch ourselves a little bit. We also felt that among our group a number of us would be selected out, which of course happened, but it was time in class (tic) and many, many years later.

Q: Were there many minorities in your group?

LAMBERT: We had two African-Americans, both in State. They did not come in as FSOs. They came in as FSRs. We all came in as FSRs, but most of us converted to FSOs almost immediately and these two did not. One actually retired when I did and the other left the State Department before.

Q: What was the feeling you were getting about the role of women in the State Department at this point?

LAMBERT: There weren't very many of them. Certainly the senior people whom we met were never women. I had the impression that women were beginning to get into the State Department, but for various reasons weren't very high up in it. Part of that is age and part it was attrition. It was difficult for women to be in the State Department and have a family, etc. This changed about the time I came in.

Q: It was more like folk custom or something that if you were a woman and got married, you resigned.

LAMBERT: I think that resignation upon marriage was required until about 1970. Then I think that it was no longer a requirement to resign. The Department started to try to do tandem assignments around 1971-2, which was fairly easy because there were so few tandems that that was working. Also around '72, they invited women who had been required to resign back into the service. A number of them were very successful – Elinor Constable, Ann Berry, etc. Quite a number came back. Then a number of the wives who had never been in the Foreign Service took the exam and came in.

Q: How did they select where you went? Did you ask?

LAMBERT: I think it's the same as it is now. The incoming junior officers were given a list of openings, and we bid. There were roughly the same number of openings as people in the class, so it was a little bit more controlled maybe than it is now. We had Paramaribo, where nobody wanted to go but where somebody was assigned; and Bonn and Athens. Athens was my first choice and I got it.

Q: You were in Athens from when to when?

LAMBERT: I went in February '71 and left in summer '73.

Q: What had you been hearing? For the record, I was consul general in Athens from '70-'74 (your first boss). The Greek government was a topic of some concern. It was a dictatorship in the middle of Europe.

LAMBERT: The junta had taken over. When we were there, George Papadopolous, who was the colonel who had led the coup, was the PM.

Q: How had Greece been viewed by those who were looking at Europe? They had been in since April 22, 1967.

LAMBERT: The phoenix rising from the ashes of the...

Q: We all know that date because you couldn't get around it. What were you getting from SAIS and your reading about Greece?

LAMBERT: Next to nothing. As a student, I remember the junta takeover, and there was press about Greece joining Europe. Greece joined the European Community (as it was then called) much after this period, although they were in an affiliate status even under the junta, and membership was on the table. When we were there, Greece was working towards membership, although it took the return of democracy to get them in. Nonetheless, this was an economic goal and one that was being realized by EU-conforming legislation.

Actually, I don't remember Greece being talked about very much or considered very important except as one of the dictatorships in Europe, as were Spain and Portugal, which were somewhat more important to European studies academics.

But when I was preparing to come to Greece, the U.S. government was beginning to look at it as a home port for the Sixth Fleet. We were trying to find reasons to promote Greece and promote our, and to some degree Europe's, relationship with Greece. In addition, Greece was undergoing something of an economic miracle. At least this was the way it was perceived in some quarters. The economy was performing quite well, and there was a fair bit of U.S. direct investment there, increasing as the situation in Lebanon worsened. The economy generally and U.S. investment specifically provided a foothold for the U.S. to

find good things about Greece. From the time I got there, I think that we were beginning to take a more pro-Athens stand. VP Agnew was the first western official of stature to visit. And, of course, he was a Greek American, although he did not appear particularly tuned into Greek customs or the language. He visited for about five days, in October 1971. It was a major event. The Greeks turned out the whole country and basically paved all the roads and readied themselves for this state visit, which was the way it was treated. I remember everybody in the embassy had little roles to play in the visit, as we do now, and I was the gifts officer. This involved traveling with the entourage, following behind the Vice President, and accepting gifts for him. And there were many gifts – ranging from a vase from the Archaeological Museum, the Greek Government’s gift, to gifts from Greeks on the streets. Many people on the streets wanted to give him something, because they were proud that a Greek rose to the Vice Presidency of the United States. Most of the gifts were modest, like little hand crocheted doilies or homemade honey. They would stand on the streets and hold them out.

Q: That was very touching.

LAMBERT: It was.

Q: When you arrived there, there was a rotational program?

LAMBERT: Yes.

Q: Your first job was in the consular section?

LAMBERT: Yes. I spent some time interviewing for and processing immigrant visas and then moved to the non-immigrant. I never did American citizen services except when you gave special projects, visiting prisoners mostly, to junior officers. I think it was a little less than a year that I spent in the consular section.

Q: What was your impression of the Greek immigrants that you were seeing?

LAMBERT: That was a little bit depressing. The non-immigrants that we were refusing visas to were often quite educated, spoke English, were on the ball, whereas the immigrants usually came from villages. They certainly didn’t speak English; I never met one that did. I thought they had less preparation to contribute in America, or even to make it, than the non-immigrant applicants. This said, I realize that Greek immigrants never went on welfare, that they always had large families who took care of them and who had businesses where they didn’t need to speak English. I know the first generation worked very hard and had a difficult life, often working several jobs and living in crowded conditions. But they immigrated for a better life for their children, and more often than not, the second generation went to university and took on a white collar profession. But from my vantage in the consular section in Athens, it looked as though we were sending the wrong people.

Q: I had the same impression. This was the most unpromising group of people that we were

sending and yet you know at the other end within a generation, it would be “My son, the orthopedist.” They went for the two things that immigrants do: property and education.

LAMBERT: That’s right.

Q: They had the hive right on the ball. It was the damndest thing. You look at those Greek villages where it was rocky soil and the men sat around and drank coffee and the women worked.

LAMBERT: Yes. We had one case that disturbed me especially, and we appealed it to INS and lost. The consuls who supervised me, George Phillips and Dick Kowtski, were supportive. The applicants were a retarded, illiterate husband and wife who had a retarded daughter and an infant who presumably would be retarded. At that time, immigrants were excluded for a number of factors, including illiteracy and retardation. It was an appalling situation. Apparently I made them so nervous that the man lost control of his bladder in my office. They had relatives who were sponsoring them. It was a P-5, or brother case. But the brother living in the U.S. sent a petition in pretty illiterate English and didn’t have much of a job. We challenged this, but INS approved the whole family on the basis that they would all derive status from the infant, who we could not prove was disqualified. That was the worst case I saw, but I saw others that were kind of in this ilk. It was just amazing to me what successes they made.

Q: The Greeks certainly end up as entrepreneurs and they weren’t entrepreneurs when they were in Greece.

LAMBERT: I know. They were anything but.

Q: Anything but. It was something. How did you find the Greek nationals?

LAMBERT: I thought they were excellent. The Greek employees in the consular section were mostly people who had been with the embassy since the war and probably all retired at about the same time. After the war, working for the embassy was one of the high status jobs in Greece. By the time we got there, it wasn’t. But we had attracted a pool of very well educated, dedicated people. They were terrific to me. They invited me everywhere outside of work. When they had a country home, they’d invite me there. But on the job they were interested in educating me from their perspective, especially when they thought non-immigrant applicants were not telling the truth. They were a fabulous group of people, especially Tasoula and Laila who helped me with non-immigrant visas..

Q: That was a very powerful team. They ran that.

LAMBERT: They certainly did. They certainly thought that every non-immigrant applicant was a potential immigrant. They thought very few of these people, except for the shipowners, should even get visas. Tasoula would say, “He’s a peesant. Why would you give him a visa?” They were really hardline. But they were so much fun.

Q: Did you get to any prisons?

LAMBERT: Oh, yes. We had a number of Americans serving time in Greek jails. I was allowed to do jail visits every once in a while, sometimes on weekends, sometimes during work. I really enjoyed the opportunity to travel to different parts of Greece, see the conditions in jails, and hear what the prisoners had to say. We had a number of young Americans arrested, mostly for drug charges. The major detainees were older and had been involved in a plane that was shot down with a full cargo of dope.

Q: It was a two engine plane. It was forced down in Crete. This was big stuff.

LAMBERT: This was big time. I visited those guys.

Q: I went to that trial. The plane was just loaded with bales of hashish from Lebanon. Not one of the people aboard, though I think there were three or four crew, had seen anyone put it on board.

LAMBERT: Or so they said. I took them a bunch of newspapers, magazines, and books. They basically said, "Well, if it's yesterday's news, it's yesterday's news. We're not interested in that." I think we took peanut butter and crossword puzzles, too. I paid for them myself. I remember them. Didn't they get off with fairly light sentences?

Q: Somebody paid somebody somewhere. I was astounded. These were big time...

LAMBERT: They had high-priced defense.

Q: Yes, and they knew how to push the right buttons in Greece.

LAMBERT: But some of the younger ones had much stiffer sentences for just marijuana. I remember one kid who was sent to Europe to recover from his depression, got arrested for marijuana, and eventually committed suicide in jail. I visited him several times, and his situation was just shattering. We and his family worked for an early release, although he had been detained a while. He was on his way home. He jumped off the top of a hotel.

Q: He climbed up the outside balconies. Somebody was bringing him to us.

I've always felt guilty about that. I think all of us didn't know, but he was coming to us. I think we sent a car or something. His friend was going to bring him to us. All of a sudden, he broke away from the friend and climbed up the outside of an apartment building or something using awnings and balconies to climb up to the top and then jumped off. It's just awful.

LAMBERT: I remember visiting him quite a bit and being very disturbed about his situation. In the beginning, he didn't want us to contact his parents. He was certainly under

21, which was a minor then.

Q: This was a period of time when Greece was right on the circuit. Many people during this particular time were doing their Wanderjahr. Many were getting caught in minor drug things. The Greeks weren't very sympathetic to this.

LAMBERT: Yes.

Q: You moved from the consular section. What was your impression of consular work after that?

LAMBERT: I was very discouraged by the immigration system. I realize that it succeeds, but I did find it discouraging when I was there. I thought that the American Citizens Services provided very good services to American citizens. Of course, you saw the people that were in trouble, and whatever we did, it was never enough.

You'd buy things for the prisoners out of your own money and give some time and thought to the purchases. But it was never good enough. Whatever they wanted, you just couldn't deliver... If they wanted a doctor, you'd have to get them a list. We didn't recommend individual doctors, but our customers wanted to know the best. I found this a little bit hard to deal with, but I think the service was good. I think the people that did it then and do it now should take quite a lot of satisfaction in the service they provide.

Q: Then you went to the economic section?

LAMBERT: Yes, I had three jobs in the economic section.

Q: What were you doing?

LAMBERT: In the beginning, I was doing industry reporting. We did a lot more reporting in those days. My job was abolished, and I moved to be the assistant commercial attaché. Then the person assigned to do the macroeconomic job was more interested in commercial work, so he became the assistant commercial attaché and I became the economic officer. I did economic trends reporting, balance of payments and budget analysis. I had contact with American businessmen interested in the economic climate, with Greek bankers, and with a number of people in the foreign and finance ministries – even though I was a kid of 27.

Q: You were talking about Greece doing quite well economically. One of my basic impressions was how inept the military government was. They would pass laws that sounded good but didn't make sense. They didn't seem to be taking hold of things that you would think an efficient military government might. On the economic side, was it a different matter?

LAMBERT: Well, they had some things going for them, which were partly of their own creation. There were two quite advanced at that point foreign investment laws. One

allowed regional headquarters to operate out of Athens, and it included numerous advantages, for example, these companies enjoyed tax-free status. The other, which gave even more advantages, was for companies making an industrial investment in Greece. So, we had quite a lot of interest and a number of American firms coming to Athens then. Apparently, they got along very well with the government. Their reports were almost uniformly very positive. In addition, the wealthy Greek groups, the shipowners and other wealthy Greeks, were investing in Greece and seemed to view the government positively, at least the economic climate it created. So, with that much investment, you got pretty good technology transfer, a lot of employment, and well paid employment. Greece was able both to grow and to keep the inflation somewhat under control during this period. Balance of payments with the inflow of foreign investment was pretty good. Businessmen certainly considered the atmosphere was considered pro-business.

Q: Did you get any feel within the embassy as a junior officer... We had an ambassador, Henry Tasca, who became quite controversial. He was considered quite close to President Nixon. As a matter of fact, his daughter came and spent Christmas one time with us there. Was the embassy divided between those that felt we were too close to this junta and those that were kind of content with how we were working?

LAMBERT: Yes. There were a number of people who felt that the new policy of rapprochement with the junta for the sake of home porting was not a winning proposition. I think they felt that the freedom of the press, human rights, democracy issues, were certainly not as advanced as they should be for us to entertain such a close relationship.

Q: To say the least.

LAMBERT: Well, this was a little before our consciousness on these areas. But that we were basically embracing the junta in ways that we should not have done. We could have had the home porting and some leverage at the same time. I think that this was a view that was held by a number of people, certainly most of the younger people. I didn't know what the more senior people in the embassy thought. In those days, the political counselor was "Miss Brown" and the DCM was "Mr. Brandon." You weren't even on a first name basis with them. These were things that you did not debate with your superiors, but we hotly debated it with everybody under that. One or two American officers thought the discipline the junta provided was necessary and that Greece had failed in its democratic efforts.

Q: On practical grounds, I was one of the screamers about "Let's not have home porting." I thought that bringing the Navy and the Greeks... Bringing 3,000 men into the area was not going to be a happy mix.

LAMBERT: Well, that was another point of view. I think my own was more that the home porting was at more sacrifice than it should have been in a policy way. I think we paid for it later.

Q: I think we did, too. Of course, what was driving it was that the Navy was having a hard

time retaining its crews. It wasn't political; it was a manpower decision. They thought that if we got home porting and put families in Greece, they would have more people reup and just stay on the carriers of the Sixth Fleet.

LAMBERT: Absolutely.

Q: How long were you in the economic section?

LAMBERT: From fall 1971 until I left in the summer of '73.

Q: You didn't go to the political section, did you?

LAMBERT: No. In those days, your rotation was in two sections – consular and one other.

Q: On the personal side, you got married. I recall your wedding.

LAMBERT: Yes. I married a Foreign Service officer who worked in USIA and became a tandem. I got married in the economic counselor's garden.

Q: I ended up giving two people away while I was there, one a Czech escapee who met her husband to be. They arranged for her to take a tour of Greece and she peeled off, so we got her married so she could get back. The other one was in the courtyard of the embassy. All of a sudden, I found myself giving away the bride in a Jewish ceremony.

LAMBERT: My understanding was, at least the way we got married, that Greek law required a religious ceremony. You basically had a civil signing of papers and then you had to have a religious ceremony as part of it.

Q: What was your feeling in '72? Was this what you wanted to do?

LAMBERT: Oh, yes. I had probably joined thinking I'd do one tour or two and see the world. But I thoroughly enjoyed the work. I thought and still do think that the collegial atmosphere, the people you met and the people you serve with, especially overseas, offer the greatest bonds of friendship imaginable. Certainly at that time it was true, and it's been true since. I was married into it, so in a sense, we were both pretty committed.

Q: Was this your husband's first tour?

LAMBERT: Yes.

Q: Some people say that the Foreign Service is a pretty good club. They're interesting people. The Athens crew is one that sticks in my mind more than others as a particularly solid group of people.

LAMBERT: I've known terrific people at all my posts. I invariably liked my fellow officers,

and we had a lot in common. Fellow FSOs have proved some of the most energetic, intelligent and provocative people I've known. We did things together. We saw the country together. We shared in life experiences. We were far from home and supported each other when things went wrong. And we became a community, certainly. I think the Foreign Service offers such a rich community overseas that even when we return to Washington, it's still kind of our family. But I also think that they were very intelligent people working very hard and trying to do the right thing. I felt so all through my career. It's been very gratifying to know people like that.

Q: I think this is a good place to pause. We'll pick this up in '73. Where did you go?

LAMBERT: Back to Washington for language training and then to Teheran.

Q: Today is February 1, 2002. 1973. Did you have orders?

LAMBERT: Can we go back to Athens?

Q: Yes, absolutely.

LAMBERT: There were two things that I forgot to mention. One is that there were two people who had been in the embassy before I arrived, Bob Keeley and Arch Blood. Both, particularly Arch Blood, considerable career sacrifice (although both eventually did quite well) for advocating a line that the U.S. should oppose the military junta in Greece and lack of fundamental freedoms, and both used dissent channels to argue that our policy was wrong. I think that both continued to hold these views somewhat vociferously after they left Athens. When the embassy kind of divided on what our policy should be, these people were sort of folk heroes to the younger officers, especially Arch Blood. He really did take serious career sacrifice for the dissent. He got into it again when East Pakistan wanted to separate from Pakistan. He took a more pro-India position than the US government was taking...

Q: He had quite a name for himself basically being in opposition to our policy towards Pakistan.

LAMBERT: He was right in both the Greek and Bangladesh cases and I think his career lasted long enough that it was acknowledged.

The other thing that I wanted to mention was that the embassy was bombed somewhat before I got there. It was a major bomb. I think it took out most of the windows on the parking lot side.

Q: It was a bomb in the parking lot. It killed the perpetrators.

LAMBERT: When I was there, we also had a bomb. It was in the basement of the embassy

in the ladies' room. The cafeteria was down there and apparently we allowed freer access to the embassy in those days, although we had started some kind of security. The parking lot used to be for the public and it was only for employees when I got there, which was nice for us. But there was a bomb set off in the ladies' bathroom. I remember being on the third floor when it happened in the bathroom and this gush of water came up, sort of like a geiser. I still find it interesting that in those days somebody could get in and set off a bomb. I do recall that happening. Of course, Athens had some serious terrorist attacks. They were mostly car bombings. Security was a major problem even in the early 1970s.

Q: I was on home leave during the ladies' room bomb, but I was at the embassy when the other one went off. It was an interesting combination. It was a Cypriot young man of the Greek side and an Italian young woman of the activist side. There seemed to be a natural relationship. This comes up other times. The Italians in those days came to be very much involved in this. They were parking this bomb, and the bomb went off obviously prematurely because it killed both of them. It went off before the embassy people would have normally been out in the parking lot. It was close to quitting time.

LAMBERT: My understanding is that there would be have been serious damage to people, even serious damage to the building, had it not been about quitting time and people were not in their offices.

Q: It really was remarkable how few people were hurt. But it this odd sort of thing. You had a Cypriot nationalist. You had communists. It wasn't the organized terrorist movement. They probably weren't as efficient as they have become lately.

LAMBERT: Athens remained a scene of terrorist activities – car bombs. The station chief was killed a few years after we left.

Q: Welsh.

LAMBERT: We had this in Teheran as well.

Q: You came back and were assigned to language training for Farsi.

LAMBERT: Yes, for 10 months.

Q: Had this been something you had asked for?

LAMBERT: Yes. I was married, and there were two suitable jobs in Teheran. There weren't too many suitable jobs- (end of tape)

Q: Your husband was David Lambert. What was he?

LAMBERT: He was with USIA.

Q: What was the situation at the time when you got married as regards who went where, what did you do? That had just been changing, hadn't it?

LAMBERT: Yes, shortly before I got married, the State Department stopped making women resign upon marriage and made every effort to arrange tandem assignments, to suitable jobs, at the same place. They also invited women who had been required to resign because of marriage back into the Service. I think the tandem idea was fairly new when we were assigned to Teheran. The policy was that one of you had to be primary. The State Department or USIA always got the job for the primary. Then an assignment for the secondary would be considered. But of course, what tandems did was look at the assignment bid list and try to find matches and then try to negotiate the match with the embassy first and then the personnel officer. In our case in Teheran, we basically took jobs at grade. We didn't try to negotiate a better package. We were just interested really in getting two jobs in the same place.

Q: You took Farsi for a year at FSI. How did you find the language training there?

LAMBERT: I think it varies language by language. The French training, for example, had a lot of classes and a lot of teachers. The teachers often have short careers at FSI. The linguist knows the language, which they don't in the unusual languages. The method is pretty rigorously enforced. In the other languages, you tend to have maybe one full-time teacher who has been at FSI 20 years or so and it very much depends on the teacher rather than the program. I think it's very individual.

Q: How did you find Farsi?

LAMBERT: I didn't find it as rigorous as either French or Greek. It's probably an easier language than either of them. Of course, the grammar structure pretty much follows. You don't have the conjugations and declensions that you have in Greek particularly. You have to get over the alphabet, but I had already done that in Greek. Once you realize that you're going to do it, it's done. It was an interesting language. This was a culture much more different than anything I had ever known. We spoke a lot in English in class, but I think it was of some value because we learned more about Iran.

Q: What were you getting before you went out there about Iran and our policy?

LAMBERT: This was the time of the Shah. There had been a short-lived democracy which the U.S. regarded as pro-communist.

Q: This was under Mossadegh.

LAMBERT: Right. The Shah had been in exile and was accompanied back to the throne with the help of the CIA. Kermat Roosevelt, TR's grandson, worked for the CIA and was personally involved. The Shah was a young man when he took the throne and had been in power well over 15 or more years when we arrived, and he was in an extremely strong

position. He had employed most of the classic dictator tools – like rotating the army leadership regularly. This was the time of OPEC’s rise when the price of gas went through the roof and gas shortages were occurring in the U.S. The Shah was a very powerful international figure and was considered a great ally of the United States.

Q: You went out there in '74. You were there until when?

LAMBERT: '77.

Q: Before you went out there, what job were you going to go to?

LAMBERT: I was a commercial officer in the commercial part of the commercial/economic section. In those days, State rather than Commerce provided the commercial function.

Q: Were you picking up any concerns by people within the State Department who talked about our policy with Iran?

LAMBERT: Certainly not within the State Department. Iran was considered our ally in the area for obvious reasons. Iran was allowing us to install microwave stations in for intelligence purposes on the Iran-Soviet Union border. We were equipping the Iranian military. US exports to Iran were enormous, we looked to Iran to supply oil and be a moderate voice in OPEC, and our military involvement was increasing dramatically. Iran was considered stable. I think the Shah was considered as an enlightened ruler, although that wasn't a particular topic of conversation. He had instituted some modern ideas. Certainly Iran was considered progressive economically. A lot of that fell down later, but the progress looked real. American business was willing to invest in Iran and came back with good stories about the investment climate. Iran was spending a great deal of money improving its infrastructure. American companies established there to try to get the very big ticket infrastructure contracts – particularly airport, petroleum, subway and major road and port contracts. Contracts tended to be “turn key-plus,” which gave the US contractor considerable control and good profit. In those days, a billion dollar contract was very rare in the world, but Iran tendered quite a number of them. The Shah was certainly progressive towards women. His wife and his sisters appeared prominently. Women were in senior positions in the government. The prominent women did not wear the chador. I think these were probably the main factors in our viewing the Shah's as an enlightened regime. But, of course, geographic location and oil were much more important to us than enlightenment.

Q: Normally when you take language training, you get a certain amount of area studies but also people who had been there... You set out your network and have lunch with people who had served in Iran. Were you hearing anything about fundamentalist Islam?

LAMBERT: At FSI, not a word. Certainly once we got to Iran, we were very aware.

Q: I'm talking about before you went there.

LAMBERT: No. In area studies, we studied Islam, but it was more a historical sense and we looked at comparisons with Christianity. We were aware of the religion. I think there was more emphasis on the modernizing element of the Shah than the fundamentalist element in the countryside. A lot of the area studies was historic. Of course, the people that we knew in the U.S., our teachers and other Iranians that we met, were exiles. They had been in the U.S. for 10-20 years. They weren't that much in touch with modern Iran. But the story goes that every family covers all bases. This was certainly true when you looked at the big prominent families. They all had a leftist. They all had a communist. They all had somebody that was in the Shah's government. They all had a business. They had money overseas. They had family in America. They covered all bases. This had been going on for many years.

Q: What was David doing?

LAMBERT: David took language with me. Then we both went to an in-country training program in Shiraz that involved a month of living with a family. We actually both got called back early, but David got called back almost immediately. Then I moved in with a different family. The original family wasn't suitable for me to stay alone with. They were more involved with the financial renting of a room than with a cultural experience. The second family was extremely wealthy, and they were wonderful to me. I learned better Farsi, of course, because I wasn't speaking English with David all the time. This was a family where the women were not veiled. They had two daughters. The wife that took me around all day drove a Mercedes. They had friends of similar wealth. We spent our evenings in people's gardens, which were often outside of the city separate from the main house. It was a wonderful, gentle way of life, obviously among the wealthy in this case, that I think had already passed in Teheran. This was what people remembered of Iran in the '60s. By the time we got to Teheran, the prices of the apartments the Americans were looking at were \$100 a week, and rising by the week. The city was very congested. The phone system was way overloaded. In the embassy, we had to search hard for talent. It was hard to find. We had to pay about \$2,000 a month to a 17-year-old who could speak a little bit of English as a typist. That was a considerable salary, even in Iran, but it was the only way the Embassy could find and keep local staff. The system was kind of exploding with the oil wealth. Again, when we first learned we were going to Iran, the American population was about 5,000, mostly women married to Iranians who had met them at university. At the high point, it was 55,000 Americans. So, there was an inflow of everybody, everything, and especially money in Teheran, which I think ruined the culture that had been there, the culture that I saw in Shiraz.

Q: Who was our ambassador from '74 to '77?

LAMBERT: Richard Helms. He left a little bit before I left, but he was there most of the time.

Q: How did you find him? Did you have much contact?

LAMBERT: Yes. He was obviously a very noble, successful individual. He was under investigation most of the time that we were there by some committee or other, mostly to do with Watergate. He had very good relations with the Shah and with the most senior few people in the government. The key relationship with the Shah really was carried out by the ambassador rather than the President or Secretary of State, as so often happens now. I don't think he felt it was his job to know deeper down in the bureaucracy. He had access to the top, so the rest of us had the access at quite senior levels. I remember having directors general of ministries (under secretary equivalent) at receptions at my home, which would be quite unusual for a second tour officer at a large embassy today. Mrs. Helms was active civically in hospital, health, and children's issues. I found the Helms formidable. I was a kid. I was less than 30 years old. The Ambassador did have a temper which he displayed on a few occasions. I did not want to be the subject of that, which is too bad because I would have admired him and liked him more had I not been a little afraid of him. I think most of the junior staff was in that position.

Q: You were coming from Athens, where there was a division between... We had a government that really was very unpopular. How did we deal with it? Our policy was that we were much closer to the Greek government than almost any other European state. Then you find yourself in Iran, where there was a certain amount of this, too, wasn't there?

LAMBERT: Oh, yes. I think the U.S. was considered number one in Iran, and we had a more upgraded relationship than we had in Athens or than anyone else had in Iran. Kissinger visited Iran when I was there, for example. But the Europeans were very interested in Iran. The Shah was viewed as enlightened. The business opportunities were phenomenal, and the Europeans were certainly interested in the business opportunities. In many ways, one of the primary goals of most European embassies was to boom up their business - a higher goal than I'd say we had. European countries tended to have one company competing for a project whereas we often had several. We could not choose among the companies. The European company in question would often be a state-owned company.

Q: While it wasn't in your particular territory, did you run across within our officer group there any concern about the policies? I gather the policy was that we really don't report on internal matters in Iran if they are not complimentary of the Shah.

LAMBERT: What I'm aware of is that early on in my tour, I went to the Tehran bazaar. One of the older and larger mosques was located in the center of the bazaar... It was a hangout for religious people. Prayers were observed. Prayers went from loudspeakers throughout the bazaar. I got separated from the people that I was with. I got kind of mauled and couldn't understand that. People were speaking German to me. I think they thought I was German. I went home and spoke to some of my colleagues. Clearly I was concerned. That's when I learned that some of my colleagues believed that there was a fundamentalist movement and that it was growing, all the more because of the Shah's excesses. Educated professional acquaintances tended to support the Shah, but in the countryside especially

and in places like the bazaar the Shah was hated. This was a sleeping lion that, as we know, eventually roared. I believe now that many students probably opposed the Shah, but I didn't meet many students. Embassy officers who thought trouble was brewing were the ones that had the jobs that involved traveling in-country. We who stayed in Teheran and had most of our access with the professional classes, as I did, really weren't aware of that. I'm not sure that our business contacts were that aware of it either, although through their families they touched every walk of life in Iran. This was a traditional response to power that went back many generations. Anyway, three people in the embassy were quite concerned about the pending trouble beneath the surface. My husband traveled throughout Iran with his job, and he was one of them. I'm personally not aware of it in Embassy reporting. I think there might have been some. I think, however, that most officers in the Embassy thought the political situation was stable, even good. Things began to unravel later in my tour, but from 1974 to probably 1976 I think the prevailing view in the Embassy was that things were fine.

Q: Rather than just...

LAMBERT: My husband and the others were probably considered radicals, maybe even trouble makers. We had American companies that began to get into trouble towards the end of my tour. The main problem was they were not being paid. One senior American executive committed suicide because of overexposure in Iran. This was something that Washington knew. Exactly how we reported it, I don't remember. On the economic side, the Iranians had overstretched. The Shah's ambitions were somewhat outrageous. He used to say that in 10 years Iran would surpass Germany. Well, this wasn't very realistic. Certainly in the balance of payments reporting in the economic section's work, we realized the fundamental weaknesses that were beginning to come on the economy from being overextended and this was reported. It was reported in kind of a measured, analytic way, but it wasn't kept from Washington.

Q: What was your particular part of the commercial field?

LAMBERT: Inasmuch as we could divide – there were only three American officers – I tended to follow the major projects: the airport, the subway, the big roads. We would have a lot of American interest in any kind of business in Iran. Also, a lot of businessmen... Most of these projects were let on what we called then a "turnkey" basis. A company would come in and design, build, equip, and manage, train, and then turn over the key... but actually, the US firms usually stayed on beyond that and managed the operation.

Q: I would think that given the proclivities of the royal entourage, there would be an awful lot of payments to the royal entourage by American business in order to get things done.

LAMBERT: As far as I'm aware... I did the Teheran International Trade Fair. One year, we had trouble getting our goods in. Our manager certainly had to give baksheesh pretty liberally so that we could set up our pavilion on time. There was that level. But for big contracts, what usually happened was, you had a 10 percenter who was your local partner or your middleman representative. As far as I know, all of the big companies had such a

contact. My guess would be that what bribing was done was usually done through this person with his cut.

Q: What would you tell perspective American business people who came and asked, "What are chances and how do things work here?"

LAMBERT: That was a very long story. We got involved with a lot of companies in different areas and it took a lot of time because many of them brought families in, and the families had problems. The first discussion was usually whether the company should have a presence and if so, what life was like, what the costs were, what the schools were like, what the family situation would be, what the laws were, whether they had to pay money to establish, how much money it would cost to set up a presence. This was one set of things. Once they established, we had a very ongoing relationship with them. I think it was a favorable climate for foreign investment, but the city was so overstrained that new companies would have problems getting phone service, problems getting paid, problems with a lot of things. So, we had a very close relationship with the very large and growing American business community. We'd have a lot of people that would come in search of business. Some of them had a specific project. Some of them just had heard about Iran and wanted to know how they might fit in. All three of us would have seven or eight appointments a day, whether they were setting up or traveling through. Some of the people traveled through a lot and wanted to see us every time they came through. The ones that were established had this, that, and the other thing they wanted to discuss. We were extremely busy seeing American businesspeople.

Q: I would have thought that in seeing American businesspeople-

LAMBERT: They were all men. There were no women.

Q: You were also getting feedback all the time. Was there any disquiet on your part or others about the growing American community there and its impact on the society?

LAMBERT: It was having certainly a large impact. It wasn't just Americans. Every nationality was coming in. This was kind of a gold rush. The foreign population of Iran was outpricing everything, basically bidding up all prices. People were making a lot of money and a lot of this was off foreigners. I think that the divide between the rich and the poor was always fairly large and got larger, and we expatriates were in obviously in the rich part. This said, we were totally outclassed and outspent by the wealthy Iranians. I've never seen such consumption. You'd go to a party, and there were multiple bands, enough food to feed a village, sometimes champagne flowing out of fountains. I can remember being disturbed about the difference. Most of our FSNs were fairly aristocratic, too. The embassy was located on a big compound. It was 54 acres. The ambassador, the Marines, the DCM lived on it. It had the commissary. It had its athletic facilities. Walking around the compound is something we all did all the time. If you spoke to a gardener, they would put their hand to their forehead and bow and practically go down to the ground. This was uncomfortable for an American. We were trying to be friendly and kind. On the one hand, to be greeted like

that at the embassy and on the other to be mauled at the bazaar... There were clearly social upheavals. I think that the family life... Most Iranians were family oriented. The family had been the center of everyone's existence and it no longer was. It took too long to get to work and too long to get back and it was too hard to make a phone call. The guy that had seen his mother every lunch all of his life stopped seeing his mother. These were the wealthier people. It was a tremendous upheaval. You could see it yourself. It was difficult living.

Q: Were you seeing a change from '74 to '77?

LAMBERT: American firms were downsizing from 1976 on. There were two things going on with the government contracts. One is that initially the Iranian government wanted the most modern thing possible, state of the art. Then a company would go in with state of the art plans, proposals, which were expensive to prepare. This was a one or two year process. Then they'd be told to scale it back a little bit. Things would get not derailed but greatly postponed. Then some of the expectations of the companies on payments were not being met. Some of the very large payments which were clearly due were not being met. We were seeing a decline in Iran's balance of payments and ability to pay. They went out for some loans. I think "Newsweek" or "Business Week" had a cover saying "The Bloom Is Off the Rose." Economically, it certainly was. I think some of the companies were extremely overextended in the Middle East generally and in Iran particularly because the same pattern was going on in other Middle Eastern countries. I don't know if they were paid or not, but I think that overambition was certainly there in the growing American presence. Then there were power brownouts. The government alleged that the power system was overextended and couldn't meet demands and so they put scheduled brownouts on. They weren't very well scheduled because you never knew when they were going to happen. But if this was something that was controlled - I don't think the power grid probably was overextended - but the street rumor was that there was sabotage going on. I think that this was the beginning of my own realization, plus listening to my husband all these years, that something was going wrong and that it was going wrong in a major, unorganized way. But again, I don't think that the embassy reported it as that. We probably did report some power brownouts, but I don't expect it occurred beyond that.

Q: The leftist group, the Tudeh Party... Mujahedeen seemed to be the term for guerrillas right, left, and center.

LAMBERT: My colleagues who traveled and my husband seemed to think that this was going on, but I personally had no firsthand experience with them at all. I'm not sure the term Mujahedeen was used at the time. I tend to think it came later.

Q: What about the SAVAK? Was this a name that got whispered around?

LAMBERT: Absolutely. They were the secret police. Again, the feeling was that SAVAK was everywhere, even inside extended families. We thought we had SAVAK within the embassy in some of our FSN employees. People had some ideas on who they might be. It was clearly something that was spoken about, but in hushed terms even within the embassy.

I'm not sure I had close enough relationships with Iranians that they would pour out their hearts on this to me, but my assumption was that there was a lot of fear. There were certainly occasions in my professional capacity where people would go out on the balcony to tell you something or they'd wait to tell you until you were in the street. I think there was a fair amount of fear.

Q: The merchants were a rather potent force within Iran. From the commercial side, did we have much contact with them or did they operate off our radar screen?

LAMBERT: I think the latter. I personally had no contact with them at all except as a shopper. I think the embassy tended to frequent a couple merchants. I don't mean we didn't stroll the bazaar at large, but there was a merchant that everybody in the embassy went to and bought most of our carpets from, and there was a good reason. He was open when the embassy had its weekend off – a lot of the others were closed on Friday and Saturday. He had a rug show every week in English where he taught about rugs, allowed you to take rugs home and try them. He was considered reputable because everybody in the embassy dealt with him. It was the same thing with caterers, restaurants, and so forth. So, our contact really was fairly limited. I don't know if it's by chance or not, but the rug dealer was Jewish and wouldn't have been connected with anything Muslim.

Q: Did you take trips around?

LAMBERT: All the time. We did extensive traveling. Teheran at that time was an extremely congested, overbuilt city. But the country was beautiful and there was a great deal of variety. The trip from town to the Caspian is one of the most remarkable, beautiful drives I've ever seen. At the time, there was wonderful hospitality and quite a lot to see. We traveled pretty extensively. It wasn't easy because it's a big country. We once went into Afghanistan.

Q: Did you have children?

LAMBERT: Immediately after.

I also wanted to say two other things. One is that my closest friends in the Foreign Service came from the Teheran assignment. It could be partly the age that I was then, the fact that we didn't have children then. It was a remarkable group of people. And the living was difficult. It was difficult to get around. It was difficult to make a phone call. I think we relied on each other quite a bit. Especially during the religious holidays, the embassy did not want us out on the streets for fear of violence. We were more self-contained than any other embassy group I knew then.

Q: In a way, you weren't under siege, but you were under constraints.

LAMBERT: Well, there were the practical constraints, such as the traffic. Then there were cultural constraints. We were in a place where there wasn't a lot to do. There were

American movies. There were restaurants. But you don't have what we had in London and Paris, so we relied more on the American community and especially the embassy community. Then when the going got a little rougher during religious holidays, etc., this was an almost enforced community.

The incident that I wanted to recall took place during a Shiite called Ashurah.

Q: Is this when they beat themselves?

LAMBERT: Yes.

Q: I'm told that was a dangerous time.

LAMBERT: It was. We had a group of Maryland businessmen... This was the first trade mission I'd handled. They were CEOs of large companies, several in construction. The Iranian government suggested that we take the group to a retreat about an hour outside Tehran. The club was owned by the Shah's family (normally a membership thing) basically to get these people out of the city because they were in hotels and they wanted appointments and they wanted to be busy. So, we took them on a trip from the hotel, which was the Intercontinental, to the mountain resort. As we were leaving, it was by the airport road and there was a town independent of Teheran we had to drive through, but other than that, we really weren't in any of the traffic that was involved in the holy day. There was a street demonstration going on. It was in the middle of January and people were bare chested and flagellating themselves with spiked chains. It was very bloody. We had warned everybody that this was not something to take pictures of. I don't think anybody was taking a picture, but I think somebody must have had a camera that was seen by the crowd and they turned on the minivan that was ahead of us. We had experienced some terrorism. We had had Americans assassinated in car ambushes and we had a lot more afterwards. The embassy drivers who were driving the Maryland businessmen had had defensive training. The driver under attack floored the minivan, as did the one behind, the one I was in. They just drove through that crowd at full speed and got out of the city. Fortunately, the crowd got out of the way. I think that the drivers showed remarkable presence to do that. I know this is what they (and later we in the embassy) were taught to do, but it's not easy.

Q: I know it. Oh, boy.

LAMBERT: The van was really being lifted. So, we got out of that one and waited until after dark to go home.

Q: You mentioned that you had an unpleasant incident near the bazaar mosque.

LAMBERT: I got separated from the group. Of course, being larger than any of the Iranians and blonde and a foreigner, what happened was that somebody moving a rack of clothes questioned me. I fell. I thought it was an accident, but it gathered a crowd and almost everything was belligerent against me. I was injured slightly, but I picked myself up and

made my way through the crowd. The crowd dispersed and the person pushing the rack crashed the rack into me again. That time, I realized that it wasn't accidental. I ducked into a shop and stayed there until pretty much everything was dispersed. I don't know if the shopkeeper liked it or not, but he certainly tolerated my being there. Then I took a cab home.

This was not a place where... It wasn't an easy place to walk. You drew too much attention as a woman and a foreigner. The traffic was too heavy. It was dangerous. The traffic would often drive over the sidewalk. They'd have two lanes of traffic, but the cars were a little bit smaller than American cars and they said that the lines painted on the street were for foreigners. They would get two cars in each lane, so you'd have four cars abreast. Then typically, a fifth car in the gutter, which is where water used to run, the gutter system (it used to be how Iranians got their water in the city, but we had city water at that point)... When the traffic got into a bottleneck, the cars would go on the sidewalk. Americans were always having accidents because we weren't used to this - just having a paper's width almost between the cars. Iranians were always having accidents, too. The roads were very dangerous. There were a lot of pedestrian deaths. So, it wasn't really a walkable place.

Q: What about the universities? Did you have much contact with university students?

LAMBERT: I really didn't have any.

Q: You left there in '77. What was your feeling and others' about relations with Iran? Did you see things approaching a crisis?

LAMBERT: I certainly did. There was an economic crisis and certainly a crisis for American business, the ones that were heavily involved. But there were reasons for the crisis. I was beginning to be aware of a lot more disaffection. Often, when the economy is good, people are satisfied. But when the economy sours, dissent comes to the surface. I was aware of an increasing number of my colleagues talking about trouble in the countryside. I was aware of the growing gap between the rich and the poor. The arrogance of some of the royal family was quite well-known. Some royals were thought to be benefitting from the bribery - not the Shah and his wife, but some of the brothers, sisters, cousins, and whatnot. Some people disapproved of the royal women appearing in western fashion. Then we had the power brownouts. There were some rumblings in the universities. I think at that time, the embassy considered the military intact. But there were clearly a lot of signs of trouble.

Q: Did Sheikh Khomeini's name ever arise while you were there?

LAMBERT: I never heard it. Maybe people in the political section knew it.

Q: Were mosques places that were completely off-limits?

LAMBERT: No. Iran was a very good country for tourism. You had to wear a chador. The Iranian version of it at that time was more like a tablecloth that you put over yourself and it

was sort of like a mid-calf type of coverup that covered your hair. Some of the Iranian women would put it over the lower part of their face from time to time. You had to wear some garment like that to get into a mosque. There were a few mosques that were off-limits for foreigners. But certainly mosque visiting was done.

Q: You left there in '77. Where did you go?

LAMBERT: Back to Washington. Those were the days when PanAm had the around the world trip. They stopped off in Teheran and the next stop was New Delhi. The next stop must have been Bangkok, then Singapore and Hong Kong, then Japan. For a very little bit more money than the government ticket, I went home (David had to go back earlier) via the Orient and took my time doing it. That was terrific. Then I went to Washington. I had some time off because Sarah was born about then.

Then I went back to work in the Office of Commercial Affairs at State. It was a terrible time to be there because it was exactly the time that State was losing its commercial function as well as its trade negotiating function to USTR. We were preparing a lot of position papers that had to do with the loss of power. The line was that State would retain the commercial function, which we did in countries that- (end of tape) were too small for Commerce to have an interest. But, in fact, we lost the function.

I think it was a difficult time for State and it really ravaged the careers of a number of FSOs who had done primarily commercial work. In the early '70s, this was supposed to be the wave of the future. The economic jobs were probably halved and it made a very difficult Service for a lot of people. A number were invited to go to Commerce and some of them did.

Q: Was this on the table? Were you looking at that?

LAMBERT: No, I never considered leaving State, although I had certainly spent the previous few years in commercial work. I knew I didn't want to work for Commerce. I wanted to work for State. I knew I was more of a policy person than a promotion person anyway. At the time, State and most of the economic function argued that you couldn't separate policy from promotion. In fact, I think you can, but you have to have a pretty good relationship with the larger economic team. In London, I did the European Union. I saw businessmen a lot that were sent from the commercial section because they wanted to know the policy and what was going on in Europe, whereas the commercial section mainly was assisting them in establishing or marking in Britain. But it was a difficult split. I don't think now you'd see it as a difficult thing, but at the time, and maybe for 10 years, it was very painful. It was particularly painful to the economic cone. Not only did they lose the commercial function and a lot of jobs and a lot of people's careers, but they lost the trade negotiating function to USTR.

Q: You were doing this in Washington from 1978 (considering the long trip home and having a baby) to when?

LAMBERT: I think it was late '78 to early '80. I took the economic course in 1980 and got out of this job a little bit prematurely when the function was dissolved. I was very happy to be in our office when I was initially assigned. At that point, commercial work was interesting. The office director in that office was well-known and respected.

Q: Who was the director?

LAMBERT: At the time I was there, his name was Al Zucca. He was a terrific guy. He had made FS-1, which would be MC today, while he was in his 40s. He had a phenomenal career. He was a fun person. He also hit 50 and retired.

Q: What was the attitude that you were getting from the Foreign Service people about Commerce? I'm wondering whether they thought, "These people aren't of the same caliber. They'll have a different approach." Were you picking up any vibes of this kind?

LAMBERT: I suppose the State Department people always think they're superior to everybody else. Certainly their entrance tests were much stricter than anything Commerce had. However, Commerce instituted its own Foreign Service that has the same testing that we have at State. They also made an appeal to marketing executives to join. They wanted a more diverse body of people. At the time, I think that we felt that they weren't as selective and didn't realize that they would have the same selection process as State. Commerce did not have an excellent reputation at that point either. It was a very politicized agency that had political appointees much lower in the echelon than State ever had.

Q: In my time, the reputation was Commerce was sort of the dumping ground for political appointees much more than anybody else. If you didn't know what to do with them, you put them in Commerce, which tended to dilute the professional ranks.

LAMBERT: Commerce had office directors who were political appointees. A lot of our exposure was people who ran trade fairs and trade missions, who were terrific at what they did, but they were not usually at the educational level of State Department officers. The desk officers at Commerce certainly were. Many of them are competitive with any FSO. They were then and they are now. On the whole, the perception was that the Commercial Service would not attract as competitive officers as State attracted. It was a difficult, politicized bureaucracy. There was less interest in policy than at State. There was a marketing orientation, rather than a policy orientation, to most of what they did.

Q: It's always difficult when you go through one of these transitional phases. In 1980, you went to the economic course. We'll pick it up then.

Today is February 5, 2002. In 1980, you took the economic course, which is a six month course?

LAMBERT: At that point, it was six months. Now, it's nine.

Q: This course was considered to be quite revolutionary at that time, wasn't it?

LAMBERT: No. I think it had been 10 years before. It had a good reputation when I took it and it was considered to be the equivalent of a strong BA, maybe more, in economics. The graduates of the course always took the Graduate Record Exam [GRE], did very well, and were placeable in the Ph.D. programs at some of the better universities. I didn't seek that.

Q: In later economic life, how did you find it served you? Did you find that it had given you the tools that you needed?

LAMBERT: No. It was a very academic approach. At that point, it was divorced from the real world. I understand now that the extra three months have made it more practical and hands on. But what I did really had no relation to my future work. I think it gave me a vocabulary that was useful, but it was a pure academic, ivory tower course, and that's been corrected.

Q: When did you finish the course?

LAMBERT: In 1980.

Q: Then whither?

LAMBERT: I spent a year in Personnel Assignments and Career Development Office. I was the career counselor for and assigned maybe 400 02-tenured 04 economic cone FSOs.

Q: This would be '80-'91. What was your impression of the personnel system at that time?

LAMBERT: It was pretty much the same as it is now. I had a three-month short tour in Personnel in 1999. The system is set up basically that the Personnel panel makes the decisions on assignments. The career counselors represent the individual employees. There are also representatives of the bureau who work for Personnel, not for the bureau, but they're usually people that come out of the bureau and have good contacts. They call this a dynamic tension. I think that it's certainly true that each individual's case is considered on its individual merits. Clearly, the bureau choice is usually the choice of the panel unless there's something sort of irregular about it. For example, if the stretch is quite a considerable stretch and there are at grade qualified bidders, the panel could go against a bureau's choice.

Q: You might explain what a stretch is.

LAMBERT: A stretch is assignment into a position that is a grade or two higher than one's

own grade. In these cases, I think Personnel tried to represent the system. I would say that back in '80-81, the individual had a stronger voice in the system than it did when I was back in '99. I think the bureau influence was considerably more important I 1999.

Q: Did you find that the better economic jobs were going to people who had already been preselected by their mentors or something like that?

LAMBERT: In many cases, yes. They were usually people that were known to the bureau and known favorably. Back in the '80s at mid-career, most people were bidding at their own grade level and they had the prerequisites for the jobs they were seeking. We did in the '80s try to do more geographic distribution. For example, if an officer had served only in the European bureau, we would try to get him/her to bid elsewhere, if for no other reason to be able to bid hardship posts. I should correct something. It's possible that this system is still pretty rigorous at the mid-career level. When I went back in '99, I did seniors and 01s. I think that's a little bit more heavily weighted to the bureau than the mid-career.

Q: When you were doing this from '80 to '81, was this a time of some crisis for economic specialists? The economic jobs in general were going over to the commercial service.

LAMBERT: Yes. My recollection is that we had no trouble placing 4s, 3s, and 2s. But when we got to the 01 level, the surplus of people over jobs that continues today was quite considerable, especially in the economic cone. We did have a big push to put people in multifunctional jobs, which political officers thought were their exclusive domain. We were partially successful. Desk officer jobs primarily. Today, economic officers are more competitive for multifunctional jobs than they were in the early '80s when they were more stuck in their cone. But we did make that push and we made it very hard. We also tried to get each officer to look not at the immediate next assignment but at the next two or three assignments. A huge mistake that most officers make is that they only look at the next year or two. They really need to be thinking how they're going to place themselves for the rest of their career. Quite often, they get in one bureau and can't get out of the bureau because by the time they're an 01, they're not known to another bureau, or they're in something that they don't want to be in for the rest of their careers – for example, the economic function only. I think that was probably the most important thing that I thought of when I counseled individual people.

Q: What was your impression of the group you were working with? Were they as career minded or interesting places minded?

LAMBERT: You mean the people in Personnel?

Q: Yes.

LAMBERT: Of course, Personnel has had the reputation of attracting people because they could get themselves a good follow-on assignment. I felt we had good people that were very invested in the system and were by and large trying to be fair. I think there were one

or two who were serving their bureaus very well, perhaps better than the system. But I think most people were serving the system. I think most career development officers were willing to tell their clients when they were uncompetitive and to try to get them to be more reasonable and think a little more broadly than some of them initially wanted.

Q: One of the things about serving in Personnel is, it usually gives the officer serving in Personnel a certain leg up on the next assignment. How did this work in your case?

LAMBERT: I actually went to Paris. I know that that sounds true to your hypothesis. But to be honest, I would have been able to get the Paris job anyway. It was not a question of advance intelligence or anything else. What I found valuable about Personnel was not going to Paris. Personnel itself was actually one of the best assignments I ever had. What was of value about it was that I learned almost every job in the Service from 1 down to about 4. I knew all the economic officers who were my age or a little younger. I knew most of the people who had the jobs and who were interviewing my clients. Through that experience, I learned about several hundred jobs that I never thought about previously. That was the value. Going to Paris looks like it came out of Personnel, but I really think not.

Q: When I came out of Personnel, I got myself a real doozy of a job. I went to Saigon, where there was a war. It looks like I must have played the system wrong. But I was interested in Saigon.

LAMBERT: It must have been a fabulous experience. Everybody had to go there.

Q: You wanted to see the elephant as they said in the Civil War. You had to go see it to believe it, so I went.

You went to Paris and were there from '81 to when?

LAMBERT: '85. I was not at the bilateral embassy. I was at the U.S. mission to the Organization for Economic Cooperation and Development [OECD], which is primarily an economic organization of the wealthiest countries in the world, namely Japan, Australia, New Zealand, North America, and Europe. It was a policy organization. In some ways, it was a place where policy was debated before it was debated in a large international context. A specific example would be preparation for the Uruguay trade round.

Q: Let's get the nuts and bolts first. Who was the ambassador while you were there?

LAMBERT: Abe Katz was the first ambassador that I had. Ed Streeter was the second. I was there for four years. The mission at that time had about 30 permanent employees.

Q: Was there any relation to the European Community or to the embassy in Paris or any of these other organizations or were you sort of on your own?

LAMBERT: Serving in a multilateral organization in a foreign country, I think we

sacrificed a lot of knowledge of the foreign country. Of course, you lived there. You listened to the news. You knew some people. You deal with buying your groceries, having your car repaired, and this is all in French. But you don't follow the political or cultural life of the country as much as you would in a bilateral embassy. Of course, I knew everybody in the embassy. Socially, we saw quite a lot of them. There were a lot of embassy-wide activities. We shopped at the commissary. But the kind of substantive... Culturally, we were not part of the French experience so much as the embassy was. As far as the European Community goes, they had a representation, they had a mission, at the OECD just like a country would. They attended every meeting. In some cases, where the members of the community had ceded their sovereignty, the EC represented the member states. In others, the member states represented themselves, but the EC chose to speak quite often. They always caucused. So, there was very definitely a large European Community presence. On some occasions, the member states would take pleasure in shooting down the Commission where they had the sovereignty and the Community didn't. But I think by and large, the caucus was always effective and became more so. Once the EC members had agreed among themselves, and it often was a least-common denominator position, it was hard to accomplish anything other than the EC position. I think there were 12 members of the Community at that point. Maybe they should have had one vote, but like in the UN and elsewhere today, they had 12. So they would give 12 speeches on their position, and we would get only one shot. Voting doesn't matter, really, except on officers and the budget, because the OECD works by consensus. Even so, it is hard to work with a block of countries that constitute about half of the membership. At the time, we were roughly the same size as the whole Community.

Q: What was your slice of the pie?

LAMBERT: I had an unusual and interesting slice. My title was the investment advisor. Every job at OECD relates to different committees. My primary committee was the Committee on Investment and Multinational Enterprises, which supervised three non-binding voluntary agreements, which were major at that point because there had been no international discipline in investment. Still, the OECD instruments are the gold standard. The investment instruments were quite newsworthy and interesting to U.S. corporations. One dealt with national treatment, which is the idea that we treat a foreign investor equally to a national investor. They're eligible for the same government contracts, the same tax treatment, the same treatment in licensing, etc. The committee did review exceptions and complaints. Another instrument had to do with trade-related investment measures, which is the weakest instrument. This is basically an attempt to try to stop incentives and disincentives to foreign investment and let the market regulate it. An example would be tax holidays, which in our case would usually happen at the state level, not the national level, but the U.S. government was a signatory.

The third instrument was the most controversial by far. It was a code of conduct for multinational enterprises. This was the most difficult to negotiate and certainly the most politicized, the one that business had the most interest in, even though they had the most to gain from the other two. But this was the one that would put them on stage and often

criticize them. Those were the three primary instruments in the investment committee.

Delegates to the Investment Committee came from Washington. We had large delegations with a number of agencies represented – State led, with USTR as co-chair of the US delegation. Then we had reps from Commerce and Treasury, and sometimes other agencies. My job was to prepare the delegation, work the Secretariat between meetings so our positions would be reflected in committee documents, and to work with other delegations to try to resolve issues prior to the start of the formal meeting.

In addition, I was one of two U.S. reps on the Committee on Capital Movements Invisible Transactions. This committee dealt with two binding codes - in this case, obligations of the codes were mandatory – dealing with the movement across borders of services and capital. There were old codes that had been signed shortly after World War II, and probably would not have been achievable in the early '80s or today, because they were more liberal than the situation in the '80s. The Treasury representative basically dealt with capital movements and financial services. I dealt with non-financial services and investment, and I took the microphone on those issues. We managed in the time I was there to negotiate an important agreement on the right of establishment, which meant that any company of any member state had the right to establish in any of the other member states. This was a binding agreement, which took the form of an amendment to the Code of Liberalization of Capital Movements, subject to some reservations usually related to national security. This was pretty much a three-year negotiation. The negotiations were acrimonious, in part because the amendment would provide really a new investment instrument, and it would be binding. It was quite a major step forward in the mind of U.S. business. Actually, it was my initiative.

Q: Give me an example.

LAMBERT: Most American companies were having trouble establishing in France. They had to have a presence to get any business in France, and it was difficult to get a presence. The requirements were such that the bureaucracy might take four or five years, by which time the firm would lose its opportunity or its market. Some of our companies for this reason or that would never succeed in establishing a presence. This instrument made a lot of difference and set up some standards. The French government was required to be transparent on what their restrictions were. If they hadn't entered a reservation, the problem could not exist for an American company. If they had entered a reservation, the Code required gradual elimination, and it forbade new restrictions. Countries were examined annually, and with each examination were required – maybe pressured is a better word – to get rid of several specific reservations. This was a major initiative, and, although imperfect, is probably state of the art even today.

The two committees, we also made an outreach to third countries. The idea here was that developing countries needed investment to get their economies going. They needed also to understand some of the things that the investors from the developed world were looking for. In addition, a number of countries were particularly promising candidates for investment

like Korea and Mexico. That was the beginning of the move to get these countries into the OECD, which did happen.

Q: What was in it for a country like France that had very strong exclusionary impulses to get involved in something like this?

LAMBERT: The French were not in the forefront of wanting the instrument. They had a number of reasons why they opposed the instrument and a number of negotiating ploys. But the OECD is a strong organization that moves forward. The Codes themselves were intrinsically liberalizing, business was pressuring, and the French eventually went along – I’m sure because they decided it would be in their interest, or against their interest to keep stonewalling. The more comprehensive investment instrument that the US wanted in the late 1990s, called the MIA, would have combined all of the OECD instruments and made them binding. Unfortunately, the effort failed. But normally in the OECD, if you have a critical mass of particularly the larger countries that want something and it makes sense and the Secretariat supports it, it’s discussed at ministerial level and the ministers give a go-ahead. In the case of the right of establishment amendment, ministers gave a fairly strong endorsement. The ball gets rolling. It’s difficult to stop. I think the French initially opposed the idea. Certainly Canada did. At that point, Canada had a very restrictive investment environment. Some of the Scandinavians opposed it. But the critical mass kept getting larger. These countries’ ability to argue down, particularly with a ministerial endorsement, failed and they changed their efforts to try and protect some of the things that they were most interested in protecting, which they succeeded in doing. It is interesting that this effort succeeded, because at one point the negative countries made an issue of sub-national units, or states in the United States, which can be a vulnerability for a US negotiator. We sign agreements with foreign countries only at the national level, but the federal government doesn’t speak for states and can’t control what states do unless the agreement is a ratified treaty. Most of our establishment regulations are actually determined at the state level. While our states for the most part promote investment, they do have regulations and laws that sometimes discriminate against foreigners. In a negotiating situation, the fact that we are not negotiating for the parties that actually control the issue, even though it’s a largely hypothetical problem, it’s one that is used against the U.S. continually in many negotiations.

Q: Rhode Island won’t let you do this or that or something like that?

LAMBERT: Not exactly. In fact, this is how we succeeded. Opponents kept making the philosophical point that one major country was pushing everyone else to accept the amendment to the Code, but this country wasn’t taking on any obligations at all. The way we answered that was to provide information on all state restrictions and agree to have a consultation on any state measures that other countries found restrictive. The information was just voluminous. It was a computer printout that weighed about 40 pounds. It gave information as well as restrictions. It certainly wasn’t primarily about restrictions. We offered experts. We offered to bring representatives of the states. Of course, no one had any specific complaint at all. It became a dead issue, but it took a lot of time. I understand this

line of argument by countries opposing a liberalizing agreement happens regularly, elsewhere in the OECD, in the World Trade Organization.

Q: In this, did your slice of the pie include the tricky problem of investment and agricultural products?

LAMBERT: Oh, yes.

Q: That sends off bells in every country.

LAMBERT: Well, it does. In some states in the U.S., there are restrictions on ownership of agricultural land. Even with these restrictions, the United States is one of the more liberal countries as investment in agriculture is concerned. But, again, in all states, so far as I can recall, foreigners are able to own agricultural land if they partner with U.S. citizens. This said, we had a number of other restrictions in agriculture. This was an area where the U.S. and almost every other OECD member took substantial reservations.

But the most substantial reservations occurred in the defense-related industries. We debated the philosophical question of definition: What is a defense related industry or a national security related industry? What is the definition of national security? The outcome - and this happens regularly at the WTO with the same outcome - is that it is up to each member state to define national security. No country is willing to allow an international organization define what its national security needs are. Almost all OECD member states have fairly strict prohibitions on foreign ownership of several modes of transportation, communications, and newspapers. Thus, there were numerous reservations in these and other more obvious defense-related areas, and these are reservations that are unlikely to be dropped by the ratchet, or liberalizing, requirements of the Code.

Q: How about on the cultural side? Did that creep in?

LAMBERT: At that time, no. But certainly it crept in later. I think some of the countries – Canada and France would come to mind – probably put in reservations on cultural issues. There wasn't a major topic of dispute then. It has become one later. In NAFTA, for example, culture, specifically publishing and broadcasting, were issues that Canada wanted to protect, even at the expense of a NAFTA agreement. After a lot of negotiation, we decided we would need to allow a relatively complete “carve-out” for Canadian publishing and broadcasting industries. Subsequently, we would have a number of trade disputes both in NAFTA and the WTO over this carve-out. And Canadians continued to push cultural nationalism in other for a. For example, Canada, at ministerial level, made a pitch at UNESCO about two years ago to try to put cultural related trade under UNESCO rather than under a classic trade organization.

Q: What was the Uruguay Round? In a way, you were working towards the Uruguay Round.

LAMBERT: Well, someone else did the trade committee and I did the investment committee. But investment issues eventually became part of the Uruguay Round negotiation. The Uruguay Round was a new trade round under the GATT. There hadn't been a round for a while, and the U.S. and other liberal countries wanted to address especially some of the non-traditional areas, which were not a part of the GATT agreements. Previous GATT rounds had aimed at reducing the tariffs and non-tariff barriers on traditional goods. But many of the disputes in the 1980s, and now, involved non-covered industries and new industries. For example, trade and services, which is any service – banking, insurance, transportation. We wanted to bring GATT disciplines to these areas. We wanted a discipline for the protection of intellectual property. We wanted to stop the competition of countries' offering concessions for foreign investment – this was called trade-related investment measures or TRIMS. And, most of all, we wanted to bring discipline and liberalization to trade in agriculture.

Trade-related intellectual property (TRIPS) is an interesting example. Many goods produced by developed countries contain more intellectual property than they do intrinsic value. I'm thinking of pharmaceuticals, computer software, etc. The Uruguay Round produced a major agreement on the protection of intellectual property. The Uruguay Round also changed the structure of what was then known as the GATT. GATT was a loose treaty organization. The Uruguay Round ended with the establishment of the World Trade Organization (called the WTO, of course), a much larger permanent secretariat, a governing structure, and, as a consequence, became a traditional international organization.

Q: While you were working on investment, was there a push to try to open this up to get more investment into the poor areas of the world? Was this a subtheme? Was this within the ranks of the people in the better developed countries?

LAMBERT: Certainly the OECD instruments apply only to the OECD countries, but I mentioned earlier that we started an outreach to try to bring developing countries into the discussion and into the understanding of the elements of domestic investment policy that attracted investors or that investors were used to living by. The opening up of the OECD investment discussion was certainly with the aim of helping developing countries attract investment, in part by their understanding that their policies, laws, and regulations were often the difference between why an investment was made in one country rather than another.

Q: How were relations between the staff members, including yourself, of different countries? Was there a lot of getting together or were you teams that sort of fought each other?

LAMBERT: I should say in the beginning that I had two investment committees which were my primary responsibility, plus investment in services, which is really what trade and services is about. The reason is that providing a service usually requires a presence, for example, it's hard to market insurance without an office and a marketing team. I also did maritime transport, which is a specific service, as well as tourism committees. The

Consumer Committee and the Restrictive Business Practices Committee, which covers anti-trust and competition policy, rounded out my portfolio. In all of these committees but one when we had large meetings, the representatives would come from Washington. We normally would have four or so agencies attending. Sometimes more than one representative came from an agency. The U.S. and Japanese always had the largest delegations. In some of the smaller countries, the country would be represented by someone from the permanent mission. My job, therefore, was staffing the delegation at meetings and working the issues between meetings. For example, I worked hard to influence the Secretariat on issues the U.S. wanted in the Committee's work. Meetings tended to be focused on Secretariat documents, and we looked at the documents paragraph by paragraph. It worked greatly in our favor if our points were included in the documents. I also worked with other delegations to try to get their support. We were quite active with the larger delegations. Quite often in some of my committees, the smaller delegations, at least in the Paris missions, didn't play a substantive role. But certainly in all of the larger missions, the interaction was quite intense. Of course, we weren't battling each other when we were trying to get allies, but very often, once you got to a meeting, you were.

Q: Were there natural allies in your particular field and natural opponents?

LAMBERT: Yes. Again, quite often, it mirrored the U.S. relationship with the European Community, because a majority of the countries in the OECD were members in the European Community. The more liberal countries on investment and trade were the UK, Germany, the Netherlands, and Denmark. Basically that was the liberal nucleus of the Community. Canada was more restrictive at that point. Japan was more restrictive. It depended on the issue. Sometimes these countries could be allies. Occasionally, you could find other allies, but your hardcore allies were those four.

Q: It sounds like particularly France was often on the other side.

LAMBERT: Yes, usually. And then France had a little alliance of its own, which were basically the Latin countries in the Community. Turkey was a possible ally for us. It had very liberal economic policies.

Q: In your four years there, was progress made?

LAMBERT: Certainly the agreement of the right of establishment is one of my career landmarks. It was my idea in the first place, and I negotiated it for three years. It was considered a major achievement by the U.S. government and by American business. I think that the opening to developing countries was an important movement. The whole discipline on trade and services that was going on between the trade and investment committees was a very major step forward. It was later negotiated in the Uruguay Round with some rules and some major openings. Maritime transport was a difficult area, because the U.S. has a very restrictive maritime policy. This was not an area where we were interested in progress or where we made any. On the competition policy, we did some of the earlier work on the relation between trade and competition policy and the role of monopolies or state owned

companies in trade. A lot of the work, I know, sounds esoteric. My friends would glaze over when I tried to explained what I was doing. But, actually, the work was both interesting and important. It was pushing international agreements to incorporate new concepts that were important in the real world and then translatable on an international scale.

Q: How did you find the support from Washington? Was there good rapport or were you and your colleagues often almost on a different course than the Washington people?

LAMBERT: I think my job was to represent Washington. I certainly felt that I was a part of Washington's policy process. I was on the phone to counterparts, primarily in State but in other agencies as well, every single day, quite often in conference calls. Sometimes I would promote an idea that maybe hadn't been well understood in Washington. Sometimes I would try to point out that something Washington wanted wasn't achievable and that we might need to take a different course. I certainly thought I was part of the process... My job was to represent it loyally and I did. I was able to represent it loyally because I had such a good dialogue and I felt part of the process.

Q: Were there any particular areas within the U.S. government, Treasury or Defense or others, that were difficult to convince or to bring around?

LAMBERT: Yes. Treasury was a harder line negotiator than State or the U.S. Trade Rep. or Commerce. They tended to view things more dogmatically, more in black and white. It could have been a question of personalities, but I've seen the same approach in other negotiations since – that Treasury was always the least contented with something that everyone else felt quite good about.

Q: What about the problem of corruption, bribery, of getting contracts and all that? The United States is sort of in the forefront of this and then looked around and nobody was following. How did it stand and what was the situation? I imagine you would have been involved.

LAMBERT: Oh, yes. The U.S., during the time I was in Paris, launched a major anti-bribery initiative, which the OECD finally did something about. In my day, however, the attitude of almost every other country was “bribery happens, we are not the policeman of the world, and we can't legislate morality.” The other issue that pitted the United States against everyone else was extraterritoriality [ET]. All other countries, led by the Brits and Canadians, objected to the extraterritorial reach of U.S. law. Let me explain: U.S. law subjects branches, which legally fall under headquarters, to U.S. law, regardless of where they are located. Subsidiaries, which are legally incorporated in another country, are usually not subject to U.S. law. Banks, to take an example, operate abroad with both subsidiaries and branches. Usually a bank's decision on what form the presence takes in a given country depends on the amount of business expected (more business would mean a subsidiary) and the laws of the host country, including tax laws. Banks that have a major global presence would usually have more branches than subsidiaries. The branch is

considered a “U.S. citizen” whereas the subsidiary is considered a “citizen” of the country where it is incorporated. Often a branch in a foreign country would be subject to two conflicting laws, one the U.S. law and the other the law in the country where the branch is located. We fought the ET battle the whole four years I was at the OECD there without much resolution. I think we all agreed on comity but not much else.

A lot of people, including me, think of the OECD as a “wind-bag organization” – all talk and no action. This has validity, certainly. But, and American businessmen pointed this out regularly, it also is an organization for change, and change in a internationalized and liberalizing direction. Some of the work looks esoteric, but, I am assured by businessmen, a lot of it makes a difference for years to come. Also, the OECD is a meeting place for people involved in the same issues. This occurs with some frequency at ministerial level, and it also takes place in the investment community, the foreign assistance community, and so forth. Our officials need to know what is going on in other countries – partly because it affects us, partly because we want to know what works and why, and what doesn’t work in other countries. I think for this reason alone, the OECD would perform a worthwhile purpose for the United States.

Q: This was a time when a lot of investment was going into Mexico and Brazil and other places which later came problematic. The countries couldn’t pay it back. Were people investing? Was this an issue for you?

LAMBERT: No, Mexico and Brazil hit financial crises. Companies make business decisions when they establish a presence, and the primary consideration usually relates to the stability of the economic system. Then companies reassess their position when the situation falls apart – whether to stay the course, whether to retreat. Our role was more related to policy and legal conditions. We encouraged investment in developing countries by encouraging a climate that was positive for business. We did not promote a climate with a lot of incentives, but, rather, laws on repatriating capital, a transparent tax policy, right of establishment, national treatment. We promoted the same values within OECD, and had binding and non-binding instruments that assured such rights for investors. Most OECD investment, at least at the time I was there, was intra-OECD. For example, the primary U.S. investment partner is Canada, and it remains so.

Q: At this time, was the Soviet Union a factor lingering around? (end of tape)

LAMBERT: With the business in the forefront of this, we invited the representatives of Czechoslovakia, Hungary, and Poland to come to our meetings, and they did. Not too much after that, they joined the OECD. At the time I was there, OECD was not involved with Russia (then the Soviet Union) at all, at least not in the investment and service areas.

Q: Were the oil countries of the Middle East, Africa, Latin America, and Indonesia at all a factor in what you were doing?

LAMBERT: Well, they’re a major part of the OECD’s *raison d’être* in a sense. The OECD

was founded after the second world war but before the oil crisis. During the oil crisis of the 1970s, OECD countries, being the oil-consuming countries, formed an organization called the International Energy Agency [IEA]. All the OECD countries except France and Finland joined the IEA. This was the major consumer group that worked as a counterweight to OPEC. IEA met in OECD buildings but outside of the formal OECD because it was a slightly different membership. I think the IEA was quite successful as a consumer group.

Q: What about the Scandinavian countries? Did they represent a bloc in your particular area?

LAMBERT: No, they weren't a block. What they were was extremely active. They sent some of the top class people they had to the OECD both to work in the Secretariat and in the permanent missions. The reason was that this was an economic forum where they had a voice. The U.S., Japan, the UK, Germany were part of the G-7/G-8; most other European countries had the EU. The smaller countries – and Scandinavia was in the forefront of these – did not have these other fora. They were always very insistent that the OECD work on consensus, listen to everyone, in the ministerial particularly. They kept up their end by sending such quality people.

Q: You'd taken the economic course. Now we even have courses at the Foreign Service Institute in negotiation. Were you just plunked down and said, "Negotiate?" How did you learn to work with this sort of thing?

LAMBERT: I learned by observing. At only one committee, and in a few working groups, did I take the microphone. On the other committees, I basically staffed the chief delegate. I learned a lot. I usually did a lot of the managing of the different agencies to free the chief delegate. I learned from some of the best. Some of my negotiators were Dick Smith, Elinor Constable, people like this. Having watched them for a year or two, I learned a lot that helped me subsequently.

Q: In '85 after this rather heavy experience, where did you go?

LAMBERT: I was the head of the European Community Division in the Regional Political and Economic Office in the European Bureau. Now it is the European Union, but at the time it was the European Community.

Q: You were doing that from '85 to when?

LAMBERT: '85-'87.

Q: This was the European Community desk?

LAMBERT: Yes.

Q: Had the reality of the European Community and what it was developing into sunk into

the European Bureau yet?

LAMBERT: At the time, our bitterest trade disputes were with the European Community and I still have that feeling, although Japan and Canada account for trade disputes that would be equally as political and as large. But certainly we had many, many major trade disputes with the European Community, mostly on agriculture. At the time I was on the desk, we had lost about 17% of our position in agricultural world trade, which the Community had gained. Pure and simple. Almost a one to one ratio. We felt and still do that this was largely due to the European system of subsidization. Most of our disputes were on agriculture, but not all. We had a few others, notably on subsidies to Airbus, but agriculture was – and is today – the main problem. The U.S. has legislation in the trade area, which allows for retaliation. We had several retaliations against the European Community that the EC considered extralegal. Their reasoning was that agriculture at the time was not covered by the GATT; also the retaliation was unilaterally applied in certain cases and without the permission of a GATT panel (although in some instances we did get a favorable panel). We have very aggressive legislation in trade that permits action against a country where we feel we are suffering from unfair trade practices. The legislation does not require terribly high standards of proof. So, we had a number of disputes with Europe on items like pasta, corn gluten, soybeans...

Unrelated to trade, we also had foreign policy discussion, and to some extent coordination, in a set of meetings that we called “political cooperation.” In the EC, the presidency country, which rotates every six months, would try to get some foreign policy consistency and have the Community speak as a single voice. This also exists today, but at the time it was a fairly new concept, and both the U.S. and the EU were adjusting to its reality and impact. In the UN, for example, the EC was beginning to speak on almost all issues, except Security Council matters, as a unified group. We responded by initiating a political dialogue to try to understand each other and, where feasible, work together. This was a big effort which was mostly run by the desk. We established general political undersecretary level dialogues, regional dialogues, and dialogues once each presidency chaired by the Secretary of State and the President.

The other thing of interest is that George Shultz was the Secretary of State. He was very well informed and interested in all issues relating to Europe, both on the trade side and on the political side. He made himself available for numerous, and recurring, meetings with Europeans. Our policy was that we supported European integration. Under Shultz, and as far as I know ever since, that’s never been challenged. Some people may think it’s not the greatest idea, but officially, our position has always been one of support. Shultz many times affirmed this despite the fact that we had disputes. His explanation was always that even though our disputes that were bitter, they accounted for less than two or three percent of our total trade and total trade was a big success story.

Q: Were you interacting with other desks, like the UK desk or the French desk?

LAMBERT: Yes, we did, but this was typically for high-level visits. As I mentioned, the

EC presidency was rotated every six months. The country in the chair leads all meetings. The prime minister leads the summit, and a third secretary from the permanent mission heads a working group. The presidency country's president or prime minister would be received at the White House, and we would have a number of events at State. Through the political cooperation mechanism, the presidency would meet with other geographic bureaus. We organized that. We have enough duplication of work at State. Fortunately, it isn't total. A country desk, for example, does not get involved in a trade dispute. This is something that member states ceded to the Community, and desk officers ceded to the Office of Regional Political and Economic Affairs (EUR/RPE, renamed about ten years ago to EUR/ERA). The European Community – actually it's a whole division – is serves as the desk for EC issues. The country desks don't get involved in trade, political cooperation, or military issues, for the most part. There are some bilateral military issues, of course, but by and large, NATO and EC issues are handled by their own desks, rather than country desks.

Q: If a trade dispute is coming up over admissibility of American soybeans or something like that, where did the U.S. Trade Representative fit into this?

LAMBERT: USTR has the lead. They chair all the interagency meetings related to trade disputes. There is a working level group and a policy level group that is operated by consensus that each agency is represented on. In my day, these were fairly large groups. Defense would be fairly active, as was the Council of Economic Advisors... State was one of the stronger players. It was the one, along with Treasury, that took the role of representing good policy rather than politics. In other words, in my time, State never would say, "Well, we're having difficult relations with Italy and they're the primary problem in this trade dispute and, but we need to go lightly on Italy." We never did that, which is...

Q: In other words, there was a firewall built between you and the political side. When you get into this, there is always a reason not to retaliate against them.

LAMBERT: USTR is a very small organization, and they're very responsive to the company or industry that has the dispute and to Congress. They appreciate State's role in letting them know if there is a fundamental policy reason to hold back or not to do anything. I'm sure that there are numerous valid policy reasons to refrain from action in a trade dispute. I can think in my whole career of only one. But I think State's position at the table would allow them to step in if there were an overriding policy reason to take or not take an action. We tried very hard to listen to the various elements within State, but basically the reasoning was either not urgent or not compelling enough for State to try to stop action. On occasion differences between bureaus would require a memo to the Secretary for him to choose State's position. My recollection is that Secretary Shultz never stopped a trade action. Once we had eliminated political concerns, we tried to take a larger view of economic developments on the world scene and what we were trying to achieve in global for a, as well as in overall relations with countries. USTR and Commerce had their clients in a way. This company that wanted to start a trade action was in a sense a client of USTR's. Our role was to bring the broader policy perspective to the table.

Q: What was your opinion... If we're not able to sell our linseed oil to a country, we cut off their Roquefort cheese import.

LAMBERT: That's about the way it works.

Q: These always seem to be rather arbitrary. First, how do you come up with these formulas and what things are you going to hit them with?

LAMBERT: I remember a dispute that involved European agriculture. Our goal was to hit European agriculture. The type of action taken depended on the part of the GATT you are taking your action under, and what section of U.S. law... In this particular case, I think it was a corn gluten dispute. That is a protein byproduct of corn. The particular basis that we were using had to be applied to all countries of the GATT. So, we went through computer lists to find products that were agricultural but only imported from Europe. Pasta would be an example of one. Cognac would be another. Wines over a certain value would be a third. Although we raised tariffs several hundred percent on all countries, the goods selected meant that only Europe was affected. And only agricultural, or processed agricultural, products were affected. We would run a computer list of products, then we would try to refine the list to target countries that were the problem in the dispute and also toward products that were good press and that would institute some reaction in the countries themselves. One obvious example is something like cognac and some of the liqueurs that were a frequent target of these retaliations. Then we would get a lobby going in France, which sometimes helped resolve the dispute.

Q: How well did this retaliation business work?

LAMBERT: Basically, if you retaliate, you've failed. The idea is to get a list of products out and to publicize it and to hope that the Community would listen to the business interests in their own countries and realize that a trade war isn't the way we want to go. Of course, they can counter-retaliate, we can counter-counter, and so forth. But at that point, you've really failed. The idea is really to get a negotiation progressing rather than to retaliate.

Q: As this situation developed, was there the problem that some of our negotiations or those on the other side were quite willing to go to the mat all the time and they enjoyed the confrontation? What you were trying to do was avoid confrontation and to come to a mutual agreement. I am wondering whether sometimes personalities got into this.

LAMBERT: There are always flamboyant personalities in trade negotiations, always. But again, no, we have such a large interagency process and probably the biggest negotiation is interagency, not with the foreigners. We send such large delegations to negotiations. By the time we have a negotiating position, it's heavily negotiated within the U.S. government. Our aim is to get a resolution to the problem, not necessarily just to have an agreement for its own sake. In the negotiations I saw – and I did some major ones, including the U.S. dispute against Airbus – I never personalities overriding the process. I've seen some tactics

that were interesting, however, and more than once the head U.S. negotiator stomped out with the rest of the delegation following. But it usually resulted in some kind of opening the next time we met. Most of the USTR negotiators in those days were first-class. The Community negotiators were usually very good, too. There was quite a bit of mutual respect. But you'd have the industry that you'd have to report to. You'd have Congress to report to. So, this was not a thing that could be determined by an individual. It would be very rare if it could be.

Q: You mentioned Airbus. What was the issue and how did it come out?

LAMBERT: Airbus is a later job that I had when I was in the Economic Bureau. The U.S. aircraft manufacturers were claiming that Airbus was only in existence because of subsidies by the participating governments, and that it had never turned a profit, and that it was unviable in a market sense. There were several sorts of financing involved. The first was an export credit, where Airbus would make a soft deal with the buyer. In a sense, resubsidize the sale. A second involved Airbus' internal financing, which involved subsidies from governments. The third, we felt that the companies involved in Airbus were being subsidized in the manufacturing.

Q: In your time, how did it come out?

LAMBERT: We actually got an Airbus agreement that was extremely detailed. It was a very interesting negotiation. You are looking at manufacturing, marketing, and financing. The agreement covered something on all three aspects. It was at that point satisfactory to the U.S. industry, at least as a holding pattern. Aircraft subsidies were also being negotiated then in the GATT. The negotiation with the EC on Airbus that I did was 1990-93. By that point, Airbus was probably in a position where they were ready to turn a profit. The agreement related to new subsidies and more or less forgave old subsidies. This was kind of a way ahead.

Q: How did you find the American economic system? You had developed a pretty good eye for it. Were there a lot of hidden subsidies in our system?

LAMBERT: In agriculture, yes. Our subsidies are less than in Europe, but we certainly subsidize agriculture. In aircraft, we certainly had no direct subsidies, but the Europeans claimed that a hidden subsidy was involved, because Boeing and McDonnell Douglas were also defense contractors and transferred some technology to civilian aircraft. They made the claim that work done for the Pentagon basically provided a prototype for some of their models. But my understanding was that the successful models of Boeing were not military prototypes.

Q: My understanding, and please correct me if I'm wrong, was that one of the big thrusts of the European Community, particularly France and the UK, was to preserve small farmers. They didn't want to lose the country way of life. On our side, we weren't doing that. How did you see this?

LAMBERT: At one point in time, we did pay farmers not to grow, to have fallow lands. I don't think we do that anymore. We didn't for a while. But it's an idea that resurfaces. The rationale was to limit supply and drive up prices. The Europeans look at fallow farms more as a Greenbelt idea, preserving the countryside. I was always surprised in Europe that people are willing to pay the exorbitant prices that they pay for food, perhaps double what they are here, to preserve a way of life. I have no question that they are willing to do this. It is a genuine European commitment, certainly of Britain and France. It's a difficult trade issue because it's really more of a social issue than a trade issue. The fallow lands "subsidy" has been raised in the WTO, and my understanding is that it is not a "red light" area anymore.

Q: Of course, Europe has a problem somewhat different from ours, or at least on a different scale, and that is that there is less land and urbanization creeps out and if they don't do something about the farmer they could end up with one big urbanized area.

LAMBERT: I think that we all are sympathetic with what you are saying, certainly the Europeans are. On the other hand, there is no question that the common agricultural policy made farmers out of people that were never going to be farmers. Britain, for example, has mustard seed crops all over the place, which they never had before the UK joined the European Community.

Q: You see these yellow fields. They're laughable.

LAMBERT: Yes, they are. And I don't think this is their rural preservation or anything other than the subsidies allowed by the WTO, or GATT as it was in the late 1980s.

Q: Yes.

In '87, here you had been dealing with somewhat the same issue for some time now. Where did you go?

LAMBERT: I dealt with it again. I went to Britain, to the embassy in London. I was very fortunate. I had a terrific job. I was the trade policy officer in the embassy and also filled a void more than anything else as the person in the embassy who did the European integration, which became the downfall of Mrs. Thatcher. So, I had a very hot, major portfolio. I was dealing with trade disputes, consultation on the Uruguay Round, and a European single market, which was being negotiated within the Community at that time and was something that U.S. business was very afraid would shut it out. They thought it might produce something in industry and services akin to the Common Agriculture Policy. So, on the trade side, I had those three quite large portfolios. My reporting on the single European market was read rather widely in Washington, because London was considered a good source on what was happening. The British saw a benefit in being our intermediary, or one of them, for several reasons: telling other Europeans what the U.S. position was one of their self-appointed roles. It was something they wanted to bring to the Community. But,

also, the British tended to have the same positions as we did, and they used the U.S. to bolster London's position. There were a couple of capitals that performed the same role - the Netherlands comes to mind, and in the Dutch case, the reasoning was probably similar.

On the political side, the UK was undergoing a tremendous, and divisive, political debate over Europe. The UK at that point – and still – was an unwilling member of Europe, I think largely because they had nowhere else to go. The British have always opposed federalism in Europe. I think the Thatcher government saw Europe as a customs union. That was the Europe Britain joined, and they didn't really want to move much farther. Britain certainly supported the Single Market, but it seemed more an improvement to the customs union, and especially a way to include services. Europe, and what the Tory right wing called the loss of sovereignty, split the Conservative Party bitterly and eventually caused Thatcher's downfall. It was a big issue in all the other political parties as well. Probably the most solidly pro-Europe politicians were the left-wing of the Conservative Party (sort of like moderate Republicans, but there are more of them), the Liberals, and what at that time was a very attractive party, the Social Democratic Party, which attracted the right-wing Labourites. Roy Jenkins, David Owen, Shirley Williams, and others who were really interesting thinkers left the Labour Party to form the Social Democratic Party. These groups were solidly pro-Europe. The most anti-Europe groups were the right-wing of the Conservative Party. The Labour Party was a little bit hard to judge. It struck me at the time - and now I think probably I was wrong - that Labour came out with a mildly pro-Europe posture purely to take advantage of the split in the Tory Party. However, Tony Blair as Prime Minister has consistently taken a pro-European stance, at least for a Brit, and I think he has pulled the rest of the country along – slowly, sometimes grudgingly, but it has moved. This said, Gordon Brown, the current Chancellor, the Exchequer, has been a brake on European progress, for example by deferring and deferring a referendum on joining the common European currency. Tony Blair and Gordon Brown were in Parliament when I lived in London. Both were fairly young, and they were considered Labor's comers. They were not in the leadership of the Labour Party, but they were in Parliament. Mrs. Thatcher was so dominant that people like Tony Blair and Gordon Brown were quite accessible to the embassy. I met with both Gordon Brown and Tony Blair to talk about Europe.

Q: You were there from '87 to when?

LAMBERT: '90.

Q: When you went there, how did you find people dealing with Margaret Thatcher in our embassy? Was she considered a good thing for Great Britain or a problem? Was there any kind of mood you were getting from the embassy? She is a figure like De Gaulle. Sometimes the embassy in Paris was quite divided on De Gaulle.

LAMBERT: In the first place, she had huge electoral majorities. She was the longest serving prime minister of the century. Her dominance was just indisputable. We did work well with her government. When I first went to London, Reagan was President, and then Bush. Particularly under Reagan, she was that awesome character. Our political appointee

ambassador, Charles Price, had a good one-on-one relationship with her. She delivered. When the going was rough, she was there. She asked for favors in return. She was just a very dominant political personality. We did have a special relationship. She looked very solid.

There were many of us in the embassy who felt she was missing the boat on Europe, and that her stridency about it all was a liability. When we had these philosophical debates within the embassy, a lot of us felt the train was leaving the station and she was still shouting from the platform. I think she was a bigger than life character. You had to take notice or laugh or admire her, whatever. One of the European Union summits was in France. It was on the bicentennial of Bastille Day. There was this wonderful celebration with all the fireworks. I don't think anybody does fireworks like in France. Thatcher was on camera lecturing Mitterrand on the reign of terror under Robespierre. She was just a formidable lady and nothing daunted her. We had similar situations when we'd have groups of senators or congressional delegations that would get to meet her. It was the same thing. She lectured them on whatever she chose. She often told them what they'd think when they visited Brussels, but it would be wrong. She was a character that was larger than life.

There's a funny story that was making the rounds when I lived in London. Helmut Kohl, a conservative, was just elected Chancellor in Germany, and Thatcher was thrilled. She thought everybody else in office in Europe was a flaming socialist, but here was someone like her. She had trouble arranging an initial meeting, and finally canceled her schedule to meet him during his annual visit to a reducing spa in a small village in Germany. Her staff tried to negotiate a lengthy substantive agenda, but his staff wanted something more informal, and relatively short. The resulting agenda was a compromise, and a two-hour meeting was envisioned. After about 40 minutes, Kohl pled another engagement and left. Thatcher, with nothing to do, strolled around window shopping. She saw Kohl in a café, eating a cream puff and reading a newspaper.

Q: What were some of the major issues that you were dealing with?

LAMBERT: The negotiation of the single European market and the possible exclusion of U.S. exports or presence from Europe was fundamentally the most important one. This was a negotiation that affected us (we have a lot of business with Europe) but one where we were absent from the table. As it turns out, the Single Market wasn't as protectionist as we had anticipated. Maybe we did a good job with all our markers and our intense attention. I'm sure there are a few problems at the margins, but basically the Europeans weren't interested in the protectionism and subsidy system that they had in agriculture. One exception to the generally liberal market was in broadcasting, in the cultural area.

The Uruguay Round was also important. The special relationship was important. Most British prime ministers and civil servants have to answer to this. No British prime minister wants to lose the special relationship or be accused of losing it. Some civil servants may feel that the special relationship is not in Britain's interest, that their future should be more

in Europe, but I think that they're always mindful of guarding that special relationship, because of the political imperatives. This is something that takes a lot of tending on a lot of levels, because any of these disputes can get up to the prime minister's level fast in Britain. In the States, it takes a lot longer. With Britain in its isolated position in Europe, the special relationship maybe was especially important. And Britain seemed to be guarding against European measures that threatened North Atlantic relationships.

Q: Could you have the special relationship between the U.S. and Great Britain becoming part of the European Union or were they exclusive?

LAMBERT: Well, you have it, so they're clearly not exclusive. But there is a tension between the two roles that Britain was trying to play. The Community's interesting in a way. In the days I followed it, I never thought Britain was in the core of the Community. Under Thatcher, I don't think they chose to be. But the key political alliance in the Community was at that point, and still, is France and Germany. The Community is basically a political bargain between those two countries. Originally, it gave Germany room to grow economically. It protected French interests and kept French political ambitions alive. I think Britain was always somewhat marginal in that particular equation. When you came to economic interests and trade negotiation, Germany, the Netherlands, Britain, and Denmark would be more natural allies because they were the more liberal countries economically. But that wasn't really what made the Community work. So, Britain was an outsider in that context. One of the things that Britain does bring to the table – did then anyway and probably still does – is a better knowledge of the U.S. and a better knowledge of what U.S. positions on some of the things that they're dealing with are. In a way, it keeps them an outsider. In a way, it also gives them a role. Certainly in those days, that was the case. Particularly on the economic side, they were quite familiar with U.S. positions. I can't know what happens behind closed doors at European meetings, but apparently, we're represented very accurately.

Q: Did you find that you would see your counterparts in the British government... Did you find there was a special relationship, a closeness in talking about problems?

LAMBERT: Sure. There is a real rapport. The American access in Britain is terrific. British access here is good. You have the common language. There is a lot that can be understood. It's not difficult to get to business. A lot of your business can be done by phone, whereas in other countries you have to go in, make niceties, speak in a foreign language. It's a very easy, natural relationship. We have the same type of relationship with Canada. It's one I've not seen with other countries.

The British civil service is worth a comment. First of all, they're spectacular. They're very well informed, very dedicated, very professional, and bright. This is a formidable group of people, chosen through a very rigorous selection process. In that kind of milieu of British society, eccentricity is accepted and valued. You worked with tremendously colorful characters who were always professional, but usually also willing to say what they thought personally. There was a broad spectrum of civil servants who were upset with the Thatcher

administration's policies and, even more, the anti-European antics. They were also perfectly willing to see through everything that the Europeans were doing. They were very honest, very intellectually challenging. But again, they were loyal whenever they went out to represent their government. There was no question of what their personal opinions were because they didn't matter. Just the brilliance of some of these people and how they saw through things was a treat to share.

Q: Did you have a feeling that Britain would be losing something if it went into the European Union? In many ways, this started out and the core idea behind it was to keep the French and Germans from killing each other. We started out promoting that right from the beginning to get these two squabblers to lay down their arms and work together. Even if the British came in full blast, would they be almost on the periphery?

LAMBERT: You mean if they come in now full blast?

Q: Even at the time that we're talking about.

LAMBERT: Well, Britain had a history of not wanting to be in and then being rejected. It's an interesting organization. Certainly Germany has never used the full weight of its power. Had Britain been in earlier, more European, more committed, and more federalist, you could have had a triangular relationship with Germany still being the pivotal one and Britain being more influential than it is and France maybe less. They were certainly the three great powers.

Q: During this time, was there a concern about when the German shoe might drop – in other words, when Germany might start to exercise its true weight?

LAMBERT: I don't recall that ever being a concern of the United States. For one thing, economically, Germany was much more liberal than France and was a more natural ally in any kind of economic negotiation. We were hoping for a strong German position on almost anything of interest to us. Politically, I don't think that there's been a fear of Germany at any time that I've worked on European issues. Again, the Germans were a more amicable political force than France. They had much more modest ambitions. So, from the U.S. standpoint, no, I think a fuller role of Germany would be welcomed. Also, the European monetary policy that was then backed the German mark and the German economy was again something that found favor with us in its stability and just good management.

Q: Towards the end of the time you were there, Germany became united. Did that send shockwaves around from where you were?

LAMBERT: No, I think it was welcomed. It was a tremendously emotional moment. There were many things that had happened the ten or so months before, and we knew the communist regimes of East Europe were crumbling. The fall of the Berlin Wall was the most dramatic, the most symbolic. It was one of those moments like when Kennedy was assassinated and when 9/11 happened. Everyone remembers what he or she was doing

when the news came. It seemed like years of unfortunate history was reversed. I didn't catch any feeling in Britain of anything other than kind of a liberation feeling. I was talking to my colleagues, who were more or less my age and class. I'm not sure what World War II veterans thought.

Q: Looking back at Margaret Thatcher, one of the things that strikes one – and I think it's a positive thing but others might feel differently – was her essentially breaking the power of the left-wing unions, which seemed to be a tremendous inhibitor on the development of Britain's economy. How did the people you spoke to feel about that?

LAMBERT: This had happened before I got there, so- (end of tape)

Q: You were saying she was a polarizer.

LAMBERT: Yes. You had to respect her and you had to grant that she was a factor that was there to be dealt with, but a lot of the more intellectual Brits were totally soured by not only what she was doing but the way she did it and her way of demeaning foreigners and Indian people and her stridency. There was, among the people I knew anyway, an admiration for her. Certainly at that point the economy was going better than the British economy had gone in many years. The place was getting spruced up. Money was coming in. The life of the city was picking up in both richness and brightness. She would be given credit for that. Her style and some of her substance was just repugnant to a lot of people. The more powerful, strident, or isolated she got – I think there were all three – the less acceptable it became. Even within her own party, this was prompting divisions.

Q: When you were dealing with British civil servants in the foreign ministry, were they by and large Europeanists but were serving a mistress who was not a Europeanist?

LAMBERT: They were almost all from Oxbridge, of course. I think most of them were Europeanists. They saw a lot of flaws in the Community, especially in the bureaucracy of the Commission, which was pretty much in place before they joined. I think they regarded Americans warmly, both as personal friends and friends of Britain. But I think that they were certainly much more pro-European than the government and were also pragmatically more pro-European. In other words, Europe was the future. Many felt that they weren't managing it in a way that would promote their future. They were managing it in a way that would isolate them.

Q: Had Kuwait been occupied by the time you left?

LAMBERT: No. There was a buildup on the border and it was increasing rapidly, but I left before the Gulf War.

Q: Is there anything else we should cover about this British time?

LAMBERT: We had a lot of presidential, Cabinet, and congressional visits. I think we

always do in Britain, but this was a time when there was a lot going on. Any one of these visits in and of itself is kind of interesting.

Q: Did you get involved in any of these visits that went particularly right or wrong?

LAMBERT: I think they all went well. The British rolled out the red carpet to our VIP visitors. But I do remember some members of Congress who were particularly thoughtful and came in fearing a single European market. They went away somewhat shocked, maybe even saddened, at the vehemence of the Thatcher government's antipathy to Europe. They came away kind of wondering what Britain's future was going to be if this was the club they chose to be in. The fact that this was the perception of some of the more thoughtful senators and administration officials, it was surprising because they had come to seek basically Britain's help against the Community and they went home wondering what Britain's future was going to be.

Q: You were saying there was a senator who came away with a different view was who?

LAMBERT: Senator Benston was on a prestigious CODEL that I controlled, and the delegation included seven or eight senior senators. That was an opinion that they were all a bit perplexed about where Britain was going.

Q: Were we pushing in any way as an embassy or did we just say, "This is your problem?" Were we concerned that Britain might become marginalized?

LAMBERT: It's not my recollection that we were... I think that we realized that the Tory Party was being ripped in half and that they would have some difficulty continuing to govern and that this was a fundamental issue that would be there for a while to come. But I don't remember taking a European side against the British or telling them they needed to be more European. That would have been one of the last things we would have done.

Q: In 1990, whither?

LAMBERT: I went back to the Department and was the head of the Developed Country Trade Division in the Economic Bureau. We dealt primarily with trade disputes with the European Union, Japan, Canada, developed countries. We participated in some NAFTA negotiations. The desk for the OECD is in the European Bureau, but we served as EB's OECD desk. EB had so much involvement with the OECD and our Assistant Secretary and principals were always back and forth, so it was a fairly substantial portfolio.

Q: You did this was from '90 to when?

LAMBERT: '90 to '92.

Q: You certainly had become a specialist in trade disputes.

LAMBERT: Yes. It's a very marketable thing to be a specialist. Unfortunately, 10 years later, having done it for 10 years, even though I earn some money as a consultant in that field, I'm not an expert any more. I would have to do a lot of homework to have any credentials for consulting work... But we had a lot of really serious trade disputes at that time. That's when we did the Airbus negotiations. We had four or five major disputes with Japan. The Uruguay Round was still going on. It was an interesting job. I've already talked about the Airbus negotiation. But I was struck with the difficulty of State's role in the interagency process. USTR has the very clear lead. State has a clear role but the way it plays the role is so cumbersome that it's frustrating to some of the other interagency participants. At the time I was in EB, Treasury was also playing the kind of good policy, less clientitis role. More recently when I was doing Canada, Treasury seemed to have dropped out of the trade equation. I don't know about now. That would make State's voice more important. But we always had so many people doing the big disputes that while one person might have been a very welcome member of the negotiating team, the three or four that thought they had to be players were not welcome and were usually not players. They were pushed to the back benches. Because we didn't have a good role, we often sent more junior people. Our dilemma was that we had a lot of active people in State on the headline disputes when we really needed one person. You had the Economic Bureau, which was the lead in the trade disputes. You had the European Bureau, which was very strong in trade disputes. Then there was the Japan desk. Both were connected to powerful political ambassadors. Then you tended to have somebody from the Economic Under Secretary's staff. The bottom line was that very often there would be another office in EB that thought it should be handling the dispute. For example, there was the developed country trade office, which I headed. Then there was the Agricultural Trade Office or the Intellectual Property Office or somebody else. State was fielding five or six players in each dispute. It wasn't a powerful way to conduct our views. Very often, the bureaus were coordinated interagency, not within State. Sometimes you'd have people from State opposing each other. The result was that we were marginalized by too many people. We had a too intensive clearance process. We always had many more clearances within State on something going up to the Secretary than any other agency had to contend with.

Q: Was there any effort made to bring this under control?

LAMBERT: Yes. But it's worse now than ever, despite some serious and good ideas to correct the situation. For example, Dick Hecklinger tried. He was the Principal Deputy Assistant Secretary in EB and later Deputy Assistant Secretary in EUR when I did Canada. He was as aware as I was about the too many player idea. From his EUR post, he tried to work with EB to get a division of labor and a co-mingling of staff dedicated to trade that sometimes we would take a dispute in EUR, that sometimes EB would take it. We would attend each other's staff meetings, this kind of thing. EB simply wasn't interested. On another occasion, the idea was tried with the Japan desk, which is a very powerful player, probably more so than the European Bureau. The Japan Desk, similarly, wasn't willing to give up its role, or share it, or play a team role either. Depending on the dispute, the Under Secretary's office may or may not be involved. On the big disputes, they would be. But they are less involved in going to every single meeting than they used to be.

Q: Dealing with trade disputes... There has been a very longstanding battle with Japan over the ability to do business in Japan. Was that something that you got involved with?

LAMBERT: Oh, sure. I had two people doing Japan in my division. Yes. Market access was always the issue with Japan. With Europe, it was subsidies; with Japan, it was market access.

Q: How would one proceed with Western subsidies and Eastern market access?

LAMBERT: Trade is pretty much always done on a case-by-case basis, except in WTO negotiations, when we tend to be more strategic across categories. You have a U.S. industry that approaches the government with a problem. Usually all manufacturers are represented, and an industry association is involved. They come and call a wide group of people in the U.S. government, because business is just as aware as you and I are about how the government works and the many players, and they want to reach each of them. USTR was their key contact, of course. And they tended to get the Hill involved. But the key is there is a specific problem, and it's brought by a specific industry group. The industry group develops a common position that spells out whether the problem is in a law, or a distribution system is discriminatory, or whatever. Then the U.S. Government looks at the allegation, tries to analyze whether it's an unfair trade practice or not, and tries to assess the monetary damage. Believe it or not, sometimes we don't think there is enough of a case. But usually it's a very political game that involves everybody on Capitol Hill. Usually there is some merit.

Q: These trade disputes are going to be a perpetual battle ground. Is this part of the name of the international game, that each side will have these and you play each one? Or is there such a thing as a nirvana down the road somewhere where things will be taken care of pretty easily without all these problems?

LAMBERT: I think you're always going to have certain problems with certain countries. With Europe, it's going to be primarily agriculture. But it's important to remember that only a very small percentage of world trade is involved in dispute – less than a percent. Even in US-European trade, only about one or two percent of trade is disputed, and with Canada, our largest trading partner, it's less than that. There are patterns. With some of the developing countries, it's going to be primarily intellectual property protection. The World Trade Organizations has addressed this, and continues to look at what isn't working. There is a new round that was just launched in Doha. Clearly, there are rules of the game, and the better defined these rules are the less bilateral dispute you're going to have. The more defined and legalistic the WTO becomes, the more disputes are going to be taken up in an international body and the less they will be negotiated bilaterally. The more issues are disputed, the more likely they are to be negotiated, but the negotiations are likely to be tough. For example, subsidies are expensive. Government's can't afford to keep paying them. There has to be some dismantlement of agricultural subsidies. This has already been agreed. The more that it's negotiated and the budget realities set in, some of the problems

go away, maybe, or they take a different form.

Q: How about NAFTA? That was going full blast, wasn't it, when you were there?

LAMBERT: The Free Trade Agreement with Canada had already been signed. The three part negotiations were going on with Mexico. My office was actually involved in a few of the negotiations, but not a lot of them. We did financial services. We did some of the technical negotiations, but we weren't the primary office in EB that negotiated NAFTA.

Q: With the economic people that you were dealing with, was there concern about the whole Canadian and Mexican agreements?

LAMBERT: There were two big issues. The first was the whole environmental impact of a North American free trade area and the concern by environmentalists that the lower standards in Mexico would disadvantage us economically and that production would move to Mexico and we would lose our control of the environment because Mexican laws were of quite a bit lower standard than U.S. and Canadian laws. The hope was that we'd somehow get Mexico to adopt the same environmental laws that were in the rest of North America. There were a lot of examples that they would show – lost jobs because of less regulation and cheaper labor and a lot of other things, and some of the border manufacturing issues, which I think were serious. Particularly when the Clinton administration came in, they were heated quite a bit, but I think they were always heated. Then there was the labor argument about jobs migrating to where cheap labor was. Then there was the idea that some of the things we'd agreed to in the Canadian FTA shouldn't be repeated in NAFTA. We made an effort to kind of get rid of those loopholes, the cultural exemption being the main one that I remember, which we did not succeed in doing.

Q: Who was your boss? You were part of EB?

LAMBERT: That's right. I headed a division that was pretty independent. We were about 12 officers just in the Developed Country Trade Division. Then there was a Developing Country Trade Division. These two divisions reported to an office director who was Paul Blakeburn at the time. Our Deputy Assistant Secretary was Janice Williams, loaned from another agency. Our Assistant Secretary was Eugene McAlister. The Under Secretary, who was quite involved in trade, was Bob Zoellick, who is now head of USTR.

Q: You mentioned the Airbus. What other major disputes did you get involved in?

LAMBERT: A lot of them. With Japan, the main disputes were over semiconductors, rice... The Airbus was probably the largest of the EU disputes, but there were also four or five agricultural ones. Canadian lumber was a big dispute. Those were all billion-plus dollar disputes. But then there were a lot of disputes that were more political issues, like cultural issues with Canada.

Q: Cultural issues is always a tricky one, isn't it?

LAMBERT: Yes. They were small disputes monetarily, but major problems philosophically.

Q: You had been dealing with the European side pretty much before. How about when you came up against the Japanese? Did you find this a different ballgame?

LAMBERT: It was quite a bit more political than the European ones. I personally did not get involved in any Japanese negotiations. I supervised two people who did. It was a case again of too many players from the State Department. The Japan desk would often want two people going. Then with staff assistants of Seventh Floor principals, you'd often get two more people. I just didn't see a particular value added for me. I'm not sure how much value added my staff had. We had a legal advisor. State would send seven or eight people to these Japan meetings. They were the most heavily attended.

Q: This is it. I've been talking to Bob Schaezel, who came into the State Department about 1945. He was talking about the ease of... A couple of guys would sit down and come up with something, certainly not a major thing. You're dealing with the fruits of that. Getting American assistance, the Marshall Plan, Point 4, helping encourage the Steel and Coal Community and the whole growth of the European Community. This was done with very few people. Now we seem to be developing a hardening of the bureaucratic arteries by having so many agencies and people involved.

LAMBERT: This is certainly true. You tend to get in some of the big disputes at least two different parts of Commerce. USTR would usually have at least two, maybe the functional division or the geographic, and then the General Counsel's Office. But USTR has only about 100 people, so they didn't have people to spare. State had the most people involved, when one would have made us a stronger player. I'm not saying that each person there didn't have a legitimate interest, but it's just that we had so many people that thought they had a legitimate interest.

Q: There weren't people who could combine the concerns of various elements and represent them all as a single person.

LAMBERT: I think there were. EB certainly could and should play that role, but the system doesn't work that way. At a senior level, yes. Even with all the involvement, getting a position paper cleared through all these people and offices was a nightmare. Another symptom of this is that telegrams have been so hard to clear for years that now most backgrounders and some instructions with posts go by e-mail. Clearing a telegram is too impossible.

Q: This means that the written record isn't going to be very solid any more.

LAMBERT: It isn't, nor is an instruction particularly as solid as it used to be with a cable. Some of issues or levels of instruction clearly still demand a cable. But lots of desk officers

tell their posts to do this or that and it's accepted as an instruction because everyone knows the clearance process is so difficult and slow.

Q: We'll move it up to '92. Whither?

LAMBERT: From 1992 to 1994, I was director of the Office of Pacific Island Affairs. At first, I was the director of the Freely Associated States, which consists of the former trust territories that were formed under the United Nations after World War II. Then my office and another were merged, and I did all the Pacific islands. There were a lot of countries involved, Papua New Guinea being by far the largest. Probably the most intense relationships were with the former trusteeship states, because the U.S. involvement there is so much more intense than it is in the rest of the Pacific islands. During my time, the last UN trusteeship, Palau, became independent. I negotiated the independence of Palau. It's a country of about 5,000 people, and it was a relief to both the U.S. and Palau to get this done after 20-some years and failed referenda. I'm sure that the UN Trusteeship Council, which then disbanded, was glad not to have to meet yearly over Palau.

Q: When you were negotiating with Palau, did you find yourself up against an American lawyer?

LAMBERT: Of course. The lawyer, Mike Channon, lived in Washington. He was the President of Palau's lawyer, and could be backed in a face to face negotiation by other American consultants and lawyers. After the end of the war, the whole Micronesian island area was under the UN, with the U.S. as the administrating authority. It had been under trusteeship of other countries prior to that, but after World War II, it was ours. We held plebiscites in a number of areas to allow the self-determination of their future. Guam and the Mariana Islands elected to stay as part of the U.S. Other islands, initially thought of as the Federated States of Micronesia, elected to go independent. The instrument of independence is the Compact of Free Association, which was negotiated in the '80s. It basically establishes a number of U.S. defense rights and holds the United States responsible for the islands' national security. The islands received a fairly generous financial settlement and continuing involvement economically/ You must remember that the islands are very small and very fragile - economically, environmentally, and socially. Initially, the Micronesian group that wanted independence was considered a large country with many, many islands. But during the negotiations, the "country" split up into three countries. The three entities were the Marshall Islands; the Federated States of Micronesia, which is basically the middle area geographically and consists of five states; and then Palau, which was separate still. The Federated States of Micronesia and the Republic of the Marshall Islands established their independence by referendum and the Compact of Free Association. I wasn't aware of it, but I understand many people in the Reagan White House were familiar with the islands and fond of the people. A number of members of Congress were actively involved in the negotiations, especially the defense rights, which a number in Congress thought very important to U.S. security. This was before my time. Palau rejected the Compact in two different referenda. Therefore, it was stuck in the position of being not really independent and not really an administered country.

Q: We were still paying quite a bit of money per capita into these places, weren't we?

LAMBERT: We still are. The Compact is being renegotiated right now. I think it's a generous settlement in a number of ways. There were the lump sum payments. They were substantial yearly lump sum payments. Then there was the continuation of a number of federal programs. Congress inserted the Trust Territories into almost all the anti-poverty legislation so that by definition they're poor and so they qualify for a number of federal programs – probably too many. We had the idea when Vice President Gore initiated reinvention laboratories that we could group some of the programs together and allow make them fungible. But it didn't happen. So, they have both the lump sum payments and the continuing federal programs.

In the Marshall Islands, there is the whole issue of the nuclear testing that went awry and the payments on that. We have continual negotiation in the press, if nowhere else, over the compensation not being enough and the whole Marshall Islands being entitled to it, etc.

Q: You traveled to these Islands?

LAMBERT: Oh, yes.

Q: What was your impression of how things were going and how they were?

LAMBERT: Clearly, the development that we hoped for by the assistance that we were giving was disappointing. In 1993, if we monetized everything – and this would include quite a lot of things that maybe one can't monetize - in one lump sum: in the Marshall Islands, if you took the rent for Kwajalein Base, and the annual payments and the federal programs – we estimated that it came out to be \$5,000 per capita. I know that the Marshallese were surprised at this figure. Of course, they never saw a lot of it. But this is what we thought the cost to the American taxpayer was. Micronesia was less, but still considerable. Some of the assistance never ended up in the GNP. A lot of these were costs of domestic experts and costs within the U.S. But this was about the taxpayer bill for the Marshall Islands, counting the rent for the military base. It was substantial. No one would be pleased that this had so little impact developmentally.

Q: I came through your bailiwick at one time. I went out as a consular expert to talk to the people in the Federated States of Micronesia. I went to Pohnapei.

LAMBERT: Isn't that one of the most beautiful places you've ever seen?

Q: Yes. But at the same time, nothing was happening. It looked like a poor section of West Virginia put on a tropical island. I didn't have the feeling there was any dynamism going on there. But that was only a week's stay.

LAMBERT: Well, it is very underdeveloped. The Marshall Islands has a lot less land area.

The island of Majuro, where the capital is, is 32 miles long and at the widest point is a half mile wide, so it has a much more concentrated population. Fishing is a profitable industry but the big money crop is tuna, which is usually fished by foreign fishing vessels, which usually require large capital outlays and trained personnel. The foreign fishing companies are supposed to pay the island governments for use of their resources, but it's next to impossible to police this type of agreement given the vast areas involved. I am sure the catches are underreported, there are pirate vessels that pay no compensation, and, in the end, the islands receive much less than they are entitled to by international agreement. I don't think that there is any way that the islands can get their fair share of this kind of revenue from their resource. Then agriculture is very difficult. Other types of fishing are not as profitable. Fishing for canned types of fish is a possibility, but that would require a lot of infrastructure and canning plants. There is some of this, but they haven't been as successful as envisioned. With the kind of pristine rainforest atmosphere of parts of Micronesia and with the diving, there is a tourism prospect. But tourism seems a limited possibility, because except for Palau, the islands are far away from any place. There is not too much other than small cottage industries.

Q: Was there the feeling that our support of these places are going to be forever with us?

LAMBERT: I think it's a sad fact for them that the basing rights that looked important during the Cold War are now much less important to us. The rights of denial for shipping and the basing rights that we enjoy under the Compact simply isn't important to us any more. Maybe in the distant future, they might matter vis a vis some other countries.

Q: China or something like that.

LAMBERT: Yes. But they're not of such value now. The islands are very fragile places. The viability of those islands... It would be ambitious to think that they're viable without aid, in part because they have been in a trusteeship status for so long. Some of the other Pacific islands survive without much foreign aid. They are hardly thriving, but they're not among the poorest countries in the world. There is some issue of dependency. The Micronesian countries have for so long had U.S. assistance that going cold turkey, which I don't think anybody would think of, would be devastating. Palau is an exception. Palau is a more realistic tourist destination because of its proximity to Japan. In fact, it does attract a lot of Japanese tourists. It has a considerable economic advantage over the more remote places. Even though it's a country of 5,000 people, it probably has more economic prospects because of its location. I should also say that these are wealthy countries by Pacific island standards, which are still not at the bottom of world standards.

Q: Did you find yourself having to deal with the Department of Interior a lot?

LAMBERT: For the former Trust Territories, yes. They administered the federal programs and were responsible for the lump sum payments, and any accountability. In the case of Palau, Interior was the administrating authority until Palau became independent.

Q: I've heard that at one point the Department of Interior had a very proprietary approach

to these islands and didn't like to have State move in. Was that still a problem?

LAMBERT: I think there were various points of view in Interior. There were some people that ran their programs with great secrecy. There were others who were very frustrated by what they saw as the lack of progress with considerable investment. One of the things that we did was inventory all the federal programs. We had a list of them. The American ambassador, Rea Brazil, was always saying that every time she went to the airport to meet anybody, the plane was full of Americans on federal programs and who were these people? None of them were getting the ambassador's approval to come to the country or were even notifying the ambassador. So, we did a survey. The kind of tentacle reach of these programs was a lot more than anybody even in Interior had realized. Some of them were being operated out of West Coast or Hawaii regional offices. When we did the survey is when we estimated the amount of aid going in. It was quite a bit more than anybody had thought. Also, it was somewhat diverse and unfocused. There were too many little programs that perhaps sometimes benefitted the research interests of the individuals involved more than they benefitted the islanders. For example, some of the federal aid to education, which these countries were eligible for, encompassed only pre-school and post-secondary school. The need in the islands is for elementary education. Programs for educating the handicapped were too cumbersome to administer for maybe one child on an island. Just the scope of these programs was unbelievable to all of us. Too many of the programs were expensive to run and not very effective. There were a lot of people in Interior who felt there was a better way to give assistance and that we needed to sort out our own programs and try to get a little more logic and consistency and cooperation between them. We had meetings and all the federal agencies with programs came. I think that they were interested in doing a better job. But no one was willing to let go of their piece quite often because of legislation involved for the entitlement. Then again, we had the reinvention lab idea and that didn't go anywhere. One of the things State and Interior decided to do was to put some of our technical assistance money under the supervision of a program with the Asian Development Bank [ADB], which would then be able to supervise the use of the funds and leverage it for more funds. The hands on-hands off approach that Interior took, which they by law had to take, basically gave less supervision of their money than AID did, for example. It would be more monitored under the ADB, would have more expertise than Interior was able to give, and would have some other funds that the ADB could try to bring to try to A) study what they needed, what they could do and B) monitor the progress. This was resisted by some people in Interior who wanted to run their own programs. But with the non-allocated money, this is the way we arranged it.

Q: How about Congress? Did they play much of a role in this?

LAMBERT: Well, the founding fathers of the Compact were retiring pretty fast. There still was quite a lot of interest, but older people – Senator Bennett Johnston, Congressman Young – pretty much were retiring. Others like Phil Burton and Patsy Mink had died. Several staff members remained keenly interested in the islands. Of course, some of the islands have non-voting representatives or delegates in Congress, and they were always pretty active. Hawaii representatives also were active. Hawaii has a lot of programs for the

Pacific Islands and is kind of a center for Pacific island issues. Another old timer that was around in my time was Sydney Yates, who controlled the budget for the Interior Department and was very interested in the islands and had been involved in the Compact negotiation.

Q: Did you have any problems at that time with American visas and passports?

LAMBERT: Yes. Because the passports of the Marshall Islands and the Federated States of Micronesia conveyed the right to work in the United States, any holder of the passport was able to come to the States to work, though not to have citizenship. From time to time, there would be trouble with the passports. During the time I was there, the Marshallese had some kind of idea that they could sell their citizenship with their passports, which was, of course, of concern to us. It was at a time when the future of Hong Kong was somewhat uncertain. Unrelated to Marshall Islands passports, but involving the Marshall Islands: There was a cargo ship that had would-be Chinese immigrants that had some kind of a mutiny going on and sent an SOS. The Coast Guard rescued the ship and pulled it to the Marshall Islands, where the Marshall Islands gave us permission to have the passengers disembark at Kwajalein, our military base. These people were repatriated back to China. The reason they were taken to the Marshall Islands, and not one of the U.S. territories in the area, was that U.S. courts at the time were tending to grant asylum based on economic hardship or family planning requirements of the Chinese government. We wanted to stop the flood of stowaways and, even more, the mercenaries who transported them.

Q: You mentioned Palau.

LAMBERT: Right. Political parties in a country of 5,000 people are more personal than ideological. Shortly after I became office director, a new party won the presidential election. I went for the inauguration and met President Nakamura. He had run pledging a “last referendum” on the Compact of Free Association with the U.S., which was the vehicle to independence. Two referenda had failed. Nakamura was very clever and a good politician. He sensed that the U.S. was tired of Palau’s status, and felt the financial assistance might be withdrawn or made subject to a sunset clause. I think he probably was correct. But we would have to renegotiate parts of the Compact because the same compact that had failed twice couldn’t be passed this time. He pointed out that one area that he thought we needed to work out was a nuclear free zone for Palau. This, obviously, was inconsistent with our basing rights, and was non-negotiable. But I had a brilliant military attaché in the office, Colonel Schwartzmann, who contacted a lot of people in the Defense Department. He wanted to find out if anybody had any serious idea of having any kind of base in Palau, which, of course, they didn’t. He was able to persuade the Pentagon to give up the basing rights. The formula was that we would not use these rights except in times of declared war. That was enough for President Nakamura to take as progress to the people of Palau and the referendum passed quite handily. There was also the President’s veiled threat that the U.S. aid would stop if they defeated the referendum a third time. This was the independence of Palau.

But then the U.S. lawyers that they hired were looking page by page at the Compact – which in the ensuing years was a bit out of date – and at all the federal programs and some of the entitlements that Palau might be eligible for. This was one of the toughest negotiations I’ve ever had. The lawyers were starting with 1,000 programs. In the implementation of the Compact Agreement with Palau, these all had to be negotiated and that went on forever.

Q: Was this pretty much a matter of State negotiating with American lawyers?

LAMBERT: Well, we had an interagency position. State did the negotiating. Interior did not. But I think we had Interior’s proxy in some specific concerns that they had. We had a lot of meetings in Washington which even the President of Palau attended. The main U.S. negotiators were me and a wonderful State Department lawyer. His name was Jeff Kovar. We had meeting after meeting. They’d have these long agendas because the Compact is thick and covers a lot of areas, and then there were the federal programs. Palau wanted to be the beneficiary of all the grandfather clauses and everything that was new. We’d have sessions that would go on and on and on. The agendas would be pages long. Quite a bit was done over the phone by the lawyer and me. He’d say, “Well, I’ll trade you three federal programs. We’ll give up these three if we can have these three.” We had matrixes. Some of this we would talk about over the phone and then I’d take it to the interagency group and it would bless it. It was more a question of monumental detail than substance.

Q: One of the things I noticed in my time going up to Pohnapei was that the people at least who worked for the government just loved to travel and they would use every excuse possible to have meetings in the United States or somewhere. Everybody would hop on a plane at the American government expense. An awful lot of our money must have gone into Continental Airlines.

LAMBERT: Yes, I’m sure there was. Americans, after they had seen it once and been totally charmed by it, as I was, didn’t want to keep going out to the islands. It took a week to get to some of these places. We were more than ready for them to come to Washington. Of course, when they came to Washington, just like every American business that had a trade dispute, they called on different people in Congress and different staffs and they had their beat, too. The State Department and the Interior Department... They never did it in one collective meeting. It was to their advantage to see everybody separately, which any savvy foreign government would do. There was a lot of travel, but there was a lot of relationship. There were audits. There was this; there was that. I didn’t think it was excessive. At some points, we tried to meet them in Hawaii. But that was problematic, too, because we’d have to make a meeting place. It wasn’t easy to use our own facilities or Navy facilities with a foreign government involved, although some exceptions were made. But basically there were military agreements with them, there were energy agreements, there were health agreements.

I mentioned before that there was considerable Hawaiian interest in the Pacific islands. The University of Hawaii’s business school had a Pacific Island program, as did the East-West

Institute. The Governor at the time was active in island events. At some of the regional meetings, like at the South Pacific Commission, Hawaii and Guam wanted separate identities from the United States. They had their own name cards and spoke independently. But, as part of the United States, they were unable to play a constitutional role, like voting in a formal vote, which was rare. We ran into an incident where Guam tried to assert this right, and the U.S. had to be the heavy and make sure it did not happen, much to the disappointment of most of the island nations.

That reminds me of an interesting anecdote. The U.S. payments to all international organizations were frozen by Senator [Jesse] Helms, because the UN had accredited a non-governmental organization called Man-Boy Love. The U.S. contribution to the South Pacific Commission was caught in the freeze. The amount owed the SPC was about \$2 million. Even though the SPC isn't part of the UN system, its budget is mixed with other international organizations, including the UN, NATO and OECD. Our payments to NATO and OECD, however, fell due earlier in the year, and they weren't affected. The political appointee U.S. representative to the SPC - his name was Don Vinson - and I called on the SPC Secretary General to explain. No matter how we tried, it was difficult to get past his contention, totally correct, that the SPC had nothing to do with pedophilia. The Secretary General also made it abundantly clear that the U.S. contribution constituted a substantial portion of the organization's revenue, and the U.S. had a dispensation to pay late in the year. The organization, accordingly, counted on our funds to carry it through to the end of its fiscal year. Fortunately, the freeze was lifted shortly thereafter, and the SPC was not forced to shut its doors or let staff go.

Q: This is a good place to stop. We'll pick it up the next time in '94 when you were through there.

In '94, whither?

LAMBERT: In '94, I became the director of the Canada desk. This was during the period of the Quebec separatist referendum, which the separatists almost won.

Q: Today is February 15, 2002. Let's talk about some of the individual states. What was your scope of coverage? You started with Papua New Guinea?

LAMBERT: That's right. We had about 19 different island countries. The ones with the most intense relationship with the U.S. were the Federated Trust Territories – the Republic of the Marshall Islands, Federated States of Micronesia, and Palau. We had a very different relationship with each of those. The Marshall Islands had more issues with us such as the nuclear accident that we had when the wind blew some debris on three island groups. We also had a base at Kwajalein. They were in more of a mode to demand more assistance. We had more issues with them and wanted something. Micronesia at the time was trying to use its money wisely relatively speaking and was trying to give a posture of being more

accountable for the money. Palau was getting itself independent and wanted to become independent with considerable U.S. support, but U.S. support politically for its independence and for its membership in the UN, and Palau also wanted financial support and federal programs. We had much less relationship with the other Pacific islands. Other countries tended to have the larger relationships, specifically Australia. During that time we closed our AID missions in the South Pacific, largely because the overhead was much too expensive.

Q: Just getting there was.

LAMBERT: Yes. And the mission, headquartered in Fiji, covered such a wide area. Papua New Guinea was the most difficult of the relationships, and our ambassadors had some difficulty getting access. In the beginning of my time, Bill Farrand was there. I don't think he did. Subsequently, the government changed and our access became very limited. The next ambassador, Dick Teare, had quite a long time before he was able to present his credentials. It was quite a few months. The relationships with the other Pacific Island countries were extremely friendly. But when we eliminated our aid programs, the relationships became more limited. We had an embassy in Western Samoa headed by a charge, one in Fiji, and one in Papua New Guinea, the latter two headed by resident ambassadors. They basically covered many countries each. We had had a presence in the Solomon Islands, which was closed during my time, rather sadly. Being the office director really put me in a position to deal directly with heads of government. When they came to Washington, we always had a protocol visit that was sometimes at the Deputy Secretary level, usually at the Assistant Secretary level. But for the social functions and the dinners that the embassies would host, I was usually the senior U.S. figure. We didn't have this kind of relationship with Papua New Guinea, but all of the rest of the island heads of state seemed willing to deal with me and did. It was a fun job. I had so many countries. With that many countries, you always had some issues. The level of contact compared to Canada, which was my next job, was so much more senior.

Q: You mentioned Papua New Guinea and that there was a problem. Was the problem one of the government not wanting to deal with us or was it just a difficult government?

LAMBERT: It was probably a combination. Relationships had been fairly good for a while. Papua New Guinea was the only Pacific Island country to join the Asian Pacific Economic program, APEC. During that period, there was more relationship because APEC was a U.S. initiative basically for a trade area and an economic forum. There were wonderful people there who were interested in human rights and interested in poverty and some of the conditions there. I believe there are 350 different languages in Papua New Guinea. They give the reason for this because there were no large animals and the different tribes that grew up never interacted with each other because they didn't have animal skins to keep them warm enough to travel. The first white men that were ever seen there were in the '20s. They were Australian missionaries. The Papua New Guineans thought they were ghosts. So, it was a very feudal country in the 20th century. They had terrific problems. It's the largest of the Pacific Islands. The population is over three million. The rest of them are one million

or much less. The consolidation of the country and economic conditions when the 20th century finally arrived... They had problems with unemployment. Youths went to the cities and caused violence on the road. They wouldn't cause it against their own tribe but against others. That was a place that Americans didn't really venture out into after dark without kind of a convoy. The Peace Corps director was stabbed at the airport and there was considerable violence and considerable problems in the country.

On the other hand, we had some large American investors there. Chevron was the premier American investor, and it claimed to have an excellent experience. They felt that the government gave them what they needed, gave them the access that they needed, that the labor supply was adequate. So, it's a very complex country and I think one that's very easy to fall in love with. But it was a difficult relationship.

Q: Were we concerned about Indonesia?

LAMBERT: That wasn't in my area. Papua New Guinea shares an island with Indonesia. The border was something of a border problem then. It wasn't really a major concern of the desk.

Q: Was there a conscious decision or the equivalent of saying, "Okay, the Australians have got interests in a lot of these places. Let them take the lead and we'll follow behind?"

LAMBERT: It certainly is what happened. It wasn't a conscious decision to my knowledge. The pullback of the AID mission was really kind of a devastating blow that happened during my time. This didn't affect the former Trust Territories at all, but it affected the rest of the South Pacific. AID faced continually declining budgets and took the philosophy, which as far as I know is still in effect, that if their programs weren't going to work, they should pull out and concentrate where they would work. These were small programs a little bit below their economic scale and it involved such extensive travel. We didn't have a presence in many of the countries. AID just felt it wasn't getting its money out of it pure and simple. Then of course, there was the threat of closing other posts. The Islanders are a gentle people and they're friendly toward America for the most part. I think that this was a wounding experience and kind of read symbolically as "Maybe America doesn't care about us." But I never detected any hostility as a result of these occurrences.

Q: You mentioned off-mic how much fun it was.

LAMBERT: It was great fun.

Q: It's probably the only job in the State Department with somebody at the desk level who really was in charge.

LAMBERT: I think that this is true. My Assistant Secretary, Winston Lord, and my Deputy Assistant Secretary, Ken Quinn, cared about the islands. They counted on me to tell them where we were going to have problems. I think they wanted to be assured that the problems

were managed. But given that they did have that assurance – and I must say that the AID decision was not really taken by State or much in consultation with State.

Q: When was AID out of there?

LAMBERT: Basically 1994. The announcement came in late '93.

Q: Just about the time you were leaving.

LAMBERT: A little bit before, yes. Of course, this left the ambassadors out in the field pretty stranded. There really wasn't too much to promise in return. AID at that point had a global fund that the islands were theoretically eligible for, but in fact, without people there and without large enough programs, it was hard for them to draw on.

Q: Were the Australians filling in any of the gaps?

LAMBERT: Australian aid in that area was quite considerable. To my knowledge, it didn't increase, but they were by far the largest aid programs. New Zealand also had substantial programs. The state of Hawaii had some programs. Japan, China... There was a foreign presence.

Q: In '94, you went to the Canadian desk. You did that from when to when?

LAMBERT: Mid-'94 to mid-'96. It was a very exciting time to be there. For one thing, our ambassador in Canada was Jim Blanchard, who had been a two time governor of Michigan and was a friend of the President's through the Governor's League and basically knew everybody in the Cabinet. He went with a great deal of enthusiasm. Because he was able to connect with anybody in Washington that he cared to, including the President, he had access in Canada on a more personal and more continual basis than I'm familiar with in other posts. He really could and did call anybody and everybody every day. He was a fun person. He picked the big issues and tried to mediate them between the decision makers. He was able to resolve a lot of tough problems. He left the day to day operations to the staff - and the day to day operations with a country like Canada are just enormous.

Shortly after I arrived at the desk, Quebec held provincial elections, and the Separatist Party won. It was headed by a man named Jacques Parizot. He was a more diffident and academic than most politicians, and this appealed to the French speakers. But there was another politician, Lucien Bouchard, who was probably the most popular politician in Canada and who became active in the separatist movement. He is the most charismatic person I've ever seen. During the separatist campaign, he suffered a virus and nearly died. He did lose a leg. But he came back toward the end of the campaign on crutches and was even more charismatic. People called him "San Lucien." He was just such a magnetic person that the polls began to change. There was a comfort level for the Federalists most of the way though the campaign, but when Bouchard came back after his illness, it got pretty dramatic, to say the least.

Of course, the U.S. became a feature in the referendum for separation. The Parti Québécois, the PQ, which was the separatist party, announced before the provincial elections that they would hold a referendum on separation should they win. They won by a majority large enough that they felt confident that they could call this referendum and have a chance of winning. The U.S. became a major feature in the campaign. We had always used what we called the “mantra.” Any time any question of Quebec separatism came up, we used the mantra. If we deviated, if somebody made a little mistake and tripped up on a word, it was big news in Canada. The mantra had two sentences: “We enjoy excellent relations with a strong and united Canada. But of course, it’s up to the people of Canada to decide their own future.” In the beginning of the campaign, the mantra was pretty much intact. But as the campaign drew closer to the vote, we did depart somewhat from the mantra. This was a public position. Privately, the U.S. always wants Canada together. But what was said in Canada was very sensitive because the Canadians are understandably concerned about any meddling with their internal politics. On the other hand, the U.S. accounts for almost 90% of Canada’s international trade. It’s by far its most important partner. Canada is also the largest trading partner of the United States, but by much smaller percentages.

Certainly the day to day relations between the two countries are just more in volume and intensity than with any other country. Our trade with and investment in Canada are much higher than with any other part of the world. It was higher by quite a bit than with the whole European Union at the time, and I suppose it still is. There was about a billion dollars of trade every day. Then the jobs on both sides of the border are important to both countries. Many companies have integrated manufacturing between the two countries, especially in the automobile industry. So, the sense is that Canada’s relations with the U.S. are very important, but Premier Chretien used to always say it was like being in bed with an elephant. Canada always strived, particularly with Cuba, to show its independence and equal partnership. The Canadian government did look to us for support. Support in the public arena would be a press statement.

We scheduled a presidential visit then. Jim Blanchard’s relations with the White House were essential to that visit happening at the right time and on the original schedule. He also made sure it was enough of a visit that Canadians would have two or three days of press coverage of this wonderful friendship. The visit was shortly before the referendum. Leading up to that, we had various Canadian visits in Washington. The U.S. has always tried to show parity. At whatever level you receive the Quebec premier (like a governor), you have to receive every other premier in Canada. We maintained this stance. The separatists were always disappointed that they couldn’t be recognized more as a nation and have a little higher entrée. As it turned out, the Under Secretary for Political Affairs, Peter Tarnoff, was the highest level official that received the Québécois. Therefore, he had to receive every other premier of every other province. He was pretty busy with Canada. Christopher was also extremely involved with the referendum. Jim Blanchard was the first person I recall that departed from the mantra a little bit. The way he did it was to separate the two sentences. Instead of saying them as a direct quote, he would say the first sentence and then he would extend on it. Then he would end with the second sentence. Of course, the

expansion was a clear tilt in favor of a unified Canada. Christopher when the foreign minister visited was the first senior U.S. official that I recall who brought up NAFTA. The Québécois were claiming that economically there would be no difference, because Quebec would automatically be a member of NAFTA... It's important to know that these were good economic times for Canada because separation would have caused a lot more anxiety in poor economic times. Quebec was certainly the province that benefitted the most from federalism and received a number of state aids from the rest of Canada. During this period, you got a lot of Ontario discontent from the West, which was basically subsidizing the rest of Canada. Both Alberta and British Columbia let it be known that if Quebec separated, they would consider some kind of separation also. So, we were watching what could have been the fragmentation of Canada. There were some popular books about the subject. It was very dramatic.

Secretary Christopher in his press conference with FM Ouellette brought up the notion that NAFTA membership would not be automatic for Quebec, that it was probably in everybody in North America's interest that if Quebec did separate, there would be some NAFTA membership but that it would have to be negotiated and that the U.S. might want to put some conditions on it that it did not put on in previous negotiations, etc. Again, this was part of the mantra. The first sentence, "The U.S. enjoys strong relations with a strongly united Canada." "NAFTA is an important part of this relationship. We hope it will continue to be, but of course if Canada separates into several provinces, there will be negotiations." Then it would always end with, "But of course this is up to the Canadians to decide." The NAFTA part was probably the first and most serious issue raised by us.

The President, when he addressed Parliament, basically took the mantra in the same separated format. When he was talking about the strongly united Canada, the government, the Liberal Party, and the rightist parties stood and clapped. The Conservative Party was very weak at the time. The separatists were the second largest party in Parliament. The third group was the Alliance, the more conservative parties, espousing values more like the U.S. Republican Party. The Alliance had its base in Canada's west. Anyway, when the President talked about this strongly united Canada, everybody stood up and applauded except...

Q: This was President Clinton.

LAMBERT: Yes. When he finally got around to the part about "The Canadians should determine their own future," the separatists stood up and applauded. It was a terrific state visit. It was always very visual. The state dinner was at the Museum of Man, which has very dramatic totem poles and great backgrounds for television. Mrs. Clinton went ice skating on the canal in Ottawa. It was a terrific media blitz, but I think that even I was surprised at the closeness of the margin when it finally happened. It was under a percent. The Federalists did win. The separatist movement stayed alive and still is alive to some extent, but lost a lot of support after the referendum. That took up about the first year of my time on the Canada desk. That was very intense and very interesting, probably the most work I've ever done with the press. There was a lot of interest in it. Interestingly, the Washington Post had two correspondents in Toronto. They did excellent coverage, better than the

“Times” was doing at the time. It was a husband and wife. She did the economic reporting and he did the political end. They shared a job, so the post got a good deal out of them. Then they moved to Europe and did the European Community. Basically, it was an exhausting experience and one that worked well. I don’t think that the U.S. was ever credited directly by anybody for the end result. We did keep enough distance from it to maintain credibility and not arouse any counter-reaction. But many people said privately, including the Prime Minister, that our intervention was balanced perfectly and accounted for the margin of difference.

Q: In a situation such as with Canada, anything the United States does sends reverberations all over. The government can’t come out and say, “Well, if Quebec separates, plan A will come into action.” Even to plan that would...

LAMBERT: That’s correct.

Q: But at the same time, were you all mentally figuring out a plan for how you might treat Quebec if it did separate?

LAMBERT: Mentally, yes. Certainly not on paper. My boss at the time was Dick Holbrooke. He was very busy with Bosnia. We were never tasked to do a paper of this nature. The fear really was a little more narrow and legalistic than a separate country. It was whether Canada would recognize the result of the referendum. Canada had made it known that if Quebec did decide to separate, there would be a constitutional challenge and then there would be a very prolonged negotiation which would include Quebec having to assume debts, etc. This might take an exhaustive amount of time. The rumor was that Quebec wouldn’t go along with this plan, that they would declare a unilateral declaration of independence. I don’t know if it’s true, but the Québécois were claiming that France would recognize them immediately. So, probably the most immediate thing that we would have had to face was what to do with a unilateral decision to separate immediately. Again, we had no papers on it. I don’t think we would have recognized it. We would not have jumped in after France.

Q: Were there any groups in the United States who were pushing for Canadian separatism?

LAMBERT: Not to my knowledge. Quebec had a consulate general, as they called it, but it was really just a representative. It didn’t have the status of being a consulate general, even though that’s what they called it. The “consul,” Anne LeGarre, was a glamorous, articulate woman. She had a lovely apartment and entertained quite a bit. She had difficulty attracting senior people from the U.S. side because it was so sensitive. One of the jobs of the desk was always to try to manage representation at her functions. Of course, people went. I went. But no one senior from the State Department went. Basically, the people from Congress and other agencies did attend her functions, but most were not senior. I don’t recall anyone pressuring us to listen to Quebec except the Québécois themselves. Of course, the Canadian embassy on the other hand was very, very vigilant and really didn’t even like the

level of attention that we did give them.

Q: Did you always have the feeling that the Canadian embassy was monitoring every move you and others in our government made on this issue?

LAMBERT: It's a very well plugged-in embassy. It's a big embassy and with an extremely competent staff. First of all, they maintained that Quebec had no independent status to conduct any foreign relations in the United States. As a result, they required us, and we agreed, that a representative from the embassy would be present at any official meetings. I'm not positive that we got every single meeting, but I think we were close. An embassy rep certainly attended every meeting at the State Department. We did similar missionary work on the Hill. Of course, they were right. Quebec didn't have an official status to be doing this. It's a very big issue for the embassy, and they put a lot of manpower on it and did not let things go through the cracks at all.

Q: Were there bets on the referendum?

LAMBERT: There may have been in Quebec. There may have been in Canada. I don't think there were any in the U.S. I think that very few people in the U.S. – and it caught me by surprise as close as it was – thought it would really happen. The last couple days, the press coverage here was extreme and the question that it might happen became more plausible and more open. But I think most Americans didn't feel it would happen.

I should also say that it was one of those things that looked like it would lose by about 10% a few months before the referendum. The margin kept narrowing very dramatically. The big narrowing must have come in the final weekend when the polls were off limits.

Q: What about western Canada? Did those provinces feel almost a separate Canada with separate issues?

LAMBERT: The right wing alliance was fairly predominant in most of western Canada. This was a party that less government was better and that government should be local. In fact, in Canada, the provinces did have considerable autonomy and the wealthier provinces were in the west. They resented giving so much of their money to the east, and especially to Quebec. They had perhaps more American values. It's telling that in the U.S. our slogan is "Life, liberty, and the pursuit of happiness." In Canada, and I'm paraphrasing it, it's "Country, community, and good governance." I think that it's a fairly good distinction between the two countries. We have what we call a "melting pot." They have what they call a "mosaic." In other words, different cultures live but they live kind of separately and together. As you go west, the issues are different. The economy at the time was booming. The relationship... Canada had been a horizontal state connected by the railroad and the CPC and the national health. With NAFTA and modern communications, the west had much more relationship with the northwest of the U.S. than it did with the far east of Canada. They were sort of fed up with Quebec separatism and squabbles in Ontario. They were getting American TV and their whole economic and cultural relationship tilted to be

somewhat more north-south than it did east-west. I think they thought they were viable. If it ever came to be, British Columbia and Alberta probably would have exited together and in some kind of alliance. But certainly they were viable independent if Quebec was going to be viable. So, again, you don't hear talk of that any more.

Q: Often the maritime states really were closer to New England than to anywhere else, weren't they?

LAMBERT: This is true. During the separation debate, one of the maritimes – I think Nova Scotia – said it would like to annex to the U.S. also. Sure, they also have a more north-south situation than central Canada. But all of Canada... 90% of Canada's population live within 100 miles of the U.S. border- (end of tape)

People crossed the border for work. If the Canadian dollar is cheaper, as it is today, the Americans cross over for grocery shopping. The Canadians come down to buy cheaper gas. There is a lot of interchange at the borders.

Q: Did you find yourself getting tangled up with province-state relations? The interchange... There is town to town, fire department to fire department, province to state. Did you try to control this or kind of let it go?

LAMBERT: You can't possibly control relations with Canada in the sense that the desk could manage them. First of all, you can't manage the U.S. government anymore – the State Department maybe, but certainly the U.S. trade rep. will call their counterparts in Canada as often as they want. States had relationships and businesses have relationships that certainly don't go through the State Department. I would say when you begin to get into something as serious as Quebec separation, none of the states got involved and all deferred to the State Department. Most of them did contact Washington to find out the party line and what they should do. Certainly when we had provincial premiers, the state governors would often attend functions for them. They obviously knew each other well. We got involved with the states from time to time. During the time I was on the desk, we had the Free Air Agreement. This meant that one of the more andeluvian air agreements became one of the more liberal and it brought with it pre-clearance of the Canadians. For example, there is no customs at Washington National, but we had direct flights from Ottawa. This necessitated pre-clearance personnel in Ottawa. This happened in many airports, and the result was that the U.S. presence in Canada increased quite a bit, often in cities where we had no other official presents, with the Customs and Immigration personnel.

We also were working on many other things, some of which came to be. You don't need a passport to go back and forth between the U.S. and Canada. So, if a bona fide Canadian wants to cross the border, there should not be an issue. But there was so much border crossing that sometimes you had a line that might be an hour long even if you got waved through once your car went through the customs and immigration kiosk. So, we were working on things like easy passes, where someone would buy... If they had a daily border crossing, they would buy a sticker and be approved that would allow them to cross the

border in a lane that was a fast lane and wouldn't be stopped at all by Customs or Immigration. Then we had a more serious issue with truck crossings. The more business and volume at the border, the longer the delay for trucks would be. With the system of production in the U.S. now, especially with the automobile industry, they don't carry inventories and they depended on just in time deliveries. A lot of our work dealt with that. I left the desk before this ever reached any fruition.

Q: NAFTA had just come into place, hadn't it?

LAMBERT: Yes.

Q: What was your impression of how it was working out?

LAMBERT: It was a little early to tell... Trade with Canada certainly increased with the Free Trade Agreement that preceded NAFTA and that was between the US. And Canada. The economy was increasing, too. The trade with Mexico increased quite dramatically for a while. It then dropped when Mexico had their financial crisis. It was certainly something that everyone was in favor of. Where our work happened was kind of on the fringes. We had problems in the cultural area, which was a Canadian carve out in the Free Trade Agreement. We did not want this to apply in NAFTA and fought hard for broadcasting and publishing to be covered by NAFTA, but Canada fought even harder to maintain its exclusion. We had a number of disputes in the culture area. "Time Magazine" had trouble with their publication and marketing in Canada. We had issues that NAFTA didn't work as well as it was supposed to for movement of goods and people because of the delays with the truck inspections.

I should say also that at this the time another big event was going on in the European Bureau, the Yugoslav disintegration and the war in Bosnia. Canada was a contributor to the forces in Bosnia. It was U.S. policy that they continue their contribution. But Canada has a philosophy of peacekeeping that's a little different. Canada's participation in Bosnia was publicly very much in dispute in Canada. The Canadians have always been active peacekeepers but they consider themselves only in the mode of keeping the peace rather than peace makers, which was making the peace and putting the military in danger in an active conflict situation. Canada very much wanted to get out of Bosnia and we very much wanted them to stay in, which they did.

At the same time, there was an enormous Aristide was elected and eventually took office in Haiti. Public order was abysmal, and the U.S. began a program of keeping the order and training police. Canada was willing – and this again was very sought after by the U.S. - to take the lead in the police function in Haiti. Eventually, they were able to draw down in Bosnia. But they did keep their forces, mostly Royal Mounted Police, in Haiti. Again, it was controversial because it was more dangerous than the Canadians felt was their mandate. We had enormous differences over Cuba which were very hot at the time. The Congress had passed the Helms-Burton Act, which provided for sanctions to businesses dealing with Cuba. Canada had been taking advantage of the U.S. boycott. First, it was conviction, but

also a symbolic political independence from the U.S. Second, Canada took commercial advantage of our inability to trade with Cuba. Their firms faced sanctions once Helms-Burton was passed. This was a very disputed issue between us. They would maintain it was a show of sovereignty. In fact, the Helms-Burton legislation was applied towards Canada and Mexico very leniently, but it was applied. The State Department found itself in the middle of what Congress insisted on, especially some people in Congress. There was a slight disinclination to unduly penalize Canada.

Q: I've always had the feeling that Cuba is the issue on which the Canadians can show that they're different, that they're independent, and tweak our nose.

LAMBERT: Well, it's the big issue that they have certainly asserted their independence on. The UN is another place where we had a philosophical difference. The UN is far more popular in Canada than it is in the United States, overwhelmingly popular. Canada considers itself a very strong multilateral country for obvious reasons. They tend to take a more liberal interventionist position in the UN than the U.S. is willing to do. Again, Canada has always been very active in peacekeeping, and there is a memorial to UN peacekeepers in Ottawa. But peacekeeping under the UN has turned more into military operations, an effort to avert wars. I think Canada's keeping the peace idea is becoming obsolete, and I'm not sure this fact, if it is one, is accepted in Canada.

Q: In a way, in looking at Canada, were you getting from our military colleagues the fact that the Canadians really didn't have a hell of a lot to offer in the way of being able to do anything militarily... It wasn't a rather peaceful peacekeeping. They didn't have much airlift. They didn't have much equipment... Or not?

LAMBERT: Canada actually fulfilled some of its NATO obligations in the UN. They claim that they were set up to deal with the UN peacekeeping and they were. They just didn't like active conflict situations. That didn't mean that they weren't in them. They were in them. But they tended to want to use their forces elsewhere. Some of the military used to call it "Canadian whine," that they were in the hot areas and probably wanted to be there but they whined about it.

Canada considers itself a big UN player and a big peacekeeper. That means they had to be in the conflict situations. I think it was in their interest to be. But I think there was also a public disinclination to have their people killed or to be in the news with these hotspots. So, I think that there was a little bit of dichotomy.

Q: Did you run across the problem of the Canadian whine – "Poor little us and big you," etc.?

LAMBERT: The Canadians fought very hard to settle disputes in their favor, and they were very good at it. It was always like a personal thing when the disputes were with the United States. Things that were a fair settlement, especially in the trade area, where settlement means putting it off – were portrayed as Canadian victories by Canadian politicians in the

Canadian press. We probably wouldn't even attempt to do that here. The biggest dispute in that sense was the salmon dispute, which went on for years.

Q: We're really talking about a dispute that probably goes back to the beginning of the republic?

LAMBERT: Probably does.

Q: Fish anyway.

LAMBERT: This is true. Basically, the U.S. doesn't really have a unified position. The interests of Washington and Oregon are different than those of Alaska. It comes from geography and where the salmon run. Then you also have tribe interests in both countries that are sovereign from national treaty agreements. The Canadians would claim that the Alaskans would catch Canadian-origin salmon before they returned into Canadian waters - while they were out in Alaskan waters or in the sea. They were also claiming that the Alaskan catches were too high and that the natural species were declining. It went on and on and on. Needless to say, it was a terribly difficult negotiation because the U.S. side had different interests. But at one point, some Canadians took a ferry boat with American tourists - not the Canadian government but some local group - hostage. The Canadian government had to intervene and did, but the hostage situation went on for a while. There was talk in the U.S. of how we would stop events like that and couldn't we just send warboats up into Canadian waters, which never happened and wasn't really too seriously considered but it was an option that some people put forward. Again, it's headline banner news in Canada and probably on page 16 of the "New York Times." The ferry incident made the first page, but the rest of this dispute... They have to negotiate very hard.

Q: I read Ambassador Blanchard's book. He made the claim that he took care of the airline problem. Was that justified?

LAMBERT: Oh, yes. This was not atypical of the way he worked. The negotiations had been going on for years. When they would stalemate - this mostly took place before I came on the desk - he would intervene. He would call U.S. cabinet secretaries. He would call Canadian ministers. He would call the airlines. He would begin to put the pieces back together to get the negotiations going again. He was very committed to this particular agreement. I'm sure that without him it wouldn't have happened. He did this on any number of things.

Q: On the Cuban policy, had the Canadians established a special relationship with Cuba or did you see this as giving them anything outside of tweaking America's nose?

LAMBERT: I'm not sure about that. It certainly succeeded in tweaking America, particularly the Congress. They got a commercial advantage, there is no question about that. Whether it gave them a credibility in Latin America or the UN, it's hard to know.

Q: In '96, you went where?

LAMBERT: I went to Hungarian language and then to Budapest. I was there from '97-98. Hungary is a wonderful place. It had the best educated people I've ever known. It's amazing. I'm not sure that with the democracy, with the system of education where they emulate the West is going to produce the fine, rigorously trained people that the old communist system did, although I'm not sure that the old communist system succeeded so well in the rest of Eastern Europe. In Hungary, certainly everyone spoke English that was under about 45 and they spoke it very well. I mean people like maids and people on the street. The level of English was phenomenal. I think English is certainly the first foreign language, and it became so during the communist period. You would meet Hungarian diplomats who would very often sound like they were American. Just hearing their voice across the hall, you might think that they were. When Clinton was impeached, Americans would be loose with the language. The impeachment came from the House and the trial came from the Senate. He was impeached, it's correct. But Americans would often say, "Do you think he'll be impeached," meaning the Senate voting to remove him. My Hungarian maid knew the difference between the two bodies of Congress. She said to me one day, "I thought they already impeached him. What are your friends talking about?" To have somebody catch that in a foreign language when my diplomatic friends were being loose with the words was just indicative... They are absolutely computer geniuses. I understand that Hungarians are very marketable in the computer world. So are Indians and a number of other people. They are very musical. The level of music in Budapest is just remarkable. We had a lot of American groups that would come through that would want to do concerts at the ambassador's house or something. You had to be pretty careful to make sure that this would be a group that would be something a little different than what you'd hear in a Hungarian church any day of the year.

It's just a wonderful place to be. The prices were going up pretty rapidly when I was there. When I started, the opera was about \$10 for an orchestra seat and it went up to \$30 and then it went up a little bit beyond that. I don't think that the opera is probably of the standard that the rest of the music was because the major singers and performers by then were going to Western Europe, the big names.

Q: What was your job there?

LAMBERT: I was the deputy chief of mission.

Q: Who was the ambassador?

LAMBERT: The ambassador that I went with was Donald Blinken. He is a wonderful gentleman from New York who is also an art collector and I think the head of the De Koenig Society. His brother was ambassador in Belgium. Ambassador Blinken's big issue was NATO membership. Just before he left, the Hungarians did vote to join NATO in a referendum. It was a very strong result for joining NATO. But in the year or so before the referendum, there had been quite a bit of public debate about whether this was the way they

wanted to go, whether they wanted to take on the military commitments, money, etc. Before the referendum, there was some concern that the vote might not be decisive primarily because enough people wouldn't turn up, that the majority of the Hungarian people wouldn't vote "Yes." The "Yes" result was never in question, just the turnout. So, we organized a lot of seminars on NATO. It was a big blitz. A lot of people from the States came over to speak with different groups. It was very successful. There was one group that I was a little leery of because they had strong political affiliations with one of the political parties in Hungary. This was the Hungarian-American Coalition. Many of the members left Hungary in '56. I think most of them did. They've always been a political group, but it was a group of very distinguished people, professionals of the extremely highest level – a lot of writers. They applied for a grant to hold town meetings. It was a very successful effort. They did a wonderful job and weren't politicized at all. I don't think town meetings had been held in Hungary before. USIA had a small grant to do some press training. AID still had some money left in the country – not much, but they were able to help some NGOs organize not necessarily on behalf of the referendum, but just to give NGOs some experience in political advocacy. For example, they worked with some youth groups in universities to try to get the youth to vote. It was a wonderful effort and it came out very well.

Q: Do we still have a supply depot in Hungary?

LAMBERT: Yes.

Q: This was to support our efforts in Bosnia. How was that working when you were there?

LAMBERT: I think it was probably at its height when I was there. I'm not sure if we have it now or not. I just don't know. It basically became a supply and transit center for the troops in Bosnia. Most of what went in and out of Bosnia came through the Tassar base. It was a joint air base. It was a Hungarian air base actually and was a joint base at this point. We employed a lot of Hungarians. Most of the U.S. troops were Reserves. We began sending troops in and out through Hungary, too, both to do their orientation and to do their debriefing before they went home. It worked quite well. Every once in a while, you'd get into a local issue where a truck was too big for the road and hit a car or something like this. These heavy trucks were going through some roads that were not classy superhighways. But by and large, it was an effort that the Hungarians supported and the community supported. It was a good employer for one thing. The military did a good job with community relations. There were a number of people that worked with community relations. By and large, it's popular and was effective.

Q: And then why to the UN?

LAMBERT: We switched ambassadors at that period and the new ambassador wanted somebody else to be the DCM. I came back with an ambassadorial offer that got stalled. Then I had some problem both with my mother and my daughter and I could only go so far, so I delayed and then was sort of without a job for a while. I did the U.S. Action Plan on

Food Security, which was a commitment that the U.S. made at the World Food Summit that we would draw together the U.S. Action Plan. For about eight or nine months until I went into a different job, I did that. I wrote the international part of the U.S. Action Plan. We had a food security advisory committee under the Federal Advisory Committee Act [FACA], which sets up a modus operandi for dealing with the outside on policy issues. It's a way that outside groups can have access to the government that acts as fair and sort of regulated. I think they're limited by law for how many each agency has. The Federal Advisory Committee on Food Security was run by USAID. It was a group of about 40 very prominent people, about a third of them academics, about a third of them active NGOs, and about a third of them from business. It's a formal meeting that's open to the public. Writing the action plan took me about a month, but having it approved by the advisory committee was a much larger process. The public hearings involved and the different points of view... I think that their input certainly made it a much more ambitious document than it would have been. It tackled some theoretical issues as well. For example, the U.S. does not accept a right to food. Most of the advisory committee, including industry, feels that this is an unenlightened approach. They think there should be a right to food as a basic human right. The U.S. government doesn't accept a right to food or housing. We accept the right to access to all of these things, but not the actual right to food. The reason was that we're such a litigious society that if we established the right to food, anyone in the U.S. could take their personal hunger to a court and use this as a basis for redress, which may not be so bad. But, taking the point farther, an NGO could take the issue of hungry people in Africa into U.S. courts – at least that's what our lawyers said. This is a lawyer issue. Every once in a while, we read it in the newspaper about the U.S. doesn't accept some right and it sounds awful, but it's basically always the same situation.

Q: How did that come out?

LAMBERT: The report was a very nice report. We had some phenomenal help, including research associates from the advisory committee. There were a lot of things that I didn't know. You have the issue of hunger, which is defined as having enough food. Then you have the issue of nutrition, which is defined as having the food you need for productive life. In Africa, probably the nutrition problem is much greater than just the hunger problem, although I think most people lump it together and call them "hunger." You also had the distinction between hunger and food security. The analogy that we gave in the report is basically if you give a man a fish, he won't be hungry for that day because he has enough to eat, but if you teach him how to fish, he won't be hungry for the rest of his life. The issue of food security is basically a longer term solution to hunger rather than an immediate solution.

What we found, and it's extremely interesting, was that the most acute cases of hunger seemed to be caused by the conflict, in which the World Food Programme aid should really be implied. It isn't always. It can't always get to the most remote areas, areas of conflict. But this is about the only way that type of issue can be solved. This is different from what we call "chronic" hunger, which is more the result of terrible government policies. In most of the hungriest countries, the government policies are not conducive to feeding their

populations for some reason or another.

Q: North Korea is the perfect example.

LAMBERT: Exactly. So, it's generally thought that policy reform is the most important first step of solving a chronic hunger problem. In the U.S. Action Plan, we basically said that we would give emergency aid but we would really try to leverage help with chronic hunger with improved policies. More effort needs to be made on this. We ran into the same problem on AIDS. The donor community needs to act with more solidity. I know that many have the position, France and Canada for example, that hungry people need to eat, and they do. But you're not going to solve a food security problem unless you can leverage some policy change. What we found out was that the big multiplier in the community equation is women. You find this in other areas of development as well. If you had a program that brought women into a center, let's say a family health center, if you did food distribution through something like this, you have the opportunity to educate the women and at the same time inoculate the family and feed the family. The women, particularly the more educated they were about nutrition, would actually use whatever food they got in a nutritious way and feed their children. The statistics where men collected the food were not as satisfactory. So, another thing that we tried to do with our programs was use rural health centers or rural community centers where you could get women and teach water sanitation, child inoculation and nutrition to them, as well as give them food. The results were much more satisfactory. Related to that is the whole issue of educating women. You educate a woman and you educate a family. The upshot of this was that we really did not pledge more money, but we developed a more thoughtful and probably enlightened policy. There was a domestic side to report as well. It was a very good experience. But it's much more intense and time consuming the more you open the process up to interested outside groups, and, believe me, they were involved and interested. We also held a number of public hearings.

Q: You moved to the UN when, in '97 or '98?

LAMBERT: We're already well into '98 and I think into '99. I did two short-term projects. One of the projects was the integration of USIA and State. Pat Kennedy headed the transition, and under him I headed a full-time team dealing with nuts and bolts during the final four months of the process. We also were working on a project defining the relationship between AID and State. Initially, there was a move to integrate all three. They had been integrated earlier. AID managed to maintain its independence, its autonomy, but with more dotted lines to the State Department and a direct relationship between the Administrator of AID reporting directly to the Secretary of State. But the big thing that I was involved with was USIA. The two issues were the regional and the functional people, how they would combine. USIA was, sort of crudely put, divided into four parts. One part was the Voice of America, which became an independent agency. Another quarter was the exchanges, primarily the Fulbright Program, but there were a number of others. A third was what they called the Information Bureau. This was a little more policy oriented and smaller. Those three pretty much maintained an intact position and still do today. Their bureaus have stayed independent.

What we had to truly merge and what was left to the end... A lot of the functional people, people who did economics, people who did arms control in various capacities – sometimes in a regional bureau, sometimes in the Information Bureau, and their whole regional apparatus at State... This was a hard negotiation. Would the USIA European Office, for example, be moved as an office into the European Bureau with its director the office director? Or would we merge the USIA European Office into a number of EUR offices? Would the USIA director be an office director or a DAS? USIA had considered its head area person for Western Europe the equivalent of an assistant secretary. It was quite emotional. They were basically merged into State bureaus with the senior USIA person an office director. But those issues hadn't been decided by the time I got there. There were different types of preferences on the parts of State regional bureaus. Some did not want a public diplomacy function that was separate from the press function. This wasn't possible for reasons I'll explain, but bureaus felt their prerogatives were being threatened. By law USIA is not allowed to propagandize in America. This means separate budgets for different activities, which is something State bureaus had not been required to do previously. Individual employees were listed in the budget, similarly, by function as to whether they were working with U.S. press or whether they were engaged in "public diplomacy," which includes public affairs, cultural promotion, whatever, but in foreign countries. A lot of the USIA personnel didn't fit into our bureaus' scheme of things, yet we felt we needed to take a universal view and not tailor it too much bureau by bureau. There were a lot of high flyers who felt they were being buried in the State bureaucracy. It was an area that was pretty sensitive.

I think the issue of USIA regional directors becoming DASs in State regional bureaus was probably the most emotional issue of all, because it involved USIA's most senior career people. This was the one issue we couldn't resolve in our working group, and we had to send it up to the Secretary, who rejected the DAS idea.

Q: This was Madeline Albright by this time.

LAMBERT: Yes. In the meantime, we had different views of different bureaus. So, the memo was quite long with three different possible solutions. It was kind of the status of the USIA people and these were the people that were actually the first and I think to date the only ones who've moved into the Main State building. So, it was their office space, how they worked with the bureau, what their situations were, who from their very large area offices went into the Executive Office, who went where... We did the personnel walk-through, which is the change of positions from USIA to State and walked through each person in time for everybody to be paid and never miss a pay period. Then we had the question of functional bureaus and what their situation would be. This was another hard one. There were a few more jobs than some of the regional bureaus wanted. The functional bureaus meanwhile had nothing. So, we established a public diplomacy shop in each of the functional bureaus. This was OES, EB, etc. They were usually three person offices. Then we had to find a stovepipe for them, where they would be. They were too small to be a complete office. We thought that those jobs would be attractive. Some of the people in the

regional bureaus were moved to State in considerably lower status than they had at USIA. The senior person was an office director, which meant that other people who were GS 15s or FS01s, were just desk officers. We thought that the functional bureaus might be an attractive alternative to some of the people who felt that they were downgraded – in fact, they weren't. Those jobs were underbid at the time and we never did succeed in filling very many of them. But I also had a struggle on the money, who would be in charge of the money. The regional bureaus felt very strongly that they needed to control every penny of it. The functional bureaus felt that they wanted their own budgets and they had nothing. The new Under Secretary for Public Affairs and Public Diplomacy, who would have been the head of USIA, we felt should have a role in arbitrating their public diplomacy funds. Quite often, State budgets are done by plus or minus. Each bureau goes up two percent and the bigger ones give up four percent.

Q: I've heard that one of the big complaints is that USIA was always able to move very quickly on issues, whereas State is a ponderous organization.

LAMBERT: We wanted to give the function to the Under Secretary, to budget allocation for public diplomacy. But either by law or by custom, under secretaries don't do budgets. So, we had to find a mechanism that would basically give her control of kind of a swing pot of money and also someone that the bureaus would have to justify their budgets for and could decrease or increase both resources and people moving around. I don't know how it worked. But the effort was to give or retain that flexibility. You're right. You have some kind of a crisis somewhere in the world and USIA could move people and programs around and we couldn't.

Q: What was your impression of the overall... There are two sides. One side is – and it's been very apparent when I've been interviewing USIA people who have come to Washington. If their jobs in Washington are not personnel or budget, they're nothing. This was prior. There was no real policy content, or very little, within the Agency itself. Policy was done in State. The idea of this was to bring the people with public diplomacy experience into the policy side. But then there was the other side that what you're doing is cutting out... You have these people with a highly developed ability to deal with exchange programs- (end of tape)

You will end up with a mishmash of people and lose the expertise because there won't be much of a career for that. How did you feel about that at the end of the day?

LAMBERT: Well, from a starting point, in the long run, it may benefit individual people... It certainly is a hardship for the more senior people who are faced with the integration. When they were overseas, they were an agency head entitled to representational housing, a car and a driver, etc. After integration, they became just a section chief. In Hungary, for example, our section chiefs were primarily FS-1s and 2s. The head of USIA was a senior Foreign Service officer. Either he remains maybe senior to the DCM as a section chief or there is a big hemorrhage of jobs at the senior level. You face this both domestically and overseas. The negotiated document had public diplomacy as an integral part of any policy

decision and certainly any execution of it. The thought was that by having USIA in the bureau decision meetings and the public affairs/public diplomacy person in all of the small meetings held by Assistant Secretaries you would factor in the public reaction, and a strategy to win public opinion, in all key decisions. In one bureau that had merged before the integration, I will say some of the USIA people called it “the Anschluss.” But the European Bureau had already been operating with a Public Diplomacy Office in the Bureau. Mark Grossman was the Assistant Secretary. It was considered a pretty good model. The role of the public diplomacy in the decision making was active. It was sought out by Mark. The public diplomacy people were in the small meetings, in the decision meetings. This was factored in pretty early. In the IO Bureau, the second year I was there in particular, the public diplomacy person was quite active. He, and the public dimension, was certainly part of the Iraq strategy and some of the other strategies that we were carrying out. It’s hard to know if it worked. It’s very much an individual thing, depending both on the USIA officer and the bureau. You go bureau by bureau and have to make your conclusions from that.

The other thing is that Skip Gnehm, who was the Director General at the time, felt that when the USIA people hit the Department and they were seen, their language ability known and their press skills in evidence – and all principals are interested in press relations - they would be extremely competitive for all bureau jobs. He thought they would rise up and become Deputy Assistant Secretaries and DCMs much more quickly than they would have been had they stayed in USIA. I think this is happening.

Q: I’ve always been very impressed by USIA top people because they’re action oriented. They get things done. They don’t complicate them.

LAMBERT: This is true. Some of them have done very well at State. In the functional regional bureau issues, one of the reasons why some of them who did get demoted probably decided to stay with the regional bureaus was the fact that they could make a name, and they could get an assignment from being known. I think that helped. Individuals have done well - and I’m sure there is a different story for every person.

Q: Yes. After dealing with this very crucial, wrenching change, what did you do?

LAMBERT: I went to the IO Bureau. I arrived a little bit late because we had to see the integration through and had a lot of last minute issues. It was a great experience. The USIA people in particular put their top people in this and worked hard. There was some pain but I think that they always considered themselves one Foreign Service. There was a lot of goodwill, too.

Q: Particularly in the field. We worked hand in glove with USIA. They were absolutely key members of any country team. This wasn’t a matter of cultures not understanding or appreciating each other. These were people who knew each other and worked together.

LAMBERT: But my impression is that the people who did the embassies and regional bureaus integrated very quickly. Some of them may not be satisfied, but they integrated

quickly. VOA never will integrate. But the two bureaus that were left downtown in the old location, I'm wondering if they integrated as well. The Fulbright program exchanges were always a little bit of a different thing set up by Congress with a special budget, and today they have a separate budget's from State's. More importantly, the Information Bureau, which does the programs that support the whole of the public diplomacy activity, is located quite a ways from Main State. I'm not sure that when they walk into Main State they have a natural place to go. I know they'll work with individual desk officers, of course. I'm wondering how the experience worked for those bureaus. A lot of people that stayed in those bureaus told me, "I don't want to move. I want to stay with what was USIA and do what I know how to do." I think that probably happened. But I'm just wondering how much of a force they are in State and whether they're left out or not. I just don't know. There are a lot of Civil Service jobs in the two bureaus we're discussing, but they have a number of Foreign Service officers in those bureaus, too.

I wanted to mention a small, and very interesting, project in between my Food Security and USIA projects. Skip Gnehm wanted a film made on the assignment process. So, I did a video on the assignment process, which was fun. I had never made a movie before. They had machines at FSI that were like word processors, but they dealt with video and audio. You can edit film and voice in and out just like you can with a word processor, but you can do a lot more fancy things. You can fade out and do all this. I wish I had made a movie before because then this would have been better. But I learned a lot. It was the fastest learning experience I ever had. The production people and the editor were outstanding, very helpful and very able to make it work. What we did was, we filmed an actual panel – the assignments panel where you have the part of Personnel representing the bureaus and part representing the individuals. Everyone had a client, so to speak. We had some shootouts and a lot of discussions of issues like tandem couples. We filmed quite a few people during pretty much what a regular panel discussion is like.

Q: This takes us up to '99 or so. Then what? That was your last assignment?

LAMBERT: Yes.

Q: What were you doing?

LAMBERT: I was the director of the Office of Specialized and Technical Agencies, which are mostly, though not exclusively, UN agencies. We supervised U.S. participation in 32 agencies. We basically had the UN agencies that are not located in New York. The World Food Organization, other Geneva-based agencies such as the World Intellectual Property Organization, the International Atomic Energy Agency in Vienna... We supported several missions. We had a large mission in Geneva, which was headed at the time by Ambassador George Moose and oversaw most of the UN agencies in Geneva. This was a big range. Everything from human rights to intellectual property. Almost all of these agencies have constituencies in Congress and NGOs or other public interest groups that are involved, sometimes business groups. Then we had the mission in Vienna that oversaw the UN Europe operation, which was the Secretary General's operation and has a number of

programs, including legal issues, narcotics, etc. The Vienna Ambassador is the U.S. governor on the International Atomic Energy Agency board. The mission in Rome for the World Food Organization, although that was not mine; that was in the other office... The mission in Nairobi, which provides the PermRep for the Africa office of the UN and more specifically the habitat and the UN environmental program. Then in London we have a person who is the PermRep to the International Maritime Organization. In Paris we have the observer (because we were not a member) to UNESCO. During my time in IO there was extensive debate on whether and how to re-join UNESCO. So, it was actually like being a country director because we had a lot of posts. We had a lot of big issues, but I think there are two that are of particular interest.

One was the [Senator Jesse of North Carolina } Helms-[Senator Joseph of Delaware] Biden legislation, which set the conditions for repayment of U.S. arrears to UN organizations. The “benchmark” agencies were the UN itself in New York and three of the specialized agencies, the International Labor Organization, the World Health Organization, and the Food and Agriculture Organization. So, one of our big tasks was to make sure these agencies became compliant with the Helms-Biden legislation, which called for zero nominal growth budget. This actually meant a declining budget because nominal growth means, if you got ten dollars two years ago, you got ten dollars last year, you get ten dollars this year. It doesn't account for inflation. We also needed to reduce the size of the U.S. contribution from 25 down to 22 percent. There were a number of other requirements. One of the big jobs that we had was to be able to meet these conditions, and they weren't easy. Basically, we had a few allies that didn't want to spend more money in the UN. Canada was one of these. The UK usually. But basically most countries wanted us to meet our treaty obligations and let the organizations function democratically. Some, they felt, were justified a budget increase; others were not.

Even in the United States, all the agencies have advocates. We didn't want to have a situation where one agency might get a good increase which would then force cuts elsewhere, or that one agency would get an increase and we'd have to defend a growth budget. This was very unpopular because some of the organizations are tiny. They had to let staff go to keep to a zero nominal growth budget. Usually, in these cases, we could intervene and get a little bit better money. But by and large, we successfully kept the zero nominal growth budget in all UN agencies, which I think is an accomplishment for U.S. negotiators. This was not popular. Japan and Canada might support it, and maybe the UK. But it was opposed by everyone else. It took quite a lot of intervention with the Secretaries General to the other delegations. We succeeded, but it was a tense time. We had our contribution percentage dropped and we fulfilled the other conditions. But it's a funny kind of mode to be in. Usually, the U.S. wallpapers organizations with initiatives. Here, we were the brake; we weren't the engine. Any program had to be looked at for what would cost and then what it would replace. There had to be an offset. This is not a typical U.S. posture. It required a lot of reading and analyzing the budget. I had a big office, and people did a really good job. But it wasn't popular.

Q: What was the other?

LAMBERT: The other was the AIDS issue. This goes back a little bit. When the U.S. had the chair of the Security Council in January 2000, Holbrooke declared it to be the month of Africa. He went to Africa the month before on a fact-finding mission. He had different themes for each week that the Security Council met. The first meeting was on AIDS. He brought a number of congressmen to New York. He brought the Vice President to give an address. The meeting on AIDS was quite sensational. It got a lot of press coverage. Holbrooke's idea was that AIDS was a national security issue, that it affects the security of the countries that have been decimated by it but also the security of the countries in the Security Council. Partly as a result of that meeting, there was a lot of interest in Congress, then and today, about AIDS. Most congressmen feel we have to do something about it. I read in the paper today that even though we're giving about 50% of what's given in the world, most in the Senate don't think it's enough. Kofi Annan just had a meeting where he was hoping that the U.S. would give more and he certainly had a big audience in the Senate. In my knowledge, this is one issue where Congress would like to give more money. I think there is also the question of absorption, but anyway... Between U.S. private groups and the U.S. government, we have given traditionally at least half of what's given. I think it could be up to 70%. Following Holbrooke's initiative, there was a General Assembly special session scheduled on AIDS. This gets into the idea of global conferences. Congress has prohibited funding for global conferences. This was stated in the 2000 authorization, which would have expired a year later. It has not been renewed, but the State Department is wary of supporting more large conferences. It started with the Rio Earth Summit, almost ten years back. Congress was annoyed because it cost a lot of money and promoted liberal agendas.

Q: It's also a chance for everybody to beat up on the United States, too.

LAMBERT: Yes. So, we had to find various formulas to get away from these global summits. There was one on racism, which was approved. But the meeting on AIDS was just a UN General Assembly meeting in special session. It did attract the heads of government of a number of countries, especially those with a major HIV/AIDS problem. The meeting took place in May 2001. The planning sessions began in January 2001. We had a brand new administration. In fact, the administration was just moving into the Executive Office Building and the White House when the first preparatory meeting took place. We were faced with a couple of things right from the start. One was whether the administration wanted to make a new initiative or whether it wanted to basically say, "We give 70% of what's given. It's time for other people to do their job." That was clearly one issue that we had to resolve very quickly. The second was the communiqué. The General Assembly operates in a world of its own. Until you've been there, it's hard to fathom. The G77, which is virtually all the developing countries, when it speaks as a group, it doesn't have consensus on very many things. So, they tend to push what they do have consensus about, which is forgiveness of debt, more foreign aid, this type of thing. So, we were confronted immediately with a communiqué that had the kitchen sink in it – exploitation of occupied areas, which means Israel; illegal embargos, which was Cuba; all these UN kitchen sink type of things; and very little about AIDS. Furthermore, it was very clear that the G77

wasn't about to take responsibility for AIDS. They wanted the responsibility to rest with the drug companies and the donor countries. So, we had these two problems that confronted us from the beginning.

We had a brand new White House. My job was to find out what the White House wanted to do. I was very lucky that almost immediately, I met Bill Steiger, who was the special assistant to Secretary of Health Thompson, who had come with Secretary Thompson from Wisconsin and had some access in the White House. Basically, we began to try to make some contacts in the White House to see what they wanted. Bill was concerned that the Europeans and the Rio group, Australians, and New Zealanders, were pushing some language that he considered sexually promiscuous and probably not acceptable to the right-wing. So, we took a pretty conservative stance at the first meeting. We asked for references to abstinence, and we were cautious on references that seemingly accepted promiscuous behavior. The Vatican delegation had a similar position on social issues, and often they made interventions that we could support. The Muslim countries, also, did not want anything condoning what they considered promiscuous behavior. Happily, we discovered that there was an interest in the White House to do something substantial, not under the UN umbrella, but something. Then Secretary Powell became extremely interested in that. He wants to do things to Africa and is personally very committed to doing something for AIDS. There was congressional interest. We got a little bit of pressure from Congress on what we were going to do.

Q: Which is very positive in this case.

LAMBERT: Yes, I think so. So, we worked through the communiqué with the White House on what we could and couldn't accept. Treasury was not willing to talk about debt forgiveness, although there is a little bit about that in the communiqué. It's the same language, actually a little better, than we've had in various other communiqués. The U.S. does not give 1% of its GNP to aid, although a number of countries have pledged this. This was another issue that came up. I think the target rate of most countries is 0.7 percent. Again, the United States is not so generous. But, unlike some countries, we do not sign onto public agreements that we have little possibility of fulfilling. So, wordsmithing takes over, often until past 2am. Eventually we used previously-agreed texts or new language that was acceptable, although often minimally so, to most delegations.

Then there were these very large issues on sex and sexual education, the role of the school, the role of the state, the role of the family... There were references to male and female condoms. This was discussion that the administration did not want in a communiqué where they were also going to be making a major pledge. Then we had the Cuban and the Israeli language, which was meant as a condemnation of the United States and which we couldn't accept, no matter how obscure the references may seem to an outsider. Meanwhile, we're working within the USG on what to do, how to set up kind of a new fund which would not be interfered with by UN bureaucracies, and what it would cover. It would cover AIDS, tuberculosis, and malaria. We worked very closely with Secretary General Annan, who wanted a similar type of fund. I know he was disappointed not to have more UN

fingerprints on it, but he was happy to have such a breakthrough on new funds. He announced the global fund at the White House, the President with him. He announced the big U.S. contribution, which turned out to be \$59 million, \$200 million, and \$200 million again. We worked with NGOs to get some major private sector NGO types of contributions. Bill Gates gave \$200 million. So, he pretty much launched the fund with the USG and launched the skeletal ideas of it, which then became the centerpiece of the UN meeting. So, on one hand, we were working to try to get the fund sufficiently controlled by the donors. We had some donors that wanted to give for prevention, not for treatment. Fortunately, the drug issue did not become an issue because the drug companies basically lowered their prices and came to agreements with most of the countries. Then we had the discussion on sex, and how frank it would be. The G77 broke up over sex again. So, you had the really socially progressive countries – the Latin Americans, Australia, New Zealand, Canada, to some extent the European Union – pushing for all kinds of social and women’s rights, the more explicit, the better. Did you know that more women have AIDS than men? Women are five times more likely to get AIDS than men. Little girls in Africa are raped often because men think that they can get rid of AIDS if they have sex with a virgin. So, the empowerment of women is a big issue in AIDS. The trust fund went along pretty well. Every few weeks, there would be Bill Gates or the UK or Canada... Someone else would announce a large contribution. The result, and the centerpiece of the UN special session, was the formation of a trust fund that would be operational by the end of the year, that would have a working group which was announced that would work on it and it already had over a billion dollars worth of pledges. That was the outcome.

The communiqué negotiation dragged on and on and on. We went through sessions, about a month, where we would start at maybe 9:00 AM to meet with our caucus groups. Then we would start General Assembly meetings at about 10:00 AM. We’d be finished at 1:00 AM. We would still meet until 2:00 AM. We had to have a fair sized delegation in the wee hours, two or three of us anyway, because they’d break into working groups. The communiqué was very hard to negotiate. We had planned to recommend that the President attend the special session, but the communiqué looked like it might be an embarrassment, and it would not do to have the President attend a celebration for something that attacked the U.S. and the administration’s values. Then the Secretary’s announcement was held back a little bit because, although he had the engagement on his calendar, it could have been a situation where he also could have chosen not to attend. But we had a wonderful chair, the Australian permanent representative named Penny Wensley, who worked each of these groups together and in isolation. She took over the drafting rather than have a group draft. We eventually got a communiqué that I think everybody was pleased with. It was a coming together moment.

Q: How wonderful.

LAMBERT: It was a terrific moment. Secretary Powell’s speech was electrifying. The place was packed. You could have heard a pin drop. I read it later and it was a good speech, but the delivery was phenomenal. There were many other good speeches. A lot of very senior people from governments came. Kofi Annan was very active.. The people left at the

end, listening to the last of the speeches, were the ones of us who had negotiated the communiqué. It was kind of an embracing session. It was a very good result, but a very tedious process both within the U.S. government and internationally.

By the way, we were lucky. The Vatican became an intermediary on the social issues. Muslims didn't want sexual references either. They were pretty hardcore. They, similarly, did not want to talk about rights for women, did not want to make government commitments about AIDS, and did not have a particular problem in their countries. The Vatican worked hard to tone down the liberal rhetoric and the Muslim naysaying. We could save our cannon fire for some of the other things.

Q: You retired when?

LAMBERT: At the end of September.

Q: It sounds like you retired on a high note.

LAMBERT: I did.

Q: It sounds very satisfying to have gotten this... You've done a lot, but to launch this, to have this...

LAMBERT: I think it's one of the things I'm proudest of. Three other people felt the same ownership that I did. One is Ken Brill, who is now ambassador to the Vienna UN Mission, who really worked the trust fund and did a brilliant job. Bill Steiger, a political appointee at HHS and all of 30 years old at the time, worked the issue at the White House. And John Sandage, our State Department lawyer, who proved a brilliant negotiator, and able to work all night, the next day and the next night. I think all four of us would say that it was a career defining experience.

Q: Lynne, I want to thank you very much. This is great.

End of interview