

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

OWEN B. LEE

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INTERVIEW

Q: Today I will be talking with Owen B. Lee, who retired several years ago after devoting nearly forty years of his life to the field of foreign affairs, both in the Department and overseas. Owen, why don't you tell us a little about your background. What made you interested in foreign affairs? Was it your schooling? Your military service? Tell us how this came to be.

LEE: It is quite easy. I originally wanted to be a doctor. At the beginning of the Second World War, I had started college in 1942 as a pre-medical student. But the war interfered and I spent four years in the Navy from 1942-46. I became a flier in the Navy and ended up in the Pacific. One matures very rapidly in military service and I found that the war itself had influenced me and made me think about international affairs. I had been to Japan at the end of the war and seen the destruction there. I decided that maybe a career in foreign affairs was what I really wanted to do.

So, I went back to college and completely changed what I was studying. Whereas I had been a very average student before the war, on my return in 1946 I was an A student. I finished college in 1949. While at Harvard I interrupted my education one year when I went to France. I had an opportunity to work in France in the summer of 1947. Once I got to France I became interested in staying there--supported by the GI Bill--and managed

somehow to convince Harvard that I would be a serious student. They said, "Okay." So, I completed my junior year...in those days people didn't do a junior year, although it turned out to be my junior year...and still had one year to go. The Foreign Service was still on my mind but meanwhile I met my future wife in France and we were married the summer of 1948. I go into this detail because it was relevant to my career in Foreign Service because when I returned to Harvard with my wife, I finished but I could not take the Foreign Service exam. In those days if your spouse was not an American citizen, you could not take the Foreign Service exam. This was very disappointing for me, but that was the way it was.

I had had enough experience in France to think about going back for advanced study. We went back to Paris and I started school at the French Diplomatic School (Institut d'Etudes Politiques). I entered as a second-year student, as a French student, because my French was very good by this time. At the same time I taught English in a Lycée. This went on for two years. At the end of the two years I completed the school, taking Spanish along with French, and then managed to obtain employment with the US Army in Germany as Director of an Education Center with the First Infantry Division in Wurzburg, Germany. Again this is relevant because I still had the Foreign Service in mind. By the time I got to Germany, I took an interest in the work, it was fascinating work.

Q: Tell us a little bit about what you did.

LEE: The work involved managing a program for U.S. soldiers beginning with illiterates all the way to college. We had company commanders who would come to me and say, "Mr. Lee, I have soldiers I can't put on guard duty because they can't read the instructions." That was five percent of the U.S. Army overseas in Germany at the time. We had a program for them. I used U.S. soldiers who had degrees as teachers and also Germans. Then we had courses for people who had gotten through the eighth grade and wanted to get a high school education. Then we had the University of Maryland program for college study. A lot of officers commissioned during the war at that time did not have a college degree. It was all very satisfying. But, I still had the Foreign Service in my mind.

Meanwhile, the restriction was still there and I could not take the exam. But this was to change because I had a brother who was a lawyer at the time and was working for a judge in Boston. I wrote him about the immigration law and said, "Look, there is a provision in there that says that if you are in business overseas and you marry a foreign spouse they can be naturalized immediately if you are still in business overseas." So, my brother looked into this and wrote me back saying to have Anne (my wife) come to Boston and she will be naturalized promptly. This was in 1954, I believe. She flew back to Boston, stayed with my brother, had everything arranged with the U.S. Immigration Service, was naturalized in a matter of days and returned to Germany. I then submitted my application for the Foreign Service exam.

So, in the end I took the exam in Frankfurt, Germany. The officer who administered the exam, turned out by pure chance to have been an officer who had been in the same dormitory with me at Harvard University. He became an ambassador later on.

Q: Who was that?

LEE: [Can't remember at the moment.] Then I was informed that I would have the oral exam in Washington. This was the summer of 1955. I had to come back to Washington on my own, which I did, anticipating that I would go back to Germany and continue, knowing that the Foreign Service didn't take people immediately. I took the oral exam in early September, 1955 and they told me I had passed. Then they told me that they wanted me to come on duty right away. This is where I made one of my fatal mistakes because I called my wife in Germany and said I was not coming back, pack the family and come. She never forgave me for that.

So, this is how I got into the Service. I might add that it was a disadvantage for me in some ways because I came in at the maximum age. I was just 30 and had only one shot at the exam because at that time you could not take it after age 31. But, I made it.

Q: That is a very interesting tale. Did the Army forgive you for giving up that job?

LEE: I had no problem with the Army. It was a dead-end in a way because I was not what you call a professional educator. They began to block promotions for me. I had been selected to go to the Army Fifth Corps as an educational consultant, but I could not take the job because I did not have graduate courses in the field of education. I had had no courses in the field of education and I never wanted them or would want them.

Q: You were brought into the Department in 1955 immediately after you were sworn in. What was your first assignment?

LEE: I went into the public affairs area.

Q: Was it then under Assistant Secretary McCardle?

LEE: McCardle and then Andrew Berding.

Q: What were you doing?

LEE: I was the deputy director of the Public Correspondence Branch. At that time it was a relatively small office with approximately 15 people. The director was a newly commissioned officer in the Foreign Service, and we had a lot of work at the time. We had to do a lot of innovative things to handle the correspondence because we had enormous numbers of letters coming in over the Arab-Israeli crisis of 1956. At that time we were the ones that introduced the modern mechanical ways of handling large volumes of correspondence. Then, of course, we had a number of other issues we had to deal with.

It was a very satisfactory job, I enjoyed it. Although, it was not something that was at the forefront of activity in the Department, for me it was a good introduction to foreign affairs because we covered all areas. We had to take the substantive problems that were described by desk officers and put it into letters in an attempt to satisfy the public.

Q: Those were very interesting years in that field because you had to deal, I am sure, with such problems as the roll back theory, which Eisenhower embellished later on.

LEE: At that time, however, I was given my first assignment outside Washington, because I knew German and French. They asked if I would take a group of NATO journalists around the country. I said I would be glad to do it. So, I was allowed to go for 30 days on this tour. These gentlemen were from eight countries including France, Italy, Germany, Holland, Norway, United Kingdom, and several others. They were very well known journalists in all cases. The idea was to visit the United States during the election of 1956 and see how the election was conducted. There was one other officer with me, a language officer. The two of us alone with 14 journalists.

This was a very trying experience because of two things that happened. First we had the Suez Canal invasion by the British, French and Israelis. And then we had almost simultaneously the outbreak in Hungary. All this at a time when we were traveling far from Washington where nobody knew anything. These people, particularly journalists from NATO, were very concerned, even frightened. So, we had our hands full. For me it was quite a challenge, the first challenge I had in the Foreign Service, because we traveled first through the south of the United States and then came back through the north. By the time we got to Arizona and a visit to the Grand Canyon, my colleague, the language service officer, fell ill. So, it fell to me, alone, to take care of this group for the entire rest of the trip. It was quite a burden. To give an example. I had the managing editor of the Italian newspaper Corriere della Sera. He was at that time, I thought, a man in his late sixties. He was quite a decent man, a gentleman, but a man who had always been served and expected service. For example, he always had to have a place to get a shave. He could not shave himself.

Q: I hope that didn't evolve into one of your duties.

LEE: No, but it was one of those things that sort of delayed things and made it a little difficult. When we got to San Francisco, this gentleman lost his Italian passport. I found myself in the position of going to the Italian embassy to get a new passport for him. I managed it. But, it was one of those unforgettable experiences that you have.

I remember also being at the Harvard Club in New York. By that time all hell had broken loose and these men came back from traveling around the country frightened not knowing what they were returning to in New York. I had a French journalist with the Dutch and Scandinavian journalists at his throat because they did not agree with what was being done in the Suez. We had speeches that were made at the Harvard Club and I remember very distinctly when the Dutch used the term "invasion" I changed it when I was

translating into French knowing it would have infuriated the French had they known exactly what he was saying. We had enough problems as it was holding this team together. This was my first experience with different personalities going around the country.

There was also another incident that took place in Eugene, Oregon at a small college there where we were received by the students. They sat us in the hall and McKay, the Secretary of Interior at the time and candidate for the Senate, was there to speak. He gave a speech and the students began asking questions. One of the students asked, "What do you think, Mr. Secretary, since you are a candidate for the Senate [he was running against Senator Wayne Morse], about what has happened in Hungary and what are your views of the Anglo-French and Israeli invasion of the Suez?" His answer was, "I haven't had a chance to read the papers and I am not very familiar with any of this." With that, the two journalists sitting next to me grabbed me by the arm, "Mr. Lee, is this man running for the U.S. Senate?"

Q: Enough said. That is sad.

LEE: Those were some of the experiences I had during my first trip around the United States. It was a great experience to see our country. At the same time it was a trying experience attempting to hold the group together during one of the first crises that NATO faced. I should add that a major problem for me was getting information on what was going on in Hungary and along the Suez Canal. The newspapers in the West had almost no foreign news and these journalists couldn't understand it. Thanks to my frequent calls to Washington, I was able to brief them some on developments.

Q: Yes, I can't imagine a more challenging experience for a young officer than during the Suez and Hungarian crises. What happened when you came back? Did you go back to public correspondence?

LEE: Yes. I went back and finished my tour there and then from there I went overseas to my first post at La Paz, Bolivia.

Q: You went to La Paz in 1957. Who was the ambassador at that time?

LEE: Philip Bonsal and then later Carl Strom. I was the minerals and petroleum officer which was a fascinating position. I had a number of interesting experiences during that time.

Q: What was life like at that time in La Paz for a Foreign Service officer?

LEE: La Paz, of course, is 12,600 feet above sea level. It is very trying and the only way to describe it is that I was a young man in my early thirties and I think I was one of the few people who did not come down with any type of illness or anything else. I have only

one explanation. I treated myself like an older man. The ones who tried to act their age had trouble because the oxygen was just not there.

Q: You mean jogging and playing tennis madly?

LEE: There was no jogging, but every man that I knew who played tennis got into trouble. I played badminton and that was just enough exercise. Otherwise, I took it easy. We were just not built for it. Even though the body does adjust to the altitude after three weeks or a month, it is a matter medically of increasing the red corpuscles in your body in comparison with your white corpuscles. The red corpuscles are the ones carrying oxygen. Therefore your body compensates for altitude by increasing the number of red corpuscles which carry the oxygen and therefore it offsets itself, but not altogether. Meanwhile, you have to be careful of infection because the number of white corpuscles is down. All this takes time to occur in your body. For example, little cuts from working in my flower garden would take a long time to heal and I ended up with a scar. This never would have happened at sea level.

La Paz was a difficult place in many ways, but a very challenging one in others because Bolivia was a first-class underdeveloped country. It had all sorts of political and economic problems. The biggest problem of all is one that people never think of. It is a plateau which is the size of France and Spain together in the second highest range of mountains in the world. Communication is extremely difficult. Just communicating throughout this large country was a horrible experience because the roads were all unpaved, there was only one railroad, and the best way to get around the country was by air, and that, of course, was extremely dangerous because in those days we flew DC-3s which had a ceiling of 14,000 feet. We are talking about the capital at 12,600 feet. So, when you flew you had to fly between the peaks, etc. It was an unusual sort of place to be, but a beautiful place because Bolivia, being so high, allows you to look out and see for miles. You can actually see up to 70 miles because the view is uninterrupted by anything in the air itself. The mountains are all mineralized and therefore have lots of color. These colors are very vivid and you have the impression that you are in a very unusual place. The photography was fabulous. So, there were many compensating things in Bolivia.

I had the good fortune of being in a job that got me out. I was responsible for reporting on mining, which was the backbone of Bolivia's economy in those days. And I handled petroleum as well. So, I did get out and traveled a lot, seeing a good deal of the country. I had many interesting experiences during these travels.

Q: Why don't you tell us about some of them?

LEE: Well, let me tell you about one experience in which there were a couple of lessons. This was a trip from La Paz all the way to Potosi, which at one time was, they say, one of the largest cities in the world. It was developed by the Spaniards for the extraction of silver. Most of the work was done by slave labor Indians and there apparently were thousands and thousands of people there at one time. Today the city is much reduced in

size, but you can see still the remnants of all of the Spanish exploitation. The trip was made with the DCM, myself and our wives plus the 16-year-old son of the DCM. One of the mistakes that we made and did not know it at the time was, because it was the DCM, the embassy provided us with a brand new carryall truck. It had been driven up from either Mollendo, Peru or Arica, Chile. The Embassy was afraid if sent by train it would be stolen, etc. So, when you brought your personal car in, the embassy would pay for your travel to Peru or Chile, to pick up your car and drive it back. It was cheaper and safer to do it that way rather than by rail.

So, we had a brand new truck and set off from La Paz. We were going to visit several mines, the Huanuni tin mine, and then the Catavi tin mine, the largest underground tin mine in the world. That mine was a fabulous visit, but very dangerous. I can remember being taken down in an elevator to a tunnel and then being shown around by the Bolivian miners. Suddenly there was a boom. They were dynamiting. A couple of times it knocked me down to the ground. We asked where they were dynamiting and it turned out they were doing so in an adjacent corridor of the mine. I thought to myself that I wanted to get the hell out of there soon. But, for those people dynamite was a way of life and we saw sticks and boxes lying all over the mine. You could see that things were not the way they should be, but it was an experience to see it. These mines were located under mountains that went to 14 - 15,000 feet with the men underground. Although it was very cold outside, they were striped to the waist in the galleries. It was very hard work and life expectancy was low for these miners because of the extreme conditions.

Q: Wasn't that one of the reasons that the Bolivian tin miners became unionized into a very powerful union?

LEE: They were very powerful. During the time we were there the Bolivian Workers Union had a whiplash over the government. One of the ways the miners were used by the government was as troops. I think the people were more afraid of the miners than the army because the miners would come to town and would carry dynamite sticks across their chests. To them, carrying a stick of dynamite was nothing at all and the weapon of choice.

After going down into these mines we left for Potosi. All these roads were unpaved, single lane, mountain roads, and you could never drive more than 25 miles per hour with the windows closed because of the fine dust. The powder got everywhere. You are covered from head to foot just sitting inside. So, you end up filthy without even moving, just sitting in a car for a few hours. We drove all day and then the car started to peter out on us. Somehow or other the motor would just conk out. Then we found that if we pushed it it would start up again. What I want to note here is that we had two women, a 16-year-old boy and myself to push while the DCM did the driving. So, the four of us did the pushing at 14,000 feet. When we managed to get the engine running, we had to wait a few minutes for us to get aboard because we were trying to catch our breath. We couldn't even talk after the pushing effort. We were just totally out-of-breath. We did this a few times and finally had to give up. We couldn't push any more and the vehicle wouldn't

move any more. At that point we began thinking of where we were going to stay the night. Of course, in that part of the world there is nobody around. We had passed an Indian village about 3 miles back, but there was nobody around. So, we pushed the car off the road and got out the sleeping bags we had brought and just got ready for the night. We had a couple of sandwiches to eat. It was very cold. The temperature of Bolivia at night was very, very cold. It didn't go down much below freezing, but there is a steady breeze of about 5 or 10 miles an hour that always blows reducing the temperature. I have to say one of the two coldest nights of my life was there. The other one was in Germany (another Foreign Service story). I will never forget how cold it was that night because I got into my sleeping bag, had woolen pants on, a woolen shirt and a sweater and still nearly froze.

But, there is an amusing part in this experience because when we started on the trip the DCM had given me a gun, a little pistol, to keep. We got into our sleeping bags and the two women and the 16-year-old boy slept in the car, and the DCM and I slept in a ravine along side of the road hoping we would be sheltered a little bit from the blowing wind. I made myself as comfortable as I could in the sleeping bag. Suddenly the DCM called me and asked me where was the gun. I said I didn't know where it was. Just then I moved around a bit and my foot kicked the gun which was in the bottom of my sleeping bag. I said, "I found it." He said, "Can you give it to me?" At that point I was about ready to kill him because I was comfortable inside the bag, but had to get out of the bag, reach down and get the gun and hand it to him. I have never forgotten the experience of how angry I was [in a friendly way] because it was so cold.

Anyway, it was the one night in my life I remember seeing a beautiful moon rise from the east and cross the sky. It was magnificent. It looked bigger than anything. I saw it rise and I saw it set, I never slept. We never had any visitors. Nobody passed, there was nobody on the road. There was nothing but stillness, and the steady cold wind.

Q: Were there animals there?

LEE: Nothing. It was like the desert.

Well, morning came and we got up and said to ourselves there should be somebody coming by at some point. We had some food, but I don't recall we had anything to cook it on, but we did have a small fire to warm our hands. There was one way to start a fire. What we did was to collect what is called pasta brava. This is a very strong grass that grew there. You had to go look for it and collect dry specimens. We put it together and started a small fire to keep our hands warm. Then we just waited.

Well, I don't think we waited too long. In a couple of hours a truck came up the road and stopped when they saw us. We went over to it and there was a man and a lady with a young boy about 16. They asked what was the trouble and we said we didn't know. Well, all I can remember is that the young boy got off the truck, went over to our vehicle, opened the hood and questioned us about what had happened. He put his hand on the

generator, took out a screwdriver and removed it. Then he opened it and found the problem. The problem was that the generator that had been installed on this new vehicle had the bushings reversed so that the dynamo was not charging, it was discharging. Consequently, the vehicle had been discharging its battery ever since it had been brought into port at Mollendo, Peru. The generator had not charged the battery, so it just petered out completely. The boy put the bushings on the right way, put the generator back, gave us a push and we were off. We made our way to Potosi. But, I will never forget a young Bolivian boy going right to the problem and solving it for us.

Let me add one political observation, if I may, since we have been talking about this huge country with poor communications. We had a staff meeting in the embassy and someone mentioned that they were still looking for two missionaries in the "Selva", which is the forest of Bolivia. The embassy had been contacting the Bolivian government and they couldn't find anything. I mention this, because due to the lack of communications and the mountains, no roads, etc., we lost two missionaries. We never found out what happened to them. Years later, when I was outside of Bolivia, I read about Che Guevara going to Bolivia to incite a revolt in the "Selva." Having lost two missionaries in Bolivia, when I first heard about Che Guevara having been sent down there by Castro to create a revolt in Bolivia, it made me smile. The reason I smiled was because I realized that if he ever ended up in that part of the world, he was going to get lost or if they found him they would take care of him and that is exactly what happened. There was no hope of anyone trying to revolt where there were no people and communication was so poor. Basically, even when I was there, the government, itself, did not have what we would call normal police power throughout the country. It did not exist. So, he would have started with nothing. There was nothing there for Guevara to pull together.

Q: But Che Guevara actually came to Bolivia because he thought that the tinder was there for revolution, poor peasants abused, etc. Was there much anti-American feeling when you were there?

LEE: Yes, there was some anti-American feeling among the few politically conscious people. The population was concentrated in the highlands, not in the lowlands where Che Guevara went. The population in the highlands was mostly poor but was relatively unintegrated in Bolivia's economy.

One night, around midnight, I was called at home by the DCM to come to his house right away because he had something for me to do and needed to consult with me. Why did he call me? At that time, I was a stand-in consular officer in addition to my work as minerals officer. (Why did I have these consular duties? I was assigned the job because the regular consular officer, a 23 year-old officer, resigned without giving notice because his wife had lost a baby and she was only 20. The baby had been born in Bolivia weighing hardly three pounds and there was no chance whatsoever of surviving. This was a big issue in Bolivia for all outsiders, whether or not you should have children in Bolivia. The Foreign Service could not tell Foreign Service people not to have children, certainly, but it was a risk. Now, I have to tell the whole story about this youth because this officer made the

mistake of refusing advice given to him which was that his wife could leave Bolivia in her seventh month and the baby would come to term normally. It would not come to term normally if she stayed. Where did that advice come from? The advice came from the French. Why the French? The French had a small mission in Bolivia and one of their officers had a baby but what they did was to send her to Lima in her seventh month. She stayed there until the baby was born two months later at which time she was able to return to La Paz with no problems for the baby. Everything was perfectly normal. Now, where did the French get this information? They got it from the Cerra de Pasco Corp, an American mining company in Peru which had been doing this for years. But, our Foreign Service did not advise people on this procedure. It was the only way in which a normal child birth could take place for an outsider in La Paz. In the case of the officer I replaced, he was furious and blamed the Foreign Service and resigned, left immediately, leaving the embassy in the lurch. I in effect filled the position.)

Turning back to the story, I went to the DCM's residence. At the time we were in a state of siege in Bolivia. There was a government crisis. So, when I drove out of my garage and into the street there was nobody in the streets. I drove a few blocks making sure I drove very slowly for fear that any of the militia might think I was trying to flee or something. The problem in Bolivia at the time was that they had an army but it was always in the barracks. However, the political party, the MNR (Movimiento Nacional Revolucionario), had its own militia. A militia is not the same as a trained army. A member could be anybody who happened to be a political zealot to whom they gave a gun. When the government had a crisis, and this was frequent, it would declare a state of siege and somehow the political opponents would be found the next day murdered. It would be stated in the press that they had tried to start a revolt but it was nothing more than the government party taking care of enemies. But the militia had guns and it made us very cautious. So, at the time I left I remember suddenly being stopped by a car just before I reached the DCM's house. "Where are you going?" A crowd of militiamen surrounded the car. Some of them couldn't even speak Spanish and I didn't speak the Inca language, Aymara. The men finally let me through, but it certainly made me worry.

After arriving at the DCM's home, he said, "We have just had the head of our AID program killed in Cochabamba and we think he was murdered. You are going to have to go down and investigate it. I have arranged for one of the pilots of a company building a pipeline to fly you down in the morning. The AID people are very upset and don't know what to do. I want you to go in and see the governor the first thing in the morning and make sure they give you all the support they can." That was the assignment.

The following morning I went to the airport which is at 14,000 feet in La Paz and as usual I got a headache, the body's response when you don't get enough oxygen. The private plane was waiting for me and an officer from the other (CIA) political section. I was puzzled by this and wondered why he was coming along. Well, Cochabamba at the time, where this incident took place, was one of the important cities of Bolivia half way down the mountains, and was also the center of one of the communist-leaning, certainly leftist, peasant organizations. It was an organization which had been violent from time to time.

Our AID program had been there a number of years and the man who was in charge, who had been killed, I did not know.

I arrived and called on the governor of the province immediately and he said they would give me all sorts of cooperation, whatever that meant. I first went to take care of the body. I had never been in consular work but had to take care of the body. It was turned over to us by the Bolivian authorities who told us they had performed an autopsy on his head. Apparently he had been struck in the head at a restaurant outside of town the previous night. Well, the autopsy report said that because of little globules between the scalp and his cranium, he was very sensitive to any type of blow on his head. So, even the slightest blow could possibly have fatal consequences. That was the first sign to me that all was not right about this whole incident. I made arrangements to fly the body back to the United States and then went out to the restaurant to find out what had actually happened.

This is what happened. The officer had sent his family back on home leave and he was to join them later. He was alone and some of his colleagues in AID in Cochabamba took him out to a restaurant outside of town for a farewell party. However, in the same restaurant there was another party of employees of the local Bolivian bank. They were also very well organized, leftist, possibly communist workers. During the course of the evening, drinking was going on in both parties, I am not sure how much, and apparently the bank employees started to hustle the AID people and a fight began. The AID officer was the only American left when things began to go wrong. Apparently what happened was he stepped in to try to separate the two parties and was struck on the head very sharply with a pair of binoculars. The blow was fatal. The Bolivian authorities, I gathered, looked into it and took his body and performed the autopsy and gave the report which I mentioned. As I looked around and actually went to the police station, I met the man who had done this and had him questioned. He gave a very unbalanced presentation of the whole thing. It just happened to be an American, it was too bad, but I could feel that the authorities were going to protect the Bolivian because of his political orientation. Moreover, the American who was killed was well-known as being very anti-communist and had made open statements, etc., on this point.

What the connection was between the AID officer and the other political officer who accompanied me I don't know, except that he had been rather friendly with the victim. It was an unfortunate incident because it underscored certain anti-Americanism that was present, and what I call a lack of government authority and a lack of what we would call a criminal investigation system, which I did not expect nor see. Some of these things probably are still true there and in other parts of Latin America as well.

Q: How long did you continue as consular officer?

LEE: Just three months.

Q: When you were in Bolivia were there problems with the drug trade, the type we have now?

LEE: No, that problem didn't exist at that time (1957-1959). There was very little of that in the United States at that time too. Coca leaf was available everywhere. In fact, when you arrived in Bolivia, a coca leaf tea was the first thing they gave you to help with the high altitude sickness. It has some effect in relieving your headache, etc. I remember my wife was given it when we first arrived. In fact, when I went back to Bolivia 20 years later they had made some progress. One of the signs of progress that I saw was that they had coca bags (like our tea bags) in Bolivia to take care of the high altitude sickness. I remember at that time, when we did have the drug problem, asking jokingly one of the DEA officers if I could take back some of the coca bags and he said he wouldn't advise my doing so.

Q: It was during your time there that vice President Nixon visited La Paz. Was that a successful visit?

LEE: The visit was most successful and that was one of the curious things about his visit. He had come from Lima where his car had been stoned at the University of San Marcos, and everyone expected Bolivia to be far worse. It was just the opposite. Everything went just as smoothly as can be. I met the Vice President at the time myself. One of the reasons it went smoothly was that the DCM, Wymberley DeRenne Coerr, was sent to Lima to accompany the Vice President to La Paz and had a chance to talk to him and give him some pointers about visiting Bolivia.

Q: That was a very good idea. Anything else that you would like to say about Bolivia before we move on?

LEE: There is one other incident that stands out. During one of the revolts...

Q: Excuse me, revolts by whom?

LEE: Well, the so-called revolts instigated by the government. Anytime the government felt threatened they would call in the miners and others and sort of reinvigorate the MNR party, but it also gave them an excuse to declare a state of siege and then take drastic action against political enemies they wanted to eliminate, which they did.

In this particular siege in early 1959, following the troubles over the Time magazine incident, we had previously evacuated American families, except for the DCM's wife, but including many AID people who had been sent home. This had come about because of the fact that the embassy had been closed temporarily and evacuated, we had burned all the files because the embassy had been attacked clearly, we believed, with government connivance because of a report in Time magazine. It had been reported in the South American edition of Time magazine, not in the North American edition, that an American official had said that the best solution to Bolivia's problems was the ABC solution, meaning splitting it up between Argentina, Brazil and Chile. By the time the edition reached Lima, the Bolivian authorities heard about it and we were called by the DCM, the

ambassador was away at the time, and told that we were in deep trouble, and to expect the worse. Everybody should get themselves home as soon as possible and the embassy would be closed. We did go home but meanwhile the embassy was unprotected, and even though it was on the sixth and seventh floor of a building opposite the city hall, the protesters were throwing stones from the top of the city hall and burning embassy vehicles in the parking lot nearby.

Subsequent to that, the decision was made in Washington to evacuate all families and to cut back the AID mission.

Now coming back to where I was, I was alone on Sunday morning and had gone to church and had met a colleague in the economic section, Clarence Breaux, and said to him, "What are we going to do the rest of the day?" He said, "Well, let's go to the mountains and maybe we can see the hydroelectric plant which is up near one of the glaciers. I have never seen it." I said, "Fine." It was about 11:00 in the morning when we started out. We left the valley of La Paz and got to the altiplano (13,000'-14,000') from where stretched most of Bolivia. About a half an hour later we reached the Milluni Mine, a silver mine belonging to British interests. It must have been around 12:30 p.m. What we did not know was that at that precise moment a revolt had just started in La Paz and we were out of town. The Milluni Mine, which I had visited earlier, is located right below one of the most majestic peaks in Bolivia, the Juaine Potosi, which rises like the Matterhorn in Switzerland, and is covered with ice and snow, and was projected against a perfectly blue sky. As we pulled up, the mine itself lay below us and I recall seeing on my right a cemetery. It had a lot of crosses of iron for deceased miners and it made quite a contrast, I thought, to the majestic scene of the mountain. I had my camera and stopped the car telling my colleague that I wanted to get a picture of the mine and cemetery with the mountains in the background. I had to climb up a bit to the cemetery, adjusted my camera and then took some pictures. But, then, when I looked up from the camera, I realized I had taken some pictures of miners who were armed with dynamite and coming up from the mine to the road. It was then I realized that something was up. By the time I got to the car it was surrounded with miners who were shouting this, that and the other. One of the miners came up and said they had to get to La Paz because it was their job to guard one of the areas above the city. He asked where we were going. We said we were going on to the hydroelectric plant for a picnic. Well, he thought we might be able to take them back towards La Paz. I looked at my colleague and said, "Maybe we ought to go back." Well, by the time I said that the car was full of people who had all piled in with guns, small communication sets, etc. We must have had six or seven of them besides the two of us. We turned around and started back to La Paz.

I noticed that other miners were piling into a truck down near the mine and were following us on the road. We drove back towards the city and got to the point where the altiplano looked down on the city and the valley. The miner in charge said we had better stop there, and gave us some directions. The first thing I knew I had pulled into an area which had trenches around it and had been used before to control the city from the top. I stopped and they all piled out of the car and started looking around to see where they

should take up their posts. By then the truck had pulled up with miners armed to the teeth. They had weapons from everywhere. They had some German equipment from the Second World War, French, British and American rifles. It was a mixture. They all piled out and got down into the trenches and took up their position guarding, if you will, the top of the city and providing a barrier to the hydroelectric plant which supplied electricity for the city.

Meanwhile, I could see in the distance that the main road from the city to the altiplano had been occupied by another group of miners and this was a major roadblock. So, I told my colleague that we would probably be better off if we stuck around. He felt they probably wouldn't let us go anyway. They didn't seem to pay much attention to us. They left us alone, we stayed mostly in the car. As a matter of fact, I was at liberty to move around unmolested and took photographs of all these men and their positions. I still have them.

On towards the afternoon we heard a lot of shooting down in the city and wondered what was going on. When it stopped, I said to Clarence that maybe we should try to see if we could go on and get back home. We talked to the head miner who said to go ahead. We looked up at what we could see of the road going towards the entrance to the city and it looked clear. So, I said, "Clarence, look, I am going to drive five miles an hour and move along quietly and see whether or not we can make it." We were stopped at the entrance to the city but were told to go ahead. So, we drove through the outskirts of the city and suddenly I heard some shots fired in front of the car and I stopped. Out of the bushes came some militiamen with guns waving. A couple of them had girlfriends on their arms and others had bottles. I thought, "My Lord, what a mess this is!" They surrounded the car and asked us to open up the trunk. We did and there was nothing in it. I asked if we could go on and they waved us on. We came to another roadblock and again the same scene of drunken militiamen, guns shooting off in every direction. They asked where we were going and to open up the trunk. I opened the trunk and nearly passed out. There were a bunch of bullets in the back of the trunk. They asked where they came from. I knew immediately what had happened. They had come from the previous place where the disorderly militia men had dropped them inadvertently. But, I told them I didn't know where they had come from. Well, there was no fuss and they closed the trunk and we drove on, got home and had a couple of drinks. I do remember reading in the morning paper that what had happened was that the government had suppressed a revolt of some opponents. In effect they were murdered.

Q: And no headline saying American embassy personnel helped rebels? Well that was a very interesting account of your days in Bolivia.

In 1959 you left Bolivia and went back to Washington for language training in Romanian. Tell me how that came about?

LEE: I was interested in taking Russian and going to Eastern Europe, but someone had told me that they had fewer people for other languages and that I would be assured of an

assignment if I took one of the other languages. If you took Russian, I was told, I might not get assigned to Russia for several years. So, I decided on Romanian. I studied Romanian at the FSI and, after completing five months, I went on to a mid-career course and then on to Romania in the summer of 1960.

Q: And there you had Ambassador Clifton Wharton?

LEE: Very briefly. He was there only two weeks after I arrived. This was the election year of John F. Kennedy and we went for 14 months without a minister after Wharton left. We were a legation in those days. We had a DCM and an economic officer and I was the administrative officer. There was no political officer. There was also a consular officer. At the time I was there the consular officer, economic officer and myself had all been trained in Romanian together. The economic officer was an FSO like myself. The consular officer was the Station Chief. We had no USIA officer at the time. So, in effect, during those 14 months, in many respects, I played the role of the DCM. They were very trying months because, in addition to being administrative officer, I had security.

Security was not the easiest thing in that part of the world, particularly at that time when we didn't have U.S. Marines for guards. We only had ourselves, which meant that I was responsible for seeing that every officer of the legation served periodically on a schedule which I drew up. Now, I might add that in addition we had military attachés. We had an air attaché, an army attaché. In fact there were three military officers. But, they did not share the responsibility of security. Security was the sole responsibility of the State Department. That created some awkward problems.

Q: Well,, there weren't very many State Department people there.

LEE: Exactly. So it meant that it came around frequently and it was a 24-hour job. We had to stay overnight in the legation by ourselves when we were there. That was a very difficult issue for me because I first of all did not like the security when I first got there. I found that there was laxity about how the legation was controlled at night. As a younger man who had worked in a hotel at one time I was familiar with the system whereby a building inspection is done with a key and a disk. In that way you know that the person who is checking has been to each one of these keyed places in the building. We had nothing like that when I arrived. All we had was a statement by the officer that he had checked the building during the night and nothing more. I ordered from the States the hotel-type device and had it installed. I did not make myself popular with my colleagues because what it meant was that I, as security officer, could check on them. Every morning I asked for the disk that was in this machine to be shown to me. And, of course, on the disk I could tell what hour they checked at certain stations in the building.

Q: Did they know at what hour they were supposed to do this?

LEE: Yes, they did. I was very flexible on the instructions because I did not want to give the Romanians the idea that we checked at certain hours. I said that I wanted it checked

twice in the night and they could pick their time, do it at random. That is the only way to do that. That was the way we handled it. This was effective, I think, because within the building we had other security devices. Once it was put on, they protected the most sensitive areas of the legation. But, the rest of the building was open and as long as someone checked from time to time it probably would have denied the Romanians from having access to it, although you could not be sure. Anyway, the system we had was pretty good.

At the time we had two officers from the other agency and one of them gave me considerable difficulty because he had a different view of security. His view was that we should dig a trench around the building and look for wires that the Romanians might plant for access to the building. I first of all felt several things about this idea. One was that even if we dug them up they could put them in again because we could not control the outside at night, so what good would it do. Secondly, and this was one of my main security preoccupations the whole time I was in Romania, I never wanted the Romanians to think for a minute that we Americans were afraid, insecure, or intimidated by anything they were doing. So, I did not want to have anything to do with digging a trench. Unfortunately, because of the absence of the minister, there was not enough authority and this man went ahead to dig his trench. I could not stop him. He started his trench but gave up in the end. But it did not make for a good atmosphere. And then, of course, having been there before I arrived and having me immediately introduce some new security things which I thought were a little bit more effective, made it difficult.

But, I have to go to another security issue that has an almost humorous end to it. I knew that in diplomatic practice if ever there is a fire in a building no amount of extraterritoriality can protect you from allowing the local fire department from coming and putting out the fire. I had discovered that in our legation everything was quite lax and, in my efforts to tighten up security, I had them clean up all fire hazards. I made inspections everywhere in the building. In the basement I discovered there was one room that was closed and one of the Romanian locals had the key. He opened it and I went into the room and discovered it was full of incendiary bombs, bullets, guns, etc. Apparently much of it had been left there since the Second World War. Some of the incendiary bombs had been designed to melt down safes in the event of evacuation. But, of course, no one would ever want to use them because they would probably set everything else on fire if they were going to melt down safes, etc. All this was thrown together, and I thought, created a serious fire hazard.

What were we to do? Well, I ended up by cabling the State Department asking for advice. I have to say I didn't get any help whatsoever. I never got an answer. I decided I had to do something on my own. Well, I was probably the one person who had more contact with the Romanians than any other person in the legation. I spoke good Romanian. But, being the administrative officer, I was the one who had to deal with anything that had to do with housekeeping. My contact was the protocol office in the foreign ministry. I went to the acting chargé and said there was only one thing to do. To inform the Romanians. They were going to be shocked to have us come in and tell them that we have some guns, some

ammunition, some incendiary bombs which we want them to destroy. He approved and I made an appointment with the protocol office. They were a little taken aback when they read the list. I said that I didn't want anything more to do with this and was turning it over to them. Well, they couldn't give me an answer right then and there, but they called me back several days later and said they would do it. So, they came in with a truck and we turned the stuff over to them and I was able to clear our basement of what I considered a real fire hazard. It was interesting to turn it over to them and see the expression on their faces when I did it.

We had another security incident that ended up with an even more amusing end to it, although it started out badly. On April 19, 1961 the Bay of Pigs took place. The same day we had a terrible attack against the legation in Bucharest. At the time our local employees all went home for lunch and most of the Americans went home for lunch. This day, the legation knew nothing about what was going on in the Bay of Pigs. All we knew is that suddenly shortly after noon there appeared in front of the legation crowds of shouting people. I was there with the chargé, the economic officer, and maybe one or two others. The crowd started to throw things, throw placards--down with the United States, etc. It was clearly a well organized government-sponsored demonstration. Then things began to come through the windows so we decided the only thing we could do was to get into the interior area of the reception area on the second floor. All the offices in that older building had doors that led into this reception area. There were five offices, so by closing the doors entering those offices, we in effect had a barrier to where we were safe and could not get hurt.

Meanwhile we called the foreign ministry. The economic officer, who spoke good Romanian and I switched speaking to officials trying to make them understand that we wanted the police to come to protect us. Each time they told us they did not understand what we were saying. So, we knew we were helpless and just had to batten down the hatches, which is what we did. Meanwhile, the missiles were coming onto the roof and rolling down on top of our heads--stones, etc. What we didn't know, because we couldn't see, is that they were ripping up the iron fence on the property and throwing the bars as spears into the building, one of which landed on my desk I discovered later. We could hear things crashing through windows below us in the consular area and we thought they had entered the building. However, there must have been an order given because they suddenly stopped and just disappeared. Meanwhile our place was a shambles. Every window was broken, there were rocks and stones all over the place. Had we been sitting in our offices we surely would have been hurt.

Q: Had you tried any communication with Washington during this period?

LEE: No, we didn't. All we had was a normal telephone and we were not near any radio. There was a radio available to the agency but that was in a section where missiles could have gotten in. Furthermore, the agency people were not there to operate it. I might add also we had a doctor assigned to the legation at that time and he was playing golf at that time.

Q: A wise thing to do I would say.

LEE: We inspected the building. When I went into the consular section, the American flag in the consular officer's office was still standing which told me they had not entered the building. Obviously the crowd had instructions to do everything but not to enter the building. That was reassuring. Later on that night I had to work out some sort of security arrangement and got all the staff together, including the military attachés and said, "We are going to have an extra chore here because it is not going to be the job of one person to stay and supervise this building, we are going to have to have two." I was most disappointed and have never forgotten that a colonel in the U.S. Army, a major in the U.S. Army and a colonel in the Air Force said that they could not help, it was not their job, adding that, unless they were armed, they could not stand guard duty. I thought, well, we will do it, and we did. We had to do that until we were able to have the building repaired.

Q: Did you report their shameful conduct to Washington?

LEE: No, I never reported that.

Q: In my view, that should have been reported.

LEE: The damage to the building was substantial, but I noticed that in the communications area, the most central part of the building, the windows were smashed, etc., but before they were smashed the windows were not genuine opaque windows. They were made opaque by soap or something else that had been done years earlier. So I thought that this might be the chance to remedy that.

The Romanians very correctly called the next day and said they would take care of everything, just send them a list. I made an inventory and included opaque windows. When they came in to do the work, which I supervised myself, they put in the opaque windows. I was very proud of the fact that I got something better out of this than we had in the beginning.

I should add that I had one decision I had to make, a very troublesome one, going back to the demonstration. After the demonstration ended, the people left, etc. and I and one of the other officers went out onto the lawn and started to clean up and pick up a bit. Then it occurred to me, because I was so angry, that I should throw it all back into the street. I started throwing it over what was left of the fence onto the street, and a Romanian officer came over and said this was not the thing to do. At first I started to say, "The hell with you," but then I thought about it and decided it probably was not the right thing to do. So, I stopped doing what emotionally I felt most inclined to do.

Another troubling incident happened in Romania involving my wife and me. It too had a humorous ending. One morning when I was at work I got a desperate call from my wife.

She said she was calling from a private Romanian home, and had just been in an automobile accident. The police were there but they didn't want her to make a call. A Romanian woman had let her in to make a call. I had to come right away, my wife said, because they were going to move the car, etc. I said I would be right there.

I immediately made arrangement for an official car and ran down to the military attachés' office and asked for a camera, which they handed me, and then left. I lost no time for one reason. We had had an accident earlier involving one of the communication clerks and because she did not understand Romanian and because no one was around at the time, her car was moved and the case was over. The "Militzia" had built up everything against her. It was an awful situation for the clerk who was treated very badly by the Romanians. With that in mind I wanted to get there as quickly as possible in an attempt to avoid this happening to my wife. I reached the place of the accident and I could see immediately what had happened by the way the cars involved were positioned. A great big Buick, which in Romania meant high officials, had passed a stop sign and my wife had run into them. The first thing I did was to take photographs. I went from corner to corner and every position possible. The Romanian officials, three of them, were still inside the Buick. From the number plate I could tell the car was from Dobrudja, possibly the communist leaders from the province of Dobrudja. There were police all around. My wife told me there was a police station just a half a block away, but they would not let her call from there. Fortunately one Romanian woman let her use her phone to call me.

After taking the pictures, and I had taken a picture of the "Stop" sign which had the Romanian word "Oprire", meaning to stop, on it, I went to the police station. There were a number of policemen there and I asked what the circumstances of the accident were. They said my wife had run into this car, etc. I asked if the car had stopped and they said the sign didn't mean stop. I had them repeat that the sign "Oprire" did not mean stop. The policemen obviously fearful of the people who might be in the car, repeated that it didn't mean stop at all. I said, "Thank you very much," and left.

I immediately went back to the legation and started drafting a diplomatic note protesting (1) that my wife could not use a telephone, and (2) that the police said that the sign "Oprire" does not mean stop. I said that this accident was not my wife's fault and asked for damages for our car, etc. Within an hour I had a note delivered to the foreign ministry. The following morning I got a telephone call from the protocol office. They were very sorry that all this had taken place, etc. and, if I came by, they would make arrangements to take care of my car. I had a small Mercedes and they said they would order a new grill for the front and there would be no problem. Well, they ordered the grill from West Germany and everything was taken care of. The only thing that saved us was the fact that we moved quickly with the protest and we had them in terms of denying that the stop sign meant stop, as if I didn't know Romanian.

Now, the postscript to all of this is that I took the camera back to the military attachés' office and thanked them for its use and then said I would remove the film. They said, "Oh, there was no film in the camera." Fortunately, it had fooled the police anyway.

Q: Tell me about the local staff at the legation. Did you supervise them?

LEE: We had local staff and they were all professionally competent, let's put it this way, the key word is trust. I always had two interpretations of trust. One, you can trust someone to do a job you give them and then there is the second trust, trusting a person to be loyal in the sense we think of as being loyal. We had some excellent employees and we all trusted them in the work that they did. We also had some that were trustful in a broader sense.

Q: You knew which ones they were?

LEE: Yes, we knew which ones they were. Most of them, however, were less trustful because of the pressures that could be put on them. For example, I mentioned earlier the case of the room with all those guns, etc. Obviously the older man, the Romanian, who gave me the key wasn't going to do anything about it. He wasn't going to tell anybody about these things. He just felt they were there for him to take care of. Of the less trustful people, I will give a good example. We had a young officer, a single man, who as it turned out, had a long career in the Foreign Service, but that was his first assignment. He was the budget and fiscal officer. I remember talking to him one day and asking, "Dick, did you have a good weekend?" He said, "Oh, yes. I went to the races." They still had some sort of racing setup there that you could go to and bet. He said he had run into Mirceau Popescu, who was one of the employees in the legation. Dick added, "He had a girlfriend and another girl with him." I said, "That is interesting. You know, Dick, I don't think you can go to the races any more." It was hard on single people. But, it was clear to me that the Romanians were taking the first step to set up this young man. It happened to be one of the employees who had perfect English, a little too perfect, and the sort of man I knew just wouldn't do. But Dick had a good sense of humor about the whole thing.

Q: How did you get local employees? Were they referred to you by the protocol office?

LEE: Yes. They were referred to us by the protocol office. When I was there I never hired anybody new. Most of them had been there many years, actually. One Romanian woman, a former employee I went to see in Paris. One of the things that bothered me was that this woman had worked for what was then the public information service and had been ousted by the Romanians. We also had at the same time at the British legation the same sort of incident. What bothered me was the British had taken care of the Romanian woman, giving her a pension. We didn't do anything for our employee. That bothered me because when these people work for us in that part of the world and get into trouble with their own government because they are allegedly too close to us, and we don't take care of them and they are forced to leave, it is not good. I remember seeing this woman in Paris and trying to see if something could be done for her but it couldn't.

We had some very loyal people over the years, but there were others who were not. You knew which ones were trying to be more than helpful to the security people. You also

knew everyone was under pressure, but some wouldn't endanger you if possible, while others you knew one way or another would try to get you into trouble.

Q: Romania was still then a very loyal member of the Soviet bloc was it not, under Mr. Gheorghiu-Dej?

LEE: Oh yes.

Q: Khrushchev visited Romania during this period didn't he?

LEE: Just before I arrived. The interesting thing about Khrushchev's visit, and that is one of the things of general political interest, is that Khrushchev went to Romania in June 1960. He went there because it was the annual meeting of the Communist Party. Interestingly enough, the Chinese leaders were also at that meeting in June 1960. It is at this meeting that the Russians and the Chinese first had a breakdown in communications. The Romanians were the first ones to see it and they were the first ones to draw the consequences. Romanian efforts to gain a little independence in foreign affairs started at that time and they used the leverage of the incipient Sino-Soviet conflict to do it. I was there for three years (1960-63) when this started with practically imperceptible things. For example, the spelling of the word Romania. In the Romanian language the Russians had imposed the idea that it should be spelled Romin. The Romanians always wanted to think of themselves as Romans, with an "a". They introduced the "a". The Romanians changed the spelling the same way so that it was Roumain in French. They changed the name of several provinces back to the original names before the communists took over. These were little nationalist things that went on and gave you a hint. Then a year later in 1961, the Romanians took the first independent step by not showing up for one of the Communist Economic (COMECON) meetings.

Q: I remember that was commented on widely.

LEE: That is when they really started to become a little independent in foreign affairs.

Q: Well, they saw they had a China card to play too, perhaps. What were our relations with the Soviet embassy, if any?

LEE: We had practically no communication with the Soviet embassy. I remember I went to the Soviet embassy once when they invited us to see a movie. It was a movie with a railroad and two moving trains, one trying to catch up with the other, with the Soviet Union catching up with the United States by 1970 and then passing us.

Q: A good Khrushchev doctrine.

LEE: Yes. But, we had no relations. The last two years I was there, Minister William Crawford became ambassador and stayed on with Jack Shaw, both of whom had Russian language experience. But Russian was useless in Romania. The Romanians didn't speak

Russian, they spoke French and are culturally oriented with Mediterranean Europe. I can't say the Russian embassy was a very active one.

Q: Was the legation able to deal with the Romanian officials?

LEE: The Romanians were good diplomats. They had very good people. They had some who you might say were not very well-bred diplomats, but in general, they were very good. The people we dealt with were decent enough, although they were committed communists. I would say the worst ones I dealt with were the ones who were in protocol, who were most likely to be security-type people anyway. Once in a while I had to talk to them and the first thing you know they were trying to indoctrinate you. They had a routine they would go through. You could see they had rehearsed it. It was very tiresome to have to put up with this when you are sitting there wanting to take care of other business, but they were basically good diplomats..

Q: I have known a number of Romanian diplomats at posts and agree with you they are good diplomats.

LEE: It was with the protocol people that we had the greatest trouble.

We had another major problem when I was there. We got a notice one day from the protocol office indicating they wanted to increase rents. Nobody owned their properties among the Western nations. So, we were all handed a new bill one day. The Romanians made no bones about it saying they were a capital city like Paris and therefore they were going to charge Paris rents. Well, we all knew we weren't paying much rent at the time; they hadn't raised them in years. But suddenly they woke up to this fact and decided to adjust them. I called some of the other friendly missions and they were all upset about it. I took the lead in generating opposition to the whole thing. The first thing I told everybody at a meeting of non-communist missions, was not to talk to protocol because that would get us nowhere. We should write to the foreign minister on this one. I said that this issue should be politicized. Since they were accustomed to politicizing everything, it now was our turn. And, what does everybody do? The Israelis were a little bit hesitant, but we all agreed not to pay.

With that joint action, we got some reaction; they wanted to talk. Of course, what they wanted to do was to talk to each mission individually. They got to the Israelis first and they, for reasons of their own, which were understandable--they were in effect ransoming Jews from Romania and the Romanians were allowing them to leave--didn't want to have any part of this. They were ready to pay in the end. So, they were the first to cave. There were two or three other missions who caved, but in each case they had made some headway in bringing down the price. All of us managed to bring it down some. The United States caved, too, in the end. Why? I have to say I disagreed with my minister. He wanted to get a new building, an additional building that would house the American School. So, he wanted to show some flexibility and in the end we agreed on a new rental contract and we got the house for the school.

Q: Didn't Washington have any views on this?

LEE: Yes, Washington did, but in the end the minister prevailed because of the school. One country did not cave and my hat is off to them, Italy. Why didn't the Italians cave? Very simple. Under the Italian system at that time, each officer received money to cover everything, salary and housing, and the embassy too. They were given a fixed amount of money and that was it. So, the Italians said they would not pay. In the end they got what they wanted.

Q: Were you able to travel about the country at all?

LEE: We were able to travel a good deal.

As a follow-up to the story about the accident in Bucharest in which my wife was involved, it so happens that the Romanian authorities did repair the car, but it wasn't repaired as it should have been. It developed a leak in the radiator which I didn't discover until later when we made a trip to the Carpathian Mountains where the legation had a small house which was kept as a sort of vacation spot for people in the legation to get out of Bucharest from time to time. We left one weekend for the mountains and by the time we got to Ploesti, the famous oil refinery center, the radiator was boiling over. Now, we were not supposed to go into Ploesti and the Romanians did not want us to go in there either. The way we went to the mountains was a bypass, but by the time we got to the bypass, I realized I couldn't make it and would have to stop and get water, etc. I had the thought that maybe the radiator was leaking because of the accident.

Well, I turned off and had no problem going into town, although I had to stop every now and then to let the engine cool off. Eventually I got into the city and asked someone where I could get the car repaired. At first I couldn't get anyone to show me the way, but finally someone gave me directions. We got to a repair facility and they immediately went to work on the car. It didn't take them but a few minutes to find out that, indeed, there was a leak in the radiator. They said they would have to take it out, solder it and then put it back in. I told them to go ahead. It didn't take more than an hour. Meanwhile my wife and I and the children were sitting there and talking to some of the other workers there and it was very pleasant. Before they finished the job, it occurred to me through observation that this wasn't a regular gas station. Gas stations as we know them didn't exist quite the same way anyway, but this one didn't seem like a regular Romanian gas station. It suddenly dawned on me that maybe we were at the police gas station and that it was security people who were taking care of our car. This made me smile inside because it didn't matter to me who took care of the car. In the end it didn't cost us anything. We may have given them some cigarettes, I don't remember. They seemed to be very friendly, no anti-American feeling or anything unpleasant whatsoever.

I must say on this question of anti-Americanism, I think when we talk about communist Romania you have to put things in the right perspective. In many cities in the West

Americans often lose friends because we are so numerous and overwhelm people by our presence. At other times and places where we are few and rarely seen, we are greatly appreciated. This I have heard expressed many times. Well, in that part of the world at that time we were few in number and greatly appreciated. There never was any anti-American feeling outside Bucharest.

I have one good example to give. My wife and I made one trip to Belgrade, Yugoslavia. On the way back we went through the Banat, which is adjacent to Yugoslavia. I can't remember the name of the town we stopped in but I had to find directions and slowed down and stopped. Our car had diplomatic plates and everybody recognized in a small town like that it was a car from Bucharest and came over and asked where we were from. I answered, "America." With that you would have thought that I had said "sesame" or something because the whole town turned out. You would have thought we were John F. Kennedy going through the town. We couldn't have been more popular. A policeman was standing close by at one point but gradually drifted off, realizing it wasn't his place. The people had taken over. They weren't afraid to talk to me. They said anything they wanted. They talked about America being a great place, they had relatives in Cleveland, etc. I have never forgotten that experience. All you had to do is to get out of the capital city and you realize how popular Americans were.

Some of this may go back to something the U.S. did that few people ever point out and is perhaps one of the greatest proofs of what I call political influence that we can possibly muster. Just shortly before I went to Romania in 1960, we concluded a post-war financial agreement with Bucharest whereby all the claims rising from the war were settled. Now, the Romanians wanted to conclude that for one good reason, they needed foreign exchange. They would get foreign exchange if the United States resumed payments of social security to Americans and Romanians who were beneficiaries of U.S. social security living in Romania. We resumed payments of social security entitlements in 1960 and made sure they were handled through the consular section of the legation. We also made sure the people who received them got the full value of dollars. In the end the Romanian government got the dollars and we got something else. We got the political influence of having beneficiaries all over the country receiving checks in dollars. This had a tremendous influence. I don't know how it can be evaluated, but I ascribe some of the welcome we received in that little town to this sort of thing.

Q: And all over Eastern Europe.

LEE: Yes, all over Eastern Europe it was pretty much the same circumstance. But, it is a fact that no amount of communist propaganda could diminish the reputation of the United States as a country that stuck to its promises and commitments.

Q: When you were there could you foresee the rise of Ceausescu?

LEE: Ceausescu was well known as one of the Politburo members at the time. I have to say that when I came back to the United States and was working in INR, we had to make

an estimate of who would be the new leader, I picked Nicolae Ceausescu. Other people picked another man, Prime Minister Maurer, who was certainly much more liked in the West. He was much more of a sophisticated man and knew how to get along with people from the Western world. But to me, that didn't count for much. Ceausescu was the man who had all the power in the party.

Q: Any other comments about your days in Romania or shall we move on to INR where you went next?

LEE: Let me mention something more about Romania. Another story. While I was acting as the USIA representative we were trying to make inroads into the cultural life of Romania. We managed to obtain the services of two well known Americans, Jack Lemmon and Shirley MacLaine. They came to Bucharest for two weeks in 1962. I had the privilege of teaching them a few expressions in Romanian and taking them around the country. They were tremendous. We were in Bucharest a few days initially and then we went to various regional cities, Iasi, Cluj, Timisoara and Brasov. We had a film that we brought with us. Unfortunately, the film was not one of their films. The film we had was *The Old Man of the Sea* with Spencer Tracy, which was a very good film and the Romanians appreciated it very much. Before each presentation, Jack Lemmon and Shirley MacLaine would put on a little skit in Romanian. Now how could they do that? Well, in Bucharest shortly after their arrival we got together, the three of us with a lady and a gentleman, Romanians who spoke English, and spent a lot of time going through various phrases that they should use in the presentation. They learned it beautifully and pulled it off just splendidly. Of course it made a tremendous hit in Romania. The film did too and there were many receptions.

But, let me tell you about what I remember the most about them. I remember distinctly being told by the Romanian authorities that we couldn't take the plane from Cluj to Timisoara and it would take too long driving, so we should take the train. They said they would provide some food. Well, we got to the train and we had a compartment. In the compartment there was a whole case of wine, lots of salami and lots of bread. It was an all day ride. It didn't take long before Jack Lemmon got up and went to the next compartment and started talking to Romanians. The first thing you know he would bring one back to the compartment and we had to serve him a drink. So, we had the wine, the sandwiches and had to talk with everybody. Then, when that ended, Shirley MacLaine had the idea that we should sing songs. Now, we three Americans thought we knew American songs. We didn't know any compared to the two Romanians. They knew the American songs perfectly. We sang and had the greatest time in the world. But, that was the proof to me that our two Romanian companions were working for the security people with extensive English language training.

When we arrived in Timisoara, the minister was waiting for us. I don't know what impression we made when we got off the train because we had finished the case of wine and all the food and had had just a grand time the whole day.

I had another personal experience in Romania which would qualify, I suppose, as a "good deed", but which also throws some light on what it was like to live in a communist country in 1962.

Bucharest, of all the countries behind the Iron Curtain, was unique in many ways. It had, for example, a well-kept 9-hole golf course attached to the Diplomatic Club reserved exclusively for foreign diplomats. It was located adjacent to Lake Herastrau in the northern part of Bucharest. It also had tennis courts and extensive areas for children to play. We went there often to get some fresh air and, not being a golfer, to walk beside the fairways.

One Sunday late in the winter I took my daughter and one of her friends, both aged 5, to the Club for a walk on the golf course which was not in use. There wasn't much snow on the ground but it had been cold and the lake was covered with ice. As we reached the point which jutted into the lake, I noticed two young boys who were crossing the lake towards us on foot. The sun was behind them as they walked in a northerly direction, seemingly without concern for the thickness of the ice. As we reached the edge of the lake, I noticed immediately that the ice had melted along the northern edge, indicating that the ice was probably thinner adjacent to the edge. It struck me that the boys, who had struck out from the southern, shaded edge of the lake where the ice was thicker, were probably unaware that the ice might be thinner on the northern edge which received more sun.

I followed the boys as they walked and, as they drew closer, tried to warn them with hand signals and shouts as to the potential danger. They paid no heed. Hardly had they reached some 75' from the shore, they both fell through the ice, fortunately only up to their necks. They were terrified. I immediately turned to the two girls and, with the utmost seriousness and confidence in their understanding of my instructions, told them to return post haste to the Clubhouse and seek help in the form of men with ropes, ladders, and boots with which to bring the two boys to shore. As soon as they ran off, I turned to the boys, urging them not to move (for fear they might step into a lower water level or hidden hole) but to keep their hands out of the water on top of the surrounding ice as best they could. I could see that they were soaking wet, shivering from the cold, and fearful of what might happen. To calm their fears, I said the help was on its way (I hoped) and they would be brought to safety. Indeed, help did come within a matter of minutes. The two girls did their job well. Some five or six men, Romanian staffers and bartenders at the Club, appeared breathless from running to the scene, carrying exactly what was needed.

Into the water they went, throwing ropes to the boys who grabbed them and were gradually pulled from the icy holes which their bodies had pierced through the ice. As soon as they were within 15' of the shore, the men broke through the thin ice and pulled them off the ice and carried them to shore. They had blankets which they threw around the boys who looked as if they would shake to death from shivering. We brought them back to the Clubhouse, stripped them of their wet clothes, and stood them covered with blankets before the open wood fire. It wasn't long before they recovered fully from the

chill and slipped on some clothing which someone had found. By this time, it was clear to me that everything was being handled quite satisfactorily by Romanians; there was no further need of me or the two girls. We left for home, but not before I gave them a hot chocolate for doing such an excellent job in following instructions. I was proud of my daughter (Charlotte) and her friend (Amy).

That evening, I received the only telephone call from a Romanian in my entire three years. The father of one of the boys called to express in the very warmest terms his thanks for what I and the girls had done to help bring his son and his companion to safety. The conversation was brief but the message was clear.

Q. Can you tell me about any other frustrations - professional or personal - you experienced living behind the Iron Curtain?

LEE: Indeed, there were two occasions when, as a U.S. official, I felt totally helpless in the desire to assist young people from Iraq and East Germany (German Democratic Republic) who had the courage to call at the legation. Never have I felt so frustrated in the role of representing the U.S. as when I had to turn away these erstwhile refugees from communist controls.

There was always the chance that any visitors to the legation coming so-to-speak "off the street" might be Romanian-sponsored provocateurs. Consequently, we had Departmental instructions not to encourage or seek to help would-be refugees who came to the legation. It was a problem throughout the communist bloc of countries, but in Romania, some foreign student visitors thought they might find an easier way of getting to the West.

Somehow, I was designated to meet with these callers, probably because I spoke Romanian and German. The Iraqis were not as frustrating to talk with as the East Germans. There was nothing I could say to the latter who were usually on vacation, hopefully seeking ways to break through the Iron Curtain. The Iraqis, however, were government-sponsored students studying petroleum exploitation - the one area where Romania had some expertise. But there were factions among the Iraqis: some were committed to communist ideology, others were not. I recall meeting with one group of five Iraqis who recounted to me a pitched battle between the two antagonistic groups which took place just north of Ploesti, the oil center of Romania. I had separate verification of this disturbance among the Iraqi students. Fortunately, I was able to "suggest" to them that, if they could reach East Berlin, they would probably have little difficulty crossing the city to West Berlin with their Iraqi passports (an option altogether closed for the East Germans). Although courteous and respectful, the Iraqi students were incredulous, perhaps even a little resentful, that an "American official" couldn't do more for them. My impression was that some of these students, accustomed as they were to government spoon-feeding and to thinking that the U.S.A. could do almost anything, felt let down altogether. Some, I believe, made it to the West via East Berlin. I hope so because these Iraqis had no idea of the circumstances which they would encounter when they accepted to study petroleum engineering in Romania.

My conversations with the East Germans were less strained. They were much more aware of what was going on politically and could accept, albeit resignedly, my explanation of why the legation could not help them. It was almost as if they had expected to be told what they heard from me. It was a trying experience for me to see these young men and women bow their heads dejectedly and leave the legation. At the same time, I felt that their search for an exit to the West would continue. (It did. The breakthrough came in neighboring Hungary in 1989 when the regime allowed vacationing East Germans to cross into Austria, the trigger for the unraveling of the GDR and, eventually, the entire Soviet Bloc.)

Q: Your tour to Romania came to an end in 1963 and you came back to the Department where you were assigned to INR. I believe Roger Hilsman was in charge and Tom Hughes came on later.

LEE: Tom Hughes was in charge when I was there.

Q: Ê

What was your job in INR?

LEE: In INR I was made responsible as analyst for Romania and East Germany. I enjoyed both of them. Everybody always wondered how I ever got those two. Well, because I had the languages more than anything else, although I had also lived in Romania and West Germany (1951-55). These two positions were most interesting to me. I was in INR when Romania was moving out in an independent way, and many people felt East Germany was not doing that well. It was a fascinating time, I was there for four years (1963-67) But in one way I had not quite left Romania; I was asked in early 1964 to lead a visiting Romanian delegation around the United States. At that time we wanted to bring Romanian groups to the United States to see the country, hopefully to be influenced a little bit about the way we do things. So, they asked me to take a group of Romanians, officials in the electric power industry, including the minister. We travelled together for a month throughout the United States. The visit was organized by the Detroit Edison Company. It was perhaps one of the most interesting trips I have ever taken in this country because I saw public and power facilities, nuclear power facilities, and things I would not have normally seen, so it was an education for me. It was also an education being with these representatives of a communist country. We had several interesting experiences. There are two that stand out in my mind. One rather serious, the other has a humorous angle to it.

When we visited the Enrico Fermi nuclear power plant outside of Detroit, Michigan, it was about to be finished, and the Detroit Edison people couldn't have been more honest in describing both the technical and commercial part of the whole enterprise. And, of course, what struck the Romanians most was the commercial part. The technical part they were familiar with. It was the commercial part that interested them. What was so unique

about that? Well, first of all, the fact that Detroit Edison combined the nuclear power plant with a regular coal-fired power plant so that one would offset the other depending on the peak times and the down times in terms of repairs of the reactors or the boilers. Two, the Detroit Edison people said as soon as they started talking, not building, but merely talking about building a nuclear power plant, the coal companies came to them and said they were going to invest more money in newer coal cars to reduce the price of a ton of coal. So, they had already made money. This, of course, was what made the Romanians sit up. This whole commercial angle was openly described to them and opened their eyes to the workings of profit-based enterprise.

We went through the nuclear power plant which was impressive and then we visited other places in Detroit before the weekend. I remember it was a Sunday morning and we were going to leave Monday morning so it was a day off. Around 7:00 a.m. I had a telephone call from one of the Romanians, the minister, who said, "Mr. Lee, we have been working together here and have a lot of questions. Do you suppose there is any possibility that we could get together with the Detroit Edison people to talk some more about this nuclear power plant?" I said, "I don't know, but I can try." Well, I called my contact at Detroit Edison and we managed to get that same afternoon the key engineers of the plant together in a hotel room with these Romanian engineers. It was an unforgettable discussion. What was the purpose? The Romanians, coming from a small country, were very concerned about nuclear power. They needed it, they wanted it, but they were concerned about possible problems if something went wrong. Now, this was in the year 1964 before Three Mile Island and Chernobyl. They had any number of questions for these engineers about the technical security of the reactors, the whole complex of nuclear power. The responses they received, I have to say were thorough, as good as they could be at that time, but I had the distinct impression the Romanians were not satisfied. They could not accept what they heard about providing the security they felt was necessary in a nuclear power plant.

Q: Did they ever build a reactor?

LEE: I don't know if they have. But, for them, the security available did not outweigh the possible risks involved. I thought that was a very good outcome because I think the American engineers probably learned something from the Romanians because of the penetrating analysis that they had done. It may have been helpful.

Another time we went to Oak Ridge. The Tennessee Valley Authority was building what was at the time the largest coal-fired power plant in the world, a 1000 megawatt plant. Well, we got off the train and were met by cars. We drove over to Oak Ridge and went through the gate. I was sitting with the minister in the back of a car. I noticed he was looking around trying to observe everything that was going on. Suddenly he turned to me with a wistful look on his face and said, "Mr. Lee, this must be a government operation." I said, "Yes, it is. It is Oak Ridge." He said, "I thought so. There is a lot of idle equipment around here." I will never forget that. He was no more a communist than I was.

Q: When you were working at INR did you find that you got a lot of cooperation from the geographic bureaus? Did they find your material useful and want it? Or did they feel you were competing with them for the attention of the Secretary?

LEE: This was always the issue between INR and the geographical bureaus, but it never concerned me that much. There were times that some of the things that I had on Romania were helpful to the bureau, but I can't say there was that much. There was more interest in East Germany because it was wrapped up in the bigger issue of Germany. We had the situation there where, although it was open in some ways, there was not that much knowledge about the way East Germany was functioning. There also was an overarching feeling, which was incorrect, that somehow East Germany was being supported by the Soviet Union. In my time in INR I was able to show them that the opposite was true. Everyone felt the Soviet Union was supporting East Germany economically but this "feeling" had no basis in facts.

This issue of East Germany's economy was one of the major battles I have had in my whole Foreign Service career, basically with the CIA. Sometime in 1966, possibly 1967, there was a requirement for an intelligence estimate of East Germany. I worked on it and the CIA worked on it. We did initial reports. The CIA came up with the conclusion that East Germany would collapse by 1975. I looked at this and thought they were crazy. I spent some time doing a report to refute this conclusion. My superiors in INR thought I was right and said, "Owen, you take it up with the CIA." I went to a meeting in Langley alone and met in a room with maybe 25 people, a panel headed by a former ambassador. They started with the report on East Germany. When they got to the picture of the economic outlook, for which the CIA was supposed to be responsible but which I had worked on, I said that I couldn't agree with their conclusion and was prepared to tell them why. So, I went into the whole explanation.

One point is East Germany had never nationalized all of industry. Two, many of the smaller industrial firms in East Germany were connected very closely with West German firms. There was a division of labor. The West German firms exported to the Free World, the East German firms, under the Interzonal trade arrangements, exported to West Germany second-rate products made in East Germany. Three, you had the only place of contact between the West and the East with hard currency flowing for non-commercial purposes into East Germany...the church, a whole host of sources. Four, you had certain industrial standards that were commonly followed in East Germany and West Germany. But there were a number of other economic features like this.

Then I pointed to the trade between the Soviet Union and East Germany where you had a bastard sort of situation. You have to think of it in colonial terms. One part furnishes raw materials and the other part manufactured goods. I said that was what was going on, but not the way people assumed. It was East Germany that was furnishing completed industrial plants to the Soviet Union for raw materials. The Russians were not paying commercial prices for those things. That is where you had your political implication and political price, the guarantee given the East German regime. It was the East Germans that

were exporting capital goods to the USSR at below market prices. Then I pointed out the element of a certain sign of East German independence in economic matters. I mentioned the opening of a pipeline from Rostak to import oil from the Arab world rather than exclusively with the pipeline coming from Russia. There were a number of other things.

That meeting ended in a shambles and everyone was sent back to the drafting board. They accepted my statements and we eventually came out with an NIE that was more rational and based on the facts. I was guided by a friend's rhetorical question: has anyone ever seen a German fail in an industrial enterprise?

Q: Not that I can remember.

LEE: That is the question that had to be answered and no one asked that question. Even under the communist system they did very well compared to the other communist countries. Now, the problem was that we compared them to West Germany with which East Germany was no match.

Q: Did you cooperate closely with the DIA too?

LEE: Not much. However, the cooperation with the CIA was excellent. In this case it was just a faulty analysis and evaluation by the CIA. In the end East Germany did not collapse in 1975.

My years working as an analyst for Romania and East Germany (GDR) 1963-67 were among the most rewarding, perhaps not the comment that many other Foreign Service Officers might make. The Bureau of Intelligence and Research (INR), particularly the division where I was assigned, the Research for the Soviet Bloc (RSB), offered opportunities for in-depth study of trends, analysis of political undercurrents, and preparation of tightly-knit papers. There was no better training ground for reporters in the field. During my tour I was particularly proud of two reports which I prepared on my own initiative, one of which earned a commendation from the CIA, related to the war in Vietnam.

The first report analyzed one of the questions which had puzzled the intelligence community: what was behind the recurrent Soviet complaints about Communist Chinese obstructionism in assisting the Vietnamese? How did I get involved in an issue like that? It goes back to my early months in INR when I met a veteran analyst of European transportation issues: waterways, railroads, roadways, etc. He was an Austrian-born specialist who had a unique knowledge of these issues and a host of documents. I turned to him for information on the Danube River, e.g. international regime which, of course, affected Romania. When he retired, I somehow picked up some of his files. They proved invaluable: he had collected information on every intra-bloc transportation agreement and plan since the end of World War II.

One day as I scanned the Foreign Broadcast Information Service (FBIS), I noticed an item reporting that the Soviet Union and the Communist Chinese had just concluded (1966 or 1967) a new transportation plan regulating all exchanges of goods on their rail systems. Picked by curiosity, I went to my former colleague's files and found an earlier basic transportation agreement between the USSR and the Peoples' Republic (CPR). It was a revelation. Under its terms, concluded shortly after the Communist Chinese seized power in 1949, the Soviets and the Chinese agreed that (1) all goods transiting the USSR between China and Eastern Europe would pay a fixed kilometer rate, irrespective of the distance travelled, and (2) that the volume of goods shipped via rail would have to be fixed in annual plans which were to be negotiated between the parties. Could there be any basis here for thinking that the Chinese, who had to pay the fixed rates in sending goods to Eastern Europe, might oblige the Soviets to pay fixed rates for goods in transit from the USSR to Vietnam?

This was the tip-off that led to follow-up analysis, including whatever details were published on agreed annual plans, of the whole issue of mutual transit obligations. It became abundantly clear that the Chinese, taking full advantage of the earlier basic rail transit agreement, had turned the tables on the Soviets and, through the mechanism of the fixed transit rates and the need for an annual, detailed plan of goods to be shipped, could control the type of goods shipped, the volume, and the delivery dates. They were in a position to exert powerful influence over both the Soviets on the sending end and the Vietnamese on the receiving end. This Chinese control over all shipments by land led, as we know, to Soviet deliveries by ship to Haiphong. This report helped clarify one aspect of the developing Sino-Soviet competition for influence in Hanoi as well as problems of Soviet bloc assistance to North Vietnam.

Q: It is understandable that your division - RSB - of INR was following closely whatever assistance the Soviet bloc was giving to North Vietnam at the height of the Vietnam War and our involvement. Did you have anything to contribute to this during your assignment?

LEE: Yes, I did, albeit on a modest scale, considering that the bulk of aid, particularly the military aid, was being sent by the Soviet Union itself. But the non-military aid, I have to say, received very little attention in the intelligence community until I did a paper focusing on it.

In my daily readings of FBIS and the host of other unclassified and classified documents concerning the Soviet bloc I was struck by seemingly isolated and unrelated references to shipments of field hospitals from Hungary, optical equipment from East Germany, and other non-military items from the other Eastern European communist countries to North Vietnam. One particular item, appearing in an unclassified CIA summary of the local East German press, attracted my attention and emboldened me to look further into the whole issue of non-military assistance provided by these countries to North Vietnam. The news item in question reported that a plant manufacturing bicycles which had been closed had recently been reopened to turn out folding bicycles "especially adapted for tropical

conditions." There was only one destination for these bicycles. Gleanings of various classified documents revealed that these Eastern European satellites were also supplying some small military hardware as well: optical sighting/range-finding, or fire control devices from East Germany, light-hand-held rocket launchers (bazookas) from Romania, and a variety of light arms from Czechoslovakia.

A detailed and comprehensive report, drawing on all possible sources for information, took me several weeks. In the end, I prepared a report on the estimated annual contribution of all the East European communist countries to the North Vietnamese war effort. It was far more extensive than anyone in the intelligence community had dared to estimate. In all, I think the total value, estimated in dollars, was approximately \$100 million in 1967. Against the backdrop of the cost in billions of our own war effort in Vietnam, this seemed like a paltry sum. This would be a misleading inference. In my analysis, I postulated the possibility that in the overall Soviet effort to support North Vietnam a de facto division of labor had taken place: while the Soviets themselves would provide the costly heavy weaponry, the satellite countries would provide the non-military assistance and some small arms assistance.

My report was well received inasmuch as it cast some light on one aspect of the Vietnam War which had been overlooked in the repeated efforts to evaluate the resistance capacity and war-making capability of the North Vietnamese. The CIA was impressed enough to pass along some praise to my superiors. This praise was all the more remarkable and appreciated because the CIA itself had the basic responsibility to analyze and report on the economic conditions in the Soviet Bloc. This is just another instance, among a host of others, where my experience in INR convinced me that intelligence analysis and reporting should never be left to a single agency of the U.S. Government and that the Department of State itself should always retain a capacity to perform intelligence research and analysis across the board.

In the same vein, I should add another experience, this time with respect to U.S. evaluation of the Soviet economy during the Cold War. When I was serving in INR/RSB, there was an "old hand" there who specialized in tracking and evaluating the Soviet economy. At the time I knew him, he was in his early seventies -- an "old man" in the eyes of many -- but he was extraordinarily energetic. Although a part-time contractor, he managed to get more serious work done than many of us working full-time. But Dr. Bloch had another unique attribute: he knew how to write a serious report with touches of a sense of humor. His reports on the Soviet economy reminded me of in-depth articles in the "Economist." With access to all the classified and unclassified documents available in Washington, he invariably came up with an assessment of the Soviet economy quite the opposite of what others -- CIA, DIA, INR/RSB itself -- were writing. Fortunately, INR allowed his reports to be printed and circulated even if they couldn't be given official support.

As it turns out in retrospect, Dr. Bloch's observations, analyses, and conclusions about the Soviet economy were the only ones which hit the mark. In the mid-sixties he was the only

person I knew of who delved into the real workings of the Soviet economy, i.e. distribution of goods, waste of capital resources, employment of redundant labor, below-standard levels of maintenance throughout the economy, etc. which undercut the efficiency of the Soviet economic machine. He pieced together the real life travails of the average Soviet citizen trying to make ends meet, obtain consumer goods, increase their living standards, etc. to show how slowly and ineffectually the production and distribution of goods and services was. The exception, of course, was the Soviet military production system. As Dr. Bloch pointed out over and over, the USSR was operating a "war economy" with all that means in terms of sacrifices for the general population. In retrospect, his reports should have received more attention but, then, I wonder, did some people -- the military/industrial complex identified by President Eisenhower -- have reservations about showing the true state of the Soviet economy?

Q: Then in 1967 you moved over to the Defense Department.

LEE: I was at the National Military Command Center (NMCC).

Q: Well, tell us about that.

LEE: I was a State Department representative in the command center where the Joint Chiefs of Staff oversee all U.S. military operations around the world. In that command center we had a representative from the CIA, the National Security Agency, the DIA and each military service. It was always headed by a two star admiral or general. It was where all the communications in the military services came to a head. It was the area, where in the event of a nuclear war, the entire U.S. operation (SIOP - Supreme Integrated Operations Plan) would have been controlled from, or alternately three alternate military command centers, one in the mountains, one in the air, and a fourth aboard a ship. I had the opportunity to go aboard the ship once to see how that worked and also to see the underground facility during a practice SIOP exercise.

The NMCC was a very fascinating operation during the height of the Vietnam war, the TET offensive (February, 1968). I spent a year there and then came back to the Operations Center in the Department. During the TET offensive, and of course the Vietnam war, I was made aware of a lot of things that were not public at the time but became public subsequently. The so-called bombing raids in Vietnam, the Rolling Thunder campaign in the north, the bombing of Cambodia in the North, known as Arc Light and a lot of other operations out of Laos. Everything was there that we were involved in. We also ran the support operation for the Belgian Congo (Zaire). In 1966-67 there were all kinds of revolts in Zaire as there are today. One detail that I remember was having a navy captain come running over to me at one point and saying, "What the hell are we doing out there running all these whores for Mobutu in our planes?" The military didn't care too much for that because of the people he took with him in moving around the country.

Q: Did you feel that your views were listened to or solicited?

LEE: The function of the State representative, at least in the NMCC, was not a matter of views I might have. My job was reporting, keeping them informed of things that went on in the State Department and vice versa. In many ways it was more vice versa, what I would learn from them. We had communications, for example, that State would want to have me pass on to the military. It was difficult at times because if we had something that was EXDIS, the military, which tended to circulate them widely, would have to be given an edited version. The military also had things that were going on that they didn't want us to know and I looked upon it as being my job, being a Foreign Service officer, to find out.

Q: Who did you report to in the Department?

LEE: The Operations Center. Although there were occasions when I did not report to the Operations Center and went directly to the Executive Secretary of the Department. There were several times when I arranged to see the Executive Secretary on my own because I did not want to write anything down, nor send it by classified FAX from the NMCC to the Operations Center.

Q: Do you feel you were used to good effect there?

LEE: Yes.

Q: Were you there during the Six Day War?

LEE: No. I left before that.

Q: In 1968 you went to the State Department Operations Center. Was Ben Read in charge at that time?

LEE: Yes. I might add one thing since it has to do with the Vietnam war. One time when I came back to report to the Executive Secretary what I had seen in the Defense Department, was during the time of the TET offensive. What I had to report was very devastating. That was the losses of our helicopters. This was a lot more serious than we were ever told. Why is that important? It was important because the effect was to reduce very substantially the ability of our forces to move around and in effect nullified them for a time.

Q: And that was not generally known? Was our embassy not reporting this sort of thing?

LEE: It may have, I don't know.

Q: Back in the Operations Center, what was your job?

LEE: In the Operations Center I managed for one year what used to be known as the "Current Foreign Relations," I was the editor. It was a publication designed to bring people in the field up to date. It was a classified publication.

Q: I had done that back in the 60s, myself. We used to call it the "Blue Book."

LEE: Yes, that is right.

Q: I don't think it is still around. What were some of the problems you faced in the Operations Center?

LEE: I don't recall any specific problems.

Q: Did you have good cooperation from other agencies and bureaus within the Department?

LEE: It was at times a little bit difficult to get bureaus to participate in articles for the publication.

Q: There are always a few who want to contribute a lot and get their stories in and others you had to drag contributions out of them.

LEE: True.

Q: You were there during the Soviet invasion of Czechoslovakia and during the period of change over from President Johnson to President Nixon, 1968-69. Did the latter have much effect on your work?

LEE: I don't recall that it did.

Q: After your period in the Operations Center you went to Berlin as political officer. Who was in charge in Berlin at that time?

LEE: David Klein was the minister, and Deputy Commandant.

Q: How large was your political section?

LEE: We had six Foreign Service officers, plus the Eastern Section which was a separate section covering East Germany. My position was Senate Liaison Officer with the local German authorities.

Q: Who was the political counselor at the time?

LEE: Robert Gilman followed by Albert Seligmann.

Q: I knew Bob, he was in Heidelberg when I was in Bonn. Explain a little bit about the liaison function to the Senate.

LEE: The liaison function was shared between an American, a Britisher and a Frenchman, three of us representing the different occupying powers in West Berlin. We each had offices adjacent to the office of the Governing Mayor of the city. Our job was to keep track of what went on in the Senate, in the Abgeordnetenhaus (House of Representatives) and to act as liaison with our mission in terms of the Governing Mayor. Now, the Governing Mayor obviously dealt with the Allied Commandants of each sector and the missions, but we saw him also from time to time. Our contact more often was with the head of what they called the Senatskanzlei, or the chief of staff.

Q: Could you explain this a bit for me?

LEE: A senator corresponded to a minister of government, if you will, in the city government there. The man I dealt with mostly was the head of the Senatskanzlei, or the Senate Chancellery, but really he was what we would call a chief of staff of this government. He was the person who received us once a week. We had an extensive meeting immediately following the weekly meeting of the city council. He would brief us on everything that took place in the council meeting so we could pass it on to our commandants and missions. We also attended the periodical meetings of the House of Representatives, (the Abgeordnetenhaus). We knew what was going to be said in advance because we also had a meeting with the President of the Abgeordnetenhaus which meeting was always a very pleasant tea. We would go over the agenda and what was expected to happen politically with each agenda item. This was important because, at the time, Berlin was adopting and making its own laws, drawing on the basic laws of the Federal Republic of Germany. However, in each case there had to be a review because the Western powers were anxious to preserve their prerogatives as occupying powers and therefore had to make certain there would be no conflict either in policy or in law. I must say in all of this process the Germans, themselves, in the Senate were very meticulous in helping us work on this problem to make sure there was no conflict. That is why it was important always to know what was happening in the agenda and to insure that there were never any surprises that might arise.

Q: Were there still meetings of the Allied Kommandatura at that time?

LEE: The Kommandatura morning meetings that took place were mostly protocol meetings. I never attended them because there was no substantive interest. But they did have meetings without the Russians. The Russians, as you know, hadn't attended since the late forties.

Q: I had been our representative on what was called the civil administration committee where we went over the laws. We had difficulties with our French colleagues, but that is another story.

LEE: You mention difficulty with a French colleague. I have to rebut that with the good side of some of the reservations the French had sometimes. At the time I was in Berlin we had several interesting incidents, at least two, of aircraft-hijacking with different outcomes. The first case involved Poles who hijacked a plane and landed at Tempelhof, in the American sector. This was a misfortune because, with our Anglo-Saxon approach to the law, we took a hard line with embarrassing consequences. It was correct in law and all, but it also had not the best effect in Poland and elsewhere. There was a second hijacking by the Poles landing at Tegel in the French sector. The French jailed him immediately. He was prosecuted and sentenced immediately. There was no delay, there was no bringing a judge from the United States and having it take six months to a year. It was all over with in a matter of days and everyone knew that the following July 14th the Pole would be pardoned and freed. Justice was swift and freedom was swift.

Q: Our justice is slow and freedom is not going to be swift for the hijacker, anyhow. Were there any demonstrations during your time in Berlin? The Wall was up and feelings were running high.

LEE: We had demonstrations against ourselves over the invasion of the South Vietnamese into Cambodia. That was quite serious. At the time the Free University (Freie Universität) was going through a crisis. Students were up in arms and they came down the Clay Allee near the mission and we had quite a time. The minister was in an awkward position. His son was among the demonstrators.

Q: That would make it awkward.

LEE: But, he decided on the right thing and invited several of the students to come in and I was one of the people who talked to the demonstrators. There was really no violence. There were other demonstrations at other times downtown near the Technical University where there was a little violence but nothing exceptional. Those were the only demonstrations that I can think of during my time there and they were related more with the Vietnam war than the situation in Berlin.

Q: At this period, and while you were there, we were carrying on Four Power talks were we not?

LEE: Yes.

Q: Did you have any role in this?

LEE: Yes, I did. There were several levels of talks in 1970-71. The Allied and Soviet ambassadors got together and talked about Germany in general, while the FRG and the GDR discussed inter-Berlin and inter-zonal matters. The talks that I was involved in covered merely intra-Berlin issues, involving the increasing of the number of people who could cross through the Wall within Berlin. I was not in the talks themselves, but I tracked the Senate which sometimes was not involved and sometimes was leading. One

thing I can take some pleasure in, however, is that the final agreement on the intra-Berlin talks was decided in my living room. It was done on a Sunday morning with the head of the Senatskanzlei calling and asking if we could get together with our representatives in my house. The Senate had a final agreement that had been worked out with the East Germans for improved arrangements between East and West Berlin. As we look back it seems very limited but at the time it was a big breakthrough. What was being done was that the West was going to allow the East Germans to set up temporary offices in West Berlin. At these offices West Berliners could apply for visas, if you will, that would allow them to cross over. This could be done on a daily basis and you had to pay certain fees. We had to make arrangements for the East Germans to come through the Wall and to be returned at night and make sure that they all went back, etc. There were a lot of little details. But it was an opening and that was one part of the overall Quadripartite Agreements. But, it led to others.

For example, one day I received a call from my colleague in the Senate who said, "Mr. Lee I have to talk to you about a new proposal." I said, "What is this about?" He said, "Well, we want to open up another opening in the Wall to East Germany from West Berlin." "What is that for?" He said, "Garbage." So, we had to look into their proposed new garbage agreement because the city of Berlin was running out of space in the Grunewald Forest for dumping waste, rubble, and garbage. They couldn't send it back by train to West Germany because people didn't want to take it. The East Germans were interested in the money and they had the space, but it meant breaking a hole in the Wall. So, we had to find a way of opening up the Wall, providing for the trucks, insuring that no one would escape, who was involved in the operation, etc.

Q: Now, the Wall was technically, I suppose, between East Germany and West Berlin in our sector under the control of our military. Did you have any relations with US military in your job?

LEE: We had another officer in the mission who handled relations with the military, I didn't.

Q: Well, those were exciting days because they opened up a new chapter in German relations, as I recall, that agreement of August, 1971. Willy Brandt had started all this.

LEE: And in 1972 East Germany (GDR) and West Germany (FRG) reached a bilateral agreement. In late 1973 we eventually established relations with East Germany.

Before that happened I had an interesting experience in East Germany. In March, 1973 I had the second coldest night in my life. My experience in Bolivia was unforgettable but the coldest night in many ways was in Leipzig. After the two Germanys concluded an agreement, recognizing each other in effect, we knew we would be recognizing East Germany too, but we didn't know quite how to go about setting it up. In the U.S. Mission in Berlin we had an Eastern section that kept track of these things and they had some contact with people in East Berlin. Some of their contacts were made through the annual

Leipzig Fair. The Leipzig Fair came up in March, 1973 and somebody had the idea that we ought to go. I was proposed to go with one of the officers in the Eastern section. I said, "Fine, how will I go?" I was told not to carry a passport, to travel with an East German Fair Pass to Leipzig and to drive in a State Department vehicle. I thought that was quite a combination.

Q: Don't carry a passport?

LEE: Well, I had it with me but it was not to be shown. And driving a State Department vehicle, not a military vehicle. The Eastern Section of the Mission got the pass for me, my wife and the other officer, Philip Valdes. We drove to Leipzig arriving with no place to stay. We went to a Housing Office and they directed us to a suburb somewhere in Leipzig. It was still very cold in Germany. We get out to the house, a nice looking house, and a lady received us very courteously, etc. She showed us the two adjacent rooms. We noticed when we walked into the house it was a little cool in the house, but when she opened the kitchen you could feel heat coming out of there. We got to the rooms she had for us and they were cool. She had one of these old, what I call Transylvanian stoves made of porcelain in the corner that use coal or wood. She put her hand on it and said it was warming up and said we would be all right. That sounded good to us. We put our things down and went back downtown intending to look at the Fair. We came back that night and the room was freezing, absolutely freezing. And, of course, it suddenly dawned on me that she probably had put that stove on for the first time in years and only put enough fuel in there to take the cold off the stove but nothing more. The room had been frozen for years. We went to bed and I covered myself with a blanket, threw over my coat and all the rest. The room my wife and I stayed in had no stove in it, my colleague was in the adjacent room and he had the stove. I asked if he minded leaving the door open and he said not at all, but it didn't make any difference. Well, psychologically to us it made a difference. But, it was freezing and I will never forget it in my life.

The visit to Leipzig was very worthwhile and we had no problems. No one bothered us. On our way back I wanted to stop in Wittenberg and see the place where Luther posted his objections to the Catholic church. We stopped there and I was kind of shocked that the statute of Luther in the main square was missing the letter "T". I will never forget it. I thought to myself that things were really rundown there. And places did look rundown in many areas of East Germany.

Then we started back to Berlin and suddenly along the road I saw a car veer off the side and turn half over. We were under instructions not to stop. I stopped nonetheless, and we got out and looked inside the overturned car. Inside was an elderly man with a young woman. We helped the woman get out first who was uninjured. It was one of those little light East German cars. By this time a couple of farmers had come up and looked at me and the car and asked if we thought we could lift it. Well, we were able to lift the car up, right it, and help the old man out. He didn't seem to be injured, but I couldn't tell for sure. It didn't take but a second for everybody to start looking around and the East Germans began to show fear. They were frightened that they would be picked up by the police for

being involved in an accident and for talking with Westerners. So, I said, "Is there anything more I can do?" They said, "No, thank you very much." And we left. I think they tried to put the car back on the road, etc. so you couldn't tell there had been an accident, but I never have forgotten the attitude.

Q: After that exciting tour in Berlin you had another change. In 1973 you went to Madrid where you were a political officer under Ambassadors Rivero and Wells Stabler.

LEE: That was a very interesting time. I enjoyed it because I was there reporting, more than anything else, and talking with the upcoming political forces. I was there at the time of Franco's death in 1975. It was interesting because there were so many misconceptions and elements of misinformation about Spain. I will give you an example.

Shortly after we arrived, it was only four months, the Prime Minister, Carrero Blanco, was assassinated (December, 1993). We could feel the explosion in the embassy because it took place on the other side of the Jesuit church just opposite. The ETA, the Basque terrorist organization, had observed that he went every morning at the same time to mass, entered by the same door, and parked the car in the same place. They drilled a tunnel under the road and planted explosive there with a timer. It went off so perfectly that it lifted the car completely and dropped it inside the courtyard of the church. The whole bottom was blown out. It left a gaping hole that covered the whole street. I soon afterward got a telephone call from New York, from one of the major TV networks, I can't remember, asking if they were demonstrating in the streets, whether the people were upset and whether there was going to be a revolt. The only thing I could say to the poor man who asked the stupid questions was to say, "Look, people are out in the streets doing exactly what people are doing in New York. They are out doing their Christmas shopping. They don't seem to care that much." They were going about their business and to me this was one of the signs of change. There was no demonstration or other sign of disorder.

Later, I had an interesting argument with a colleague in the economic section. I was told that the Spanish government, the interim government, had immediately gone on to the stock market to buy and make sure nothing went wrong in terms of a falling stock market. My colleague said they couldn't do that. I said, "Yes they can." Well, the fact is, they did showing evidence of what you might call a growing bureaucracy and machinery of government. They wanted to be sure there would be no political fallout. This in effect was evidence that the transition from Franco was already underway before his death, in late 1975.

Vice President Ford came for Carrero Blanco's funeral. I can remember that he made a big impression because he marched down the street with the Acting Prime Minister in the funeral procession without security in the middle of Madrid. In mourning, Spaniards showed impressive discipline and respect for public order. It is illustrative of their attachment to personal--and national--dignity. No secret service. It made a tremendous impression.

Q: It was known that Franco was winding down and the change over was going to have to come. What was the role of the Catholic church during this period?

LEE: The Catholic church was divided. Remember the supreme Catholic figure in Spain is the Archbishop of Toledo, not Madrid, and he was a cardinal and very conservative. Archbishop Tarancon of Madrid was a liberal and played a very important role in helping with the smooth transition to a parliamentary democracy, albeit under a King. There were other people in Spain who sought to make the church more open. As a matter of fact I have right here a book by a former Jesuit, Jose Diez de Alegria, whose book had to be circulated in Spain surreptitiously because he criticized the Catholic church and its money, arguing that the church should be the church of the poor and the defender of political freedom. The interesting thing about this particular man was that his brother was a 3-star general and shortly before Franco's death was the chief of the general staff. It was a famous family and the book was quite significant. But the church, itself, overall was more liberal than conservative in 1973-76 than at the start of the Franco period.

Q: That was what made me ask the question.

LEE: To give you another part of the answer to what you asked, I had a German friend, the correspondent of a major TV network (ZDF) in Spain, who gave me two invaluable tips about what was really happening in Spain. I have never forgotten those tips, they proved to be absolutely right. This contact originated with some of my Social Democratic contacts in Germany. He told me to look into a Spanish industrial giant known as Mondragon. Why? It was the largest industrial cooperative in the world. It was in the Basque country and manufactured guns, and other sophisticated equipment. The guns were all sporting weapons, some of the best in the world. It was organized by a priest. I mention it because it tells something about the church and also something about cooperative enterprise which was very strong in Spain. The second tip was home ownership. He asked, "Did you ever look at home ownership in Spain? It is the highest in Europe." Why is that? Franco had much to do with this. He had promised home ownership much of it condominium apartments. This did much to give people a stake in private property with all its political implications.

Q: I suppose Franco saw that a person who owned a home had a stake in it, a stake in the well being of the society there, etc.

LEE: The servant we had in Madrid was a fine lady from Asturias who owned her apartment, her home from where she came from and was planning to buy a new car. (Her husband also worked.) The point is that home ownership was one of the things that had transformed Spain.

Q: Then Franco passed from the scene.

LEE: Yes, in the Fall, 1975.

Q: And Vice President Nelson Rockefeller came over for the funeral. Was that an important period?

LEE: Yes, it was. Shortly before, in June, 1975, President Ford made an official visit to Spain. The dates chosen for the visit corresponded exactly with the date of my daughter's graduation from college in New York. It happened to be the daughter whose first communion we could not attend in London because we were in Romania. I had made up my mind I was not going to let the college graduation go without someone being there. I had the choice of staying to be with the President, my job, or being with my daughter. I chose the latter. I went to the Ambassador, Wells Stabler, and told him about it and he understood. My wife stayed behind and she helped as much as she could, and I went back for my daughter's graduation. It was one of those hard choices that one has to make.

Q: I had a similar one that I will tell you about later. I think you did make the right decision. The visit went off very well I gather?

LEE: Yes, it went off very well, except that my wife had a story to tell. She was standing next to Henry Kissinger and some kid came and asked for his autograph. He wrote his autograph and handed it back to the kid and said, "How much are you going to get for that?" His remark didn't go over well.

Q: Ê

What was the effect in Spain of the military coup in Portugal that took place in late 1974 ? Did that have any effect?

LEE: Tremendous. That is a very good question and one that is not asked enough about Spain's transition to democracy. The historical relationship between Portugal and Spain was very important. The Spaniards at that time had already progressed enough economically, that about 6 million Spaniards were vacationing each year in Portugal. Remember also that the Bourbon Prince Juan Carlos's father was living in Escoril, outside Lisbon. There was a certain coming and going among the then and future political class in Spain, between Escoril and Madrid. Many of the people who have since worked with the King Juan Carlos were people who had been in contact with his father, Don Juan. I am not saying the father had direct influence. He didn't. But if there was any way at that time to set up a return of the monarchy for his son later on, he could do it under Franco with whom he had previously agreed on the education of Prince Juan Carlos in Spain. So, all these Spaniards saw what was happening in Portugal. The effect was enormous because, as I mentioned earlier, Spain had turned over a leaf and become a developed country and a pragmatic country. Spaniards felt that the economic disruption that Portugal went through, even though it was a non-violent, was unacceptable. The Spaniards didn't want any economic disruption. If there was anything the Spanish were agreed on, and there were a number, number one was no economic disruption, don't upset the apple cart. Every budding political party believed that. I think it is very hard for observers to appreciate why. We think it goes back to the upheaval of the civil war in 1936-69, but it is more than

that. What I mean by more is it has been two hundred years, not just forty, that Spain was in constant strife and decline. They had fallen behind the rest of Europe. Suddenly they were beginning to move forward. No one wanted to compromise that. It was as simple as that. It was 200 years of Spanish decline that was being overcome. And, so when they saw what was happening in Portugal, most Spaniards decided that it wouldn't happen in Spain when Franco left the scene.

Q: And the fact that they saw the communists causing trouble.

LEE: That's right, they didn't want to have anything to do with them. It was very important to them.

Q: What about the importance of the Opus Dei?

LEE: I am no expert on Opus Dei. It had a number of people whom we would call technocrats imbued with the idea of economic recovery, but a recovery that would somehow preserve values, some spiritual values. Members of the Opus Dei were Catholic laymen, highly educated elite dedicated to Spain's modernization. They represented what a political party might do in terms of carrying out a political platform.

Q: So, they were helpful?

LEE: Definitely.

Q: Let's talk a little bit about our military bases there. We had to renew the agreement during your period (1973-76) and I believe Secretary Kissinger, himself, was involved in that.

LEE: Bob McCloskey handled the negotiations.

Q: Bob McCloskey came over for that. Tell us a little bit about that.

LEE: This is a little bit of a value judgment I am going to give you here. Remember I had come from Berlin where we had worked on the Four-Power talks. I worked for a man who was very tough in many ways, David Klein. But, David Klein knew something that was essential to the Foreign Service. He knew that if you want to be in the ball game at all you had to be a player and be active. What I mean by that is that when the Four-Power talks started in Berlin, it could have been managed from Bonn, not Berlin and we had a very able man in Bonn who wanted to do that, Jonathan Dean. Dean was in charge of this whole operation for Ambassador Rush and made sure that we knew it in Berlin that he was going to run things. Well, Klein knew that he was on the front line and wasn't going to twiddle his thumbs. He made a point of making sure that we worked hard at the mission to anticipate issues, develop them and fire off our telegrams before Bonn had thought of the issues. And the telegrams went to Washington as well as to Bonn. In other

words, if you want to be in a negotiation, you sit at the table and go to work. That is for background.

In Spain I was not involved in the negotiations because I was in a different section. The political/military section dealt with the bases. At the time these talks were initiated, Ambassador Rivero had left and a new ambassador had not yet arrived. We had a DCM, who was a Foreign Service officer, a good officer, but a very cautious, prudent, hesitant officer, who was unwilling to take any risks. He was not going to take any initiative on the talks on the base agreements. Even though I was not involved in the talks, I spoke to him and told him about my experience in Berlin. I said in effect, "If you want to be in on the negotiations, you have to jump in, pile in, make yourself heard." What happened is Washington sent out Larry Pezzullo and Ambassador McCloskey to run the negotiations and in the end the mission had very, very little to say about anything.

That is the story about the negotiations. It is also a story that I think tells you something about the Foreign Service.

Q: Yes, very much so. Is there anything else you would like to say about your time in Spain?

LEE: No, I don't think so.

Q: Well, your tour in Spain ended in 1976 and you came back to Washington. Do I understand correctly that you worked for USIA then, in cultural affairs?

LEE: Well, cultural affairs was in the Department of State at the time. I came back to become Deputy Director of the Latin America area of the Bureau of Cultural Affairs (CU), in the Department of State. That was in 1976, the same year President Carter was elected president. Very soon after he became president, the White House wanted to change things in parts of the U.S. government and one of the things that was discussed was taking the Bureau of Cultural Affairs (CU) out of the Department of State and giving it to USIA.

I and many colleagues were much opposed to it. I still think it was a bad move. The reason I say that is that the Cultural Affairs Bureau wasn't properly understood. Many people in the Department did not understand what was involved. It was the only area that the State Department ever had that provided a permanent constituency across the United States for the State Department. It had direct contact with the local Councils of Foreign Affairs, a whole roster of people ready at a moment's notice to do something for the State Department's Cultural Affairs program and it had many networks into the U.S. community, which the State Department doesn't have otherwise. This was a political asset and it was incredible to me that people who were supposed to be politically astute would be so obtuse to let this go. However, it wasn't the Department of State or the Foreign Service establishment that did this. It was done from the White House, perhaps as just a gimmick to show that they were doing something to reorganize government. Since it was

always a question as to whether the State Department was the right place to have cultural affairs, that was the thing to change. It took a little while to make the change and when it was done (1977) I moved to USIA. I did not mind at all the idea of being with USIA for one reason. I had experienced, having worked with USIA for two years when I was in Bucharest, that I could get fast action with USIA on a number of things, e.g., if I wanted books, etc. to pass along to people. The action was quick with no questions asked. They were always helpful. The State Department, I might say, has not been that rapid in communications.

Now, this you might think would make it better for such a program to be in USIA. I don't think so on balance because the Department of State, no matter how much it is criticized across the United States, still represents one of the prestigious departments in the U.S. government. USIA does not have that status. The cultural affairs program, under the aegis of the State Department, had more value and clout. I think it added something to the Department in giving it a leg up in the American community because its problem is communicating with the American people, trying to have them understand what it is we are trying to do in the Department of State.

I became aware of this in my first assignment in public affairs. We, unfortunately, and this is where a certain criticism could be leveled against the Foreign Service, feel that cultural affairs and public affairs are not traditional areas of Foreign Service concerns. My problem with that type of thinking is that why should it not be a concern for us in our own country when it is a concern to us overseas? It is an issue. In the late 20th century, media communications count for so much, how things are said and presented make a big difference. In this type of civilization, the question of public affairs and cultural affairs, can not be left out. It is left out at the risk of not making the point that you want to make with people. So, I think I would rather see them back with the State Department but it would need the support of the traditional Foreign Service.

Q: I am afraid it is not going to come back for a while at least given the downsizing and other things that are going on at the moment. What were some of your duties there? What were some of your issues that you came up against? Did you run the Leader Grant program for Latin America?

LEE: No, I didn't. I was really more in the planning area of the cultural affairs area at that time. One of the last things I did before moving to the U.S. mission at the OAS was a cultural agreement with Mexico which we were involved in. I organized the delegation that went down there.

We were in a state of flux at the time and after the merger of CU with USIA. I worked with the higher echelons in USIA, but I think the objective was to help smooth over some of the bumps that were occurring in the merger. We had two seemingly different organizations with two different objectives and we still had to put them into one. It didn't go that smoothly at the beginning.

Q: Who was the head of CU at that time?

LEE: The year before we left the Department it was Joe Duffey, who is now (1997) the head of USIA. The head of CU when I got to USIA was Alice (I can't remember her last name), who was a former president of Wellesley College. A very fine lady. But she was unfamiliar with the U.S. government. She took over this particular function in USIA when it was just coming out of the Department of State, and tried to make it a part of USIA. Even within USIA the public affairs function seemed to dominate the cultural part. In cultural affairs you had the education program, Leader Grant program, the Fulbright program, which was at the time being refinanced by local countries taking over much of the financing. I was involved in that. We made a major effort to multiply the funds that we had through local counterpart contributions, etc.

Q: I think we all agree there are few things that have been more productive in the last 50 years than the Fulbright program.

LEE: That is right.

Q: Every country I have been in, it has been excellent.

LEE: I agree.

Q: Is there anything else you would like to say about your time in CU?

LEE: No, I don't think so.

[Break in interview]

Q: This is Tom Dunnigan and the date is January 29, 1997. I am resuming the Oral History interview of Owen Lee. Owen, in 1976, you left USIA and moved over to the U.S. Mission to the Organization of American States (USOAS). How did this assignment come about?

LEE: Actually it was 1976 when I returned to Washington from Spain and went to CU, the Cultural Affairs Bureau in the Department, for one year. Then I worked one year with USIA when CU was shifted to USIA in 1977.

Q: So, it was 1978 when you went to USOAS.

LEE: The summer of 1978. I moved there at the suggestion of a man I had known in personnel years before who told me about an opening in USOAS. I went to see Irv Tragen and former Senator Gale McGee, our Ambassador to the OAS, about the position.

Q: McGee was the head of our delegation?

LEE: Yes, both the Permanent Representative and the ambassador. They took me on and I ended up staying 16 years in USOAS.

Q: Did you leave the Foreign Service and become a civil servant, or how did that work?

LEE: I did not leave the Foreign Service then. I left the Foreign Service two years later in 1980. At that time it was a good move for me having more or less just returned and having some personal problems. I had a daughter who came down with Hodgkin's disease in 1977, here in Washington. So, I was anxious to stay here for her treatment and all. And then in the Foreign Service I didn't get a promotion to FSO-2. I was told I could not be reassigned overseas, so I thought I had a position here in Washington in which I could shift and stay on. When I looked at the comparative advantages of civil service versus Foreign Service, it was a wash. So, that was very helpful to me.

As I soon discovered, I was not leaving the Foreign Service even though I had transferred to the Civil Service. How could that be? Assignment to the U.S. Mission to the OAS (USOAS), amounted to a posting overseas in every respect except being overseas. USOAS was organized like an embassy, independent of the Bureau of Inter-American Affairs (ARA) and the Bureau of International Organization Affairs (IO), and responsible for over \$100 million in U.S. contributions to inter-American organizations. USOAS officers had diplomatic titles, mine was Alternate Representative to the OAS (i.e. I could stand in for the Ambassador), and were listed in the OAS Diplomatic List. No less than one-third of my time was spent outside the Department of State at meetings, negotiations, and functions held at the OAS, possibly more than most officers spend away from their embassies overseas. In effect, I had a Foreign Service assignment in Washington where I used Spanish and French, as well as English, in my daily work.

This leads me to one observation: assignment to the OAS is a first-class training ground in Foreign Service and, equally important, in multilateral diplomacy. I am not the first to make this observation. Testimony thereof lies in the practice of all, yes all, the Latin American and Caribbean countries to send their very best representatives training for a long diplomatic career to their OAS missions.

Q: What was your first position at USOAS?

LEE: Well, I had only one position during the entire time I was there. The position was classified officially International Organizations Officer. The title I had in terms of the Mission and its accreditation with the OAS was Alternative Representative, which is the diplomatic title. Now, the actual functions were budget and oversight of U.S. contributions to the inter-American system, not just the OAS but other inter-American organizations as well. In New York, at the UN Mission, the same position is classified Resources Management Officer. It is not an administrative function, an important distinction, because I had nothing to do with the administration of the Mission. I had all to do with the contributions, which amounted to a little over \$100 million, which were made annually to inter-American organizations.

Q: Speaking of that, when did we start withholding our contributions to the OAS, which has caused us so much trouble in recent years?

LEE: We started to withhold part of our contribution in 1981. The withholding had to do with a major issue (similar to what occurred just recently at the United Nations and the change of Secretary Generals and the appointment of Ambassador Albright as our new Secretary of State). It is the issue of what is the right level of contribution of the United States to these organizations, a permanent issue of the United States with international organizations. We had been paying two thirds or 66 percent in the OAS since 1949 and Congress felt, with the end of the post World War, developments in Latin America, and the fact that one country, Venezuela, was a rich country and started OPEC, it was time the Latin American countries contributed a little more.

It is a very difficult issue because, at the time the pressure was put on to reduce our share in 1978, we were on the verge of having to witness many of the Latin American countries go into a recession, a deep recession during the 1980s. So, as we were putting the heat on to have them increase their share, they were undergoing economic problems. It came at the wrong time, but that was something that had more to do with circumstances, rather than policy. But the policy, from the standpoint of the Congress, as it was discussed with the Administration, had nothing to do with party politics. Both Republican and Democrat Administrations had the same idea to reduce the U.S. share down from 66 percent. At the behest of Congress, Secretary Kissinger first urged a new formula of "burden-sharing" of the OAS in 1976 in Santiago, Chile.

Failure to make any headway on this issue led in 1981 to our unilaterally reducing our payments by one percent each year to signal to the OAS that we were serious. This had, of course, also the effect of giving us a good show of seriousness or earnest in talking with our Congress, that we were trying to push this issue. That withholding built up cumulatively until the end of a decade, at which point the OAS in 1989 faced a financial crisis. This, coupled with the admission of Canada to the OAS, led to a solution of the "Quota Issue" in 1990.

Q: Well, you worked at the OAS during some of the more important events of recent years in our relations with Latin America. About the time you went to the OAS we were involved in rearranging our relations with Panama and the Panama Canal Treaty. Did that have much effect in what you were doing in the OAS?

LEE: I was not involved in the political side of our Mission, but I was there during the effort to oust Noriega, not for the treaty negotiations. That took place before I joined the mission. But, the whole problem of elections, democracy, and the problem with Noriega overall, came to a head while I was there and in a way it was one of the major tests, if you will, of the OAS in terms of what the United States wanted. With respect to Noriega, the OAS was looked at as a failure because it did not take action to support what the United States sought, and that is to have him diplomatically isolated. We had sought that in the

summer of 1989 or 1990. That summer we had made a concerted effort in the area to try to isolate Panama, but we could not get the support. And, I might add, that one of our more serious opponents was very effective in demolishing our efforts, the representative of Nicaragua. They were even more effective than the Panamanian delegation in defending the Panamanian position.

Q: Was this the Sandinistas?

LEE: Yes. The OAS did let us down in the case of Panama. When it came to a dictator, Latin Americans didn't want to intervene. This position was changing. The first time the OAS ever took any political action of intervention, in other words breaking their attachment to the political principle of non-intervention, took place in 1979 when the OAS succeeded in voting a resolution to diplomatically isolate Somoza, the dictator of Nicaragua. It was this action that brought about his fall eventually. The interesting part of it, which was not followed up, was that the resolution also included language which prescribed that the Sandinistas, the people who were in Washington at the time (1979) urging us to oust Somoza, assumed the obligation to create a genuine democratic system. We had in that resolution the means whereby we could have, had we followed through, done the job properly in Nicaragua. We did not follow up through the OAS. Unfortunately, the Latin Americans were not inclined to follow up. Subsequently we unilaterally took action against the Sandinista regime, such as, to be quite honest, the stupid mining of the harbor. By actions like that we wiped out any possible hope of having other Latin American countries support us on Nicaragua. Had we based our policy on the agreed resolution, we would have had the leverage to possibly bring in the Latin Americans.

Q: Why didn't we follow up? Were there any indications or inclination in the Department to do this?

LEE: Well, the simple and best answer to your question is that people were not familiar enough in the Department to understand the advantages of multilateral diplomacy. It takes a lot more skill because you have to mobilize a lot of countries which takes time, perseverance, and all kinds of deals with different countries, etc. The gold-plated example is what President Bush and Secretary of State Baker did in New York to mobilize the whole world against Saddam Hussein in 1990-91. That provided us with the legitimacy for the American people and on a global basis to intervene in Iraq. It was a great diplomatic success which was much more important, in some ways, than the military success. It was more unusual. But, this was the possibility that we had to do the same thing in terms of the revolution in 1979 in Nicaragua.

Q: What role did the OAS play in the civil war in El Salvador that began in about 1979?

LEE: I can't say too much on that, I wasn't that familiar with it. The OAS didn't get too involved directly with El Salvador. The negotiations took place outside the OAS. I can't recall any involvement there, as such, at all.

Nicaragua was where the OAS succeeded later in dealing with the elections in 1989 and in the period after the elections in May, 1990. That was, I would say, one of the best moments for the OAS. The organization redeemed itself, at least in our eyes, from the failure in Panama several years earlier. The OAS fielded over 300 election observers and managed the whole operation, providing the actual infrastructure for UN participation and other participation. And, of course, we know the outcome which was to help guarantee free elections in which the Sandinistas were defeated. That was a tremendous effort and I might add that even as we talk the OAS is still involved in Nicaragua. They obtained from that initial success in the elections a recognition by all parties in Nicaragua that they had become the only neutral, non-partisan presence in the country who could solve problems. So, the OAS has what is called an International Verification and Support Commission (CIAV) which contains a number of OAS officials. They are there to see that human rights are observed and that agreements reached by the Sandinistas and the new government several years ago are carried out. And, this is still going on.

Q: Another major event that occurred during your period at the OAS was the Falkland crisis. Could you say a few words about that and the effect it had on the organization and the world?

LEE: The Falkland was brought by Argentina to the OAS immediately. It was very difficult for the United States because it involved a country that was very skilled diplomatically, Argentina. They sent a team here to Washington which was first class in terms of presenting their case. They had another advantage in the OAS and that is the Secretary General was Alejandro Orfila, an Argentine. He tried his best, but I cannot say he was entirely unbiased. He was a man, after all, who had political ambitions himself, some people say he wanted to return to Argentina and run for president, so he was in a difficult position. The Argentines skillfully portrayed the United States as a unfaithful ally, as they interpreted our obligations under the Rio Pact.

Of course, the difficulty for us was that the Argentine action against Great Britain was against a country that had nothing to do with the inter-American system and our ally in NATO. They were not in the inter-American system. And, furthermore, we had complications with countries like Guatemala and Venezuela who had historical problems with the UK over Guyana in one case and Belize in the other. All of these issues complicated the situation for the United States. So, it didn't take long for the Argentines to mobilize diplomatic support and they had very active support from Venezuela who helped lead the charge finally. They criticized the United States and, when it was learned that the United States had helped the British, and a few other things, it made it extremely difficult for us. And this was another low point, 1982, for us at the OAS.

The outcome was that the Argentines were humiliated by the British. I might add that afterwards was a terrible period for Argentina in international organizations. After their failure in the Falklands, their defeat and a change of government, which we welcomed, the Argentines in effect pulled themselves back and were less active. Argentina has very

capable people, people whom we could normally work with, but they were just no longer active. The country economically had not advanced with the rest of Latin America, especially Brazil.

The upshot of this, was a very sad thing I am going to mention. We eventually settled the problem we talked about earlier, the "quota problem" which took place in Asuncion, Paraguay in 1990 thanks to the fact that Canada joined the OAS. We did get a satisfactory resolution, but during the negotiations, in the middle of the night, I sat in a room with a number of ambassadors (the United States, Mexico, Brazil, Venezuela and Canada), but not the Argentine. The Argentine Ambassador would not come to the meeting but sent two of his assistants. Why didn't he come? He didn't come because he knew Argentina had instructions to seek a lower quota. Now, what does that say? Other countries were also bargaining to have a lower quota. They all wanted to have their quota reduced along with the U.S. to take advantage of the Canadian entry. But, in the case of the Argentines, they wanted more. They wanted more because economically they couldn't pay any more and the ambassador was ashamed. When we were in our final minutes of a deal the two Argentines who had been sent said, "We cannot accept this, you have to give us more." They were not too happy to watch the Mexican Ambassador, the U.S. Ambassador, the Canadian Ambassador and the Brazilian Ambassador and the Venezuelan Ambassador dicker for a few hundredths of a percent of a quota to share together in another reduction for Argentina. There was a quick agreement among the major powers and the two Argentines broke down in tears. I will never forget it in my life, they were so ashamed. To me it was the proof of what had happened to Argentina over so many years: the economy had not kept up with the economy of the rest of Latin America and North America.

Q: You mentioned Secretary General Orfila, the Argentine. What happened to him?

LEE: He was elected to a second term in 1979 and his second term would have expired, I believe, in June, 1984. Orfila was given an offer by a businessman (Gray) here in Washington, with a \$200,000 a year salary, and he thought he would leave at the beginning of the New Year, 1984, thinking there would be no problem leaving six months early. Well, he mentioned this to other countries and it was something that made them quite upset because it meant that we would have a deputy in charge for six months until an election could be held at the next General Assembly in June, 1984. He ended up leaving early without completing his term and then accepting outside work as a consultant with Glay Consultants.

At the same time there had been other accusations of things that he did that were not altogether on the up and up. I can't remember exactly what he had done, but I know in the end he left humiliated and under a cloud. It was a difficult time for the OAS. Orfila was a colorful man in some ways. He was certainly talented as a speaker, but there was an element of lack of seriousness, if you will, and lack of commitment to the OAS. He had done something that people could never forgive him for and I have to mention that. It was something that went back actually four years to the General Assembly in 1979, when he was reelected, and took place in La Paz, Bolivia.

He was reelected in the evening of the last day of the General Assembly and everyone was more or less happy with the whole thing and everyone joined in to close the assembly. It was late in the evening, and I guess some people had parties and others went off to bed. A little after midnight there was a revolt in Bolivia and we were awoken early in the morning and realized that we were prisoners in the hotel. The government was still in power but a colonel had started a revolt and an hour or so later there were planes coming up the valley shooting wildly and a few things like that. When we tried to find out what was happening, the government told us we had better stay in the hotel because it could not guarantee our safety or that we could not get to the airport and get a plane. We asked some other questions. "What is the secretary general going to do?" "Oh, the secretary general left on an early plane this morning with his press agent for Argentina, a private plane." People never forgave him for leaving the way he did after all of this had started. However, it made the reputation of a man who was assistant secretary general from Guatemala, at the time, who handled the situation very well. We all managed to get out safely and negotiated safe passage to the airport later in the day and evacuation by air to Lima. But, people never forgave Orfila that incident.

Q: Can you say anything about the small crisis over Grenada in 1983?

LEE: The OAS was immediately called to hear Grenada's presentation of its case. In the end I know that we had a lot of problems explaining what we did there but I believe, and I could be mistaken, in the end we got some sort of resolution that didn't do us any damage. But, something took place that was very damaging to us and the OAS. I will have to describe it so that one can judge.

When this crisis took place, the Ambassador of Grenada was not in Washington. The ambassador at the time happened to be a very, very attractive young woman who had been skillful in getting some money from the OAS for what had been a "high wind" that had knocked down some houses in Grenada and cost the OAS some money. No one dared to vote against it and she succeeded. She was not present when the invasion took place. Where was she? She was in Cuba. What happened behind the scenes we, the U.S. delegation, did not know about until it was too late. When we met in the Permanent Council our Ambassador had to sit there with the other Ambassadors and be told by the acting secretary general, who at this time was Mr. McComie of Barbados, that the Ambassador of Grenada was not there to make a statement, but that he had been in communication with her and she had taped a statement which the secretariat would play.

This procedure was something new, radically new. Never before had a government's statement by a representative been made on tape and played at a meeting. It was not appreciated by anybody, although the other delegations did not object as much as the United States. But, the statement was read. It was one of those examples in multilateral diplomacy where our people have to be very skilled in working with secretariats to foresee, prevent and be involved with anything that takes place in preparations for meetings. Unlike bilateral diplomacy, multilateral diplomacy has a lot of different

features with which we are not familiar in the Foreign Service but with which we have to become familiar if we are to prepare the terrain for any effective public discussion. It has to be done behind the scenes, oftentimes involving people of different nationalities and secretariats whose officials you have to be able to work with. This incident, in effect, should have been prevented, but it was clearly done in secret and it wasn't meant for us to find out in advance of the council's meeting. All the more reason why we should always be on the alert in these situations to things that happen such as that. And that is why I mentioned this case. It was not a good procedure by the secretariat and I think it probably had a lot to do with some of subsequent American antipathy to the assistant secretary general.

Q: Who we did not support when he wanted to become secretary general?

LEE: Exactly.

Q: The problem with Haiti has been with us for generations and in recent years it has come to a climax. What was the OAS involvement there?

LEE: OAS involvement began very early, I think within weeks, after Baby Doc Duvalier was removed in 1986. The OAS moved very quickly to support a democratic evolution in Haiti. Some people talked about "reestablishing" democracy, but that is not the case. Haiti never had democracy. So it was a matter of establishing some kind of democratic system. And in the OAS at the time, and this was unprecedented, we managed to get the countries to agree to a reduction in the amount of money that was available to them for development purposes under the various OAS aid programs. A total of one million dollars was collected by these reductions for a fund for the development of democracy in Haiti. We came up with \$100,000 and \$900,000 was made up by the voluntary reductions of other countries.

Unfortunately, with what took place in subsequent years, with various changes of government in Haiti, it didn't evolve into what we were all seeking. There were various colonels, etc. who took over and the situation deteriorated until the late 80s and early 90s, with the refugees coming from Haiti to the United States. Haiti became both a domestic and international problem. We tried, through the OAS, with various delegations sent down there to negotiate with the military leader to have a transfer of government to democratic forces, but it failed. The United States government eventually turned to the UN, in addition to the OAS, to try to do something. That failed and therefore we ended up, as you know, negotiating militarily with the general in charge for his removal.

Now, what came afterwards was very important because, on the basis of its recent experience in Nicaragua (since 1989), the OAS set up in Haiti a unit to work with the elected officials and judicial officials to try to promote human rights. They did not have much success in the beginning because of an uncooperative government. Once the latter was changed, the OAS went in on a very large scale, together with the UN. This time the UN was much larger in the operation than the OAS, but the OAS played a very important

role and I believe to this day continues to in terms of trying to promote human rights, hopefully an electoral system that works, registering voters and other efforts to promote democratic conditions. It was a very difficult time for our OAS mission because it involved, as well, not only trying to get the OAS involved, but also trying to get the OAS to work effectively with the UN in New York. So, there were meetings with UN officials and unfortunately, although understandably, even between the UN and OAS officials there were issues of jurisdiction and operation. Each organization wanted to retain its way of doing things.

I must underscore one important point here that we repeatedly made within the Department and it had some helpful impact. The cost of the OAS in Haiti was between one half and two thirds the cost of the UN for the same number of people doing the same type of work. The UN overhead and administration were enormous. This was brought home to us because both operations were funded by reprogrammed money from AID. Of course the OAS was in a much better position to argue for its funding because, as had been seen already in Nicaragua on a cost benefit ratio, the OAS operation was very cost-effective. Moreover, the OAS, in contrast to the UN, was willing to present periodic financial reports.

Q: More effective than the UN?

LEE: Yes, more cost-effective than the UN. UN salaries were much higher and there were higher administrative costs. The UN had relatively large public relations costs whereas the OAS, unfortunately in another sense, had none. A different kind of approach.

Q: During this period there was a dispute between Argentina and Chile over their southern boundary. Did that ever arrive in the OAS, or was it kept out?

LEE: That was kept out, although it came up from time to time. In the end, as you know, that was basically resolved with the intervention of the Pope, I believe. So, it was not brought up as an issue in the OAS.

Another dispute that was brought up, however, was the border dispute between Ecuador and Peru. That flared up several times. There are four countries that are involved in carrying out the treaty of the early 1940s between Peru and Ecuador--Brazil, United States, Argentina and Chile--the four guarantors of this treaty. They tried to keep it out of the OAS as well, but, as always with these disputes, one country wants to bring it to the OAS thinking it will get support, whereas its adversary wants to keep it out. In this case it was Ecuador that constantly tried to bring this into the OAS with Peru seeking to keep it out. In general it was kept out and incidentally is another issue that is still unresolved.

A third border issue I should mention is the controversy over Bolivian access to the sea.

Q: A very old issue, I believe.

LEE: That's right. And where the U.S. made a terrible political mistake which has haunted our relations with Bolivia, if not Chile. President Carter came to the OAS in 1980 to open the General Assembly, which at that time took place in November. He came just after the election, which he had lost. He had been briefed by an advisor at the White House, not the State Department, that one of the nice things he could put into his speech was to mention Bolivian access to the sea. I remember distinctly being in the room when President Carter, in a very good speech, suddenly said that the issue of Bolivian access to the sea should be examined. I, and about half the room nearly fell off our chairs. We have heard about this issue ever since because the U.S. president once mentioned the issue of Bolivian access to the sea and every year the Bolivians have constantly brought this up as a special agenda item for the annual General Assembly. It will not go away.

Q: And the Chileans and Peruvians don't bring it up.

LEE: That's right. Nor, have we mentioned the issue ourselves at any major function. It was a mistake and an example of speeches of our leaders who are asked to say things that no one in the Department has cleared on. This clearly had not been mentioned to the State Department in advance of the President's speech.

Q: How were the relations between the Spanish-speaking members and the English-speaking members? I was surprised when I was at the USOAS to find out how many of the countries are English-speaking members. We generally think of the OAS as a Spanish or Portuguese-speaking assembly.

LEE: We now have, I believe, about 154 members who are English-speaking, predominantly small Caribbean island countries, the largest being Jamaica. The original Organization of American States or Panamanian Union had 21 members. It now has 35, including Cuba. But, most of the new members are members from the Caribbean, and English-speaking. Now, what this did to the organization, in a political sense, was to create a third grouping. Heretofore we had the Latins versus the United States. Now, a third grouping is in the picture and they have interests that are not United States interests nor are they comparable to Latin American interests. Furthermore, they have an English common law tradition which brings them closer to us. There is also a racial issue which cannot be overlooked because the Latin countries are predominantly Hispanic and, except for Brazil, with few blacks in their populations.

Q: Whereas the Caribbean countries are largely black.

LEE: Yes. They also are Anglo-Saxon in outlook, very well educated, very effective as representatives, and skillful in parliamentary ways. They are much more effective in many cases than larger Latin American countries, mainly because they have good backgrounds and, in many cases, they are less dependent on their capitals and have a larger say. We find they are very good people to work with, although many times they don't agree with us. They in effect form a third group. It has complicated in some ways

U.S. diplomatic activity in the OAS, although I think on balance it has been a very positive development.

Now, the other major development in the OAS was the entry of Canada in 1990. Canada at that time was under the leadership of Prime Minister Mulroney who felt that Canada was more and more a part of the Western Hemisphere, which was true, and thought that they should be members of this organization. Canada had already joined other inter-American organizations such as the PanAmerican Institute of Geography and History (PAIGH) and the Inter-American Institute for Cooperation in Agriculture (IICA). I think the Canadians came in with some illusions that they might have more in common with Latin America and the Caribbean than with the United States, but they soon found out that they were in many cases lumped with the United States as a net donor member in terms of funds.

Q: By the Latins.

LEE: By the Latins and the Caribbeans, for one good reason. That is, Canada was rich and the others expected Canada to join the United States in being a net contributor of special funds for development. This immediately cast the Canadians in a role which they had not anticipated. I remember discussing their entry with the Canadians early on and alerting them, but they were quite shocked when they faced the reality of what the others expected from them in extra money.

Q: Did the effectiveness of the U.S. in the OAS depend on the quality of our permanent representatives?

LEE: Our representation did depend on the quality of our leadership. I think we have had leaders who took an interest in the organization and I would say that in the end the best representatives we had were those who took a genuine interest in the function. I have no hesitation in saying that the best ambassador I served with was Luigi Einaudi (1989-92). Ambassador Einaudi spent full time working on OAS matters and managed not only to work skillfully with the OAS but, almost more importantly, to mobilize the Department, particularly the Bureau of Inter-American Affairs (ARA). This was a handicap for most of his predecessors who never were able to get ARA to work closely with the mission on issues at the OAS or, and this is equally important, to envision a role for the OAS overall in inter-American policy. This is what changed under Ambassador Einaudi. He was able to educate the Bureau on the usefulness of the multilateral approach and integrate the OAS into general policy concerns of ARA.

Now, what was the outcome of this? The outcome of this type of collaboration between the Bureau and the mission was the most important resolution, I think, ever adopted in the OAS. This was what we call the Santiago Resolution, Resolution 1081, adopted in 1991 in Santiago, Chile. This is the resolution that gives real genuine muscle to protecting democracy in this hemisphere. What it says is important: Any time that a democratically, duly-elected government has been overturned by violence, or undemocratic means, the

OAS will meet immediately and discuss the issue to take steps to restore democracy in the affected country. What you have there are several concerns in one resolution. One, a concern to preserve democracy in the hemisphere. Two, a complete departure from the idea of respecting non-intervention in the affairs of other people. In effect the resolution says we will intervene. And three, effective measures. The resolution talks about breaking of diplomatic relations, etc. That was a resolution that originated in the Department of State, and I believe in the Bureau of Inter-American Affairs. The mission joined in getting this adopted and it was a tremendous effort, helped notably by the fact that the General Assembly was held in Chile, in 1991, shortly after the restoration of democracy there, and only a few years after the restoration of democracy in Argentina. So, we had countries with whom we could work. The most reticent at the time was Mexico, but even Mexico was brought along. This was a genuine turning point in inter-American affairs. The effectiveness of this has been shown since then because, when the Haiti situation erupted a year later, the OAS got involved immediately, as it did shortly thereafter when President Fujimori dismissed the Peruvian Congress.

Q: The Santiago Resolution.

LEE: Yes, the Santiago Resolution was the basis and we had meetings here to call for the OAS to take action. That one, of course, led eventually to the United States having to take military action, because the OAS didn't have the muscle needed, but at that point, following executive negotiations, we were always working, the United States, in concert with a multilateral organization, thanks to this resolution.

In the case involving Peru, President Fujimori despatched the congress in 1992 and sent the representatives home, ostensibly to rule much like a dictator. The OAS was meeting in the annual General Assembly in the Bahamas and adopted a General Assembly Resolution calling for restoration of democracy in Peru. This pressure forced Fujimori to make an unplanned appearance at the General Assembly, promising to turn things around, which he did, eventually holding parliamentary elections in Peru.

A third case, involving Guatemala, was the most successful of the three. President Serrano of Guatemala tried to do the same in 1992, bringing in the military and ousting the freely elected Congress. The OAS adopted a resolution immediately, here in Washington, and that situation was turned around. Only last year, 1996, the same thing happened in Paraguay where the OAS Secretary General, backed by the United States and Brazil, the other OAS countries, and the prompt joint action pursuant to the Santiago Resolution, gave the necessary backing to the president of Paraguay that he needed to face down a threat from his military leaders.

Q: That was written up as a great triumph for the OAS system.

LEE: It was indeed. It all goes back to the Santiago Resolution, which put in place a mechanism providing for prompt joint action to protect freely elected governments and

creating a genuine hope that the free democracies in the Western Hemisphere can be preserved. The UN doesn't have anything like it.

Q: You mentioned the fact that among those who were probably the least enthusiastic about it were the Mexicans. Of course, our relations with Mexico are probably as important as any in the hemisphere. How does that play in the OAS, or does it arise there?

LEE: Well, our dealings with the Mexicans have always been a little bit ambivalent. There were times when we could work very closely with them, and I might say in my particular area on money matters, they were very dependable. The Mexicans were more dependable I would say than any other country except, perhaps, the Brazilians, in terms of seriousness in dealing with money matters and giving support. Mexico, like us, was what we call a major contributor and therefore had a concern to hold expenses down and they were serious about it. When it came to political matters, that was different. The Mexicans were traditionally difficult. They didn't commit themselves easily and they always stood back, a little bit like the Brazilians, to see how things were moving before committing themselves. As I mentioned earlier in the Santiago Resolution, Mexico finally joined in.

But, there was a turn around which took place about 1992 when we suddenly began to see that the Mexicans wanted to cooperate with us very closely. I don't remember if this was the change of a president or not, but, they had orders to work more closely with us, and we did work more closely with Mexico. I can't say how it is now, but clearly I think in recent years our relations with Mexico are much better overall in many areas. We sensed it immediately in the OAS. We had one Mexican ambassador, I remember, who was very disagreeable and always trying to pick a fight with the United States at various meetings. He was followed by one of the most effective ambassadors I have seen at the OAS, a man who became a minister later. He was very friendly, very cooperative. I think since then we have had a Mexican leadership that has always been cooperative.

Q: I gather from your comments that you believe the OAS can be effective and can be effective in regard to U.S. interests. Would that be a fair statement?

LEE: Yes, indeed. My point here, however, is that we think of diplomacy as being limited to embassies but I think in the present day world it is no longer possible or wise, I would say, for a single country to try to pursue its policies independently. It is unwise because even the United States, as wealthy as we are, as powerful as we are, will get into more trouble and have more trouble accomplishing our goals if we try to do things independently. I think the proof of the pudding, as I mentioned earlier, was the Gulf War in 1991.

I think what I have just discussed in terms of Latin America is the same. We have managed to create the only area in the whole world that is characterized by freely elected governments, with the exception of Cuba. We have the OAS resolution which can help bring multilateral pressure on governments to maintain the democratic system. We have

various economic activities that we are doing. The North American Free Trade Association that has three countries and will eventually be expanded to others. The Latin Americans, themselves, are working on regional groupings, which eventually will be closer to the United States. There is a commitment by the President to have a free market by the year 2005. And, our economic relations are such that I think we will only be strengthened in this hemisphere.

As a matter of fact I might mention here that the greatest trading interest of the United States is in the Western Hemisphere. When you include Canada and Latin America, this is our major trading block. Much more than Japan, or Europe. The trend is to have further increases. I think between these economic ties, the ties we have set up politically--and other small ways as well as larger ways, are knitting together the Western Hemisphere.

We have the tools in our hands and, from a diplomatic standpoint, we have to, I think, bear in mind that this is a multilateral way of helping our overall diplomacy, traditionally conducted along bilateral ways, to achieve our goals. And our goals themselves are no longer based on one country, but are also regional and global. So, I think we have an interest in working through these organizations.

Q: Well, Owen, we are coming to the conclusion of our interview and I wanted to ask whether you had any final comments looking back on your career? Things you might want to add.

LEE: I would like to say something about what was really my job at the OAS, which had to do with money. This is a little bit of a criticism of the Foreign Service. I am going to have to give a "bad example" or what I consider a "good example", but a bad example in terms of the Foreign Service. At my second post, Romania, I had to assume, for all practical purposes, the job of DCM because we had no minister for 14 months, we had a chargé at a very difficult time. Since I was in charge of administration, etc., I ended up in 1961 sending back to the Department \$100,000 of savings. Now, it happened that this was the first year that President Kennedy had sent notices to all the embassies to save money. So, I felt I had complied. How mistaken I was, because I learned you never send back money. When the new minister, who later became ambassador, was appointed, and reached Bucharest and found out what I had done, I was a goner from then on, because he could not accept the fact that I hadn't spent the money on refrigerators, etc., not realizing how could I defend spending the money when there was no ambassador or minister.

I mention this because I don't think in the Foreign Service there is enough sensibility to finance or economic issues. I think this was also reinforced by my experience at the OAS. There was a tremendous battle even within the mission (USOAS) and in the State Department at times, over this whole issue of what the United States was paying to the OAS. Now, for a politician on the Hill there is no way of explaining to him that the United States should pay two-thirds of the costs of any organization, although this was less than what we would be paying under the UN system. If we had the UN system based on capacity to pay, we would have been paying 85 percent. So, we had already gotten a

political deal, but there was no way of convincing a congressman. I think it was very difficult for some of my colleagues to understand that we had gotten a very good deal in 1949. The United States was so powerful in the hemisphere, our wealth was so great, that to only pay two thirds rather than 85 percent was a tremendous benefit. But, our colleagues sometimes had difficulty understanding that we still had to get it down further. Congress was looking for ways to save money and still is today. I think it was a difficult battle always to have people understand because there was a generation in the Foreign Service that was brought up in the earlier times when we had money and could buy this and that and didn't have to worry. It always worries me that people will make commitments for money and not realize the long-term obligations you assume sometimes. And, of course, the Latins in the OAS held us to our obligations and didn't want to see any change.

I might mention an interesting tidbit here in the same vein because it still holds today. Today, the United States is paying part of the quota for Cuba in the OAS. Now, people ask, "What do you mean we are paying part of the quota for Cuba?" When the United States sought and obtained from the OAS by one vote the suspension of Cuba's membership in 1962, we got what we wanted. But, something happened that I don't know how to explain. I don't know the facts at that time. All I know is that subsequent to that time the general secretariat of the OAS succeeded in keeping Cuba within the overall quota as a suspended member so that all the members have to chip in and pay the quota of Cuba (1.27%). Now, at the time our people probably thought we were going to get what we want so didn't worry about the money. The only thing is that the people who did this were not the other countries, nor the United States; it was the general secretariat that didn't want to lose the benefit of the extra money that would come in from Cuba, to pay salaries, etc. That is the real explanation because I don't think at the time anyone working on the politics of the resolution to suspend Cuba was interested in the money angle. It was the general secretariat that manipulated things so that in the future they would always get the money of the Cuban quota. So in effect when we talk about the United States paying 66 percent of the budget since 1949, that was not true. We were paying 66.7 percent of the budget. All of these things are interesting, but in the end it ends up by costing us some money, about half a million dollars a year.

My point is that there are so many instances where, in dealing with the OAS, our people were not concerned enough about the cost, particularly for example in dealing with salaries. There was a problem always of continuing pressure from the OAS to increase salaries. I felt, and was successful most of the time, that they should be kept growing approximately at the level of U.S. government salaries. But, it was a constant battle because the sums involved when you see them presented to you as a proposal didn't look like much. You have to look behind and see what the long-term consequences are, because what you may approve this year becomes accumulated in subsequent years and therefore amounts to large sums of money. This is the one point that I wanted to mention from my experience working with the Department here in Washington. I found that people were much more concerned, because they have to live with the Congress much

more closely, and are much more concerned and aware of the responsibility not to be financially irresponsible. We can't just use money to get certain things done.

While I was with USOAS, we had a long-running battle with the OAS about its salary system. Essentially, the organization, supported by many delegations, mostly the ones with the smallest quotas, wanted a system based on the UN system in New York, one which would impose automatic adjustments on OAS salaries anytime the UN decided on them. The U.S., generally with support from Brazil, Venezuela, Mexico and several others, favored the traditional OAS system of its own based on market conditions in Washington, D.C. with any adjustments decided by the responsible political bodies of the OAS (General Assembly, Permanent Council). Beginning in 1976, OAS personnel pressed for adoption of "parity with the UN" and took their case to the OAS Administrative Tribunal, which the U.S. helped set up in 1971 without any appeal procedure. The interests of the member countries in the case were defended by the staff of the OAS Subsecretariat for Legal Affairs, all members of the organization's Staff Association. As I was told later by the Assistant Secretary for Management, the case "was thrown" by the organization. The tribunal decided that the organization had an obligation to pay salaries pursuant to the UN system and, consequently, the member governments had to comply with additional contributions.

This case, a class-action suit, and the tribunal's decision, together with other individual cases decided by the body, were presented within the annual report of the tribunal to the General Assembly in La Paz, Bolivia, in 1979. Like other annual reports presented for approval, it was normally treated as a routine matter without debate, frequently without having been read by most delegates. This was the hope of the organization's leaders. As soon as I read the decision of the tribunal, I realized that routine approval of the report containing the decision would amount to formal General Assembly approval of the shift to the system of UN parity in salaries. After consulting with several delegations, notably the Ambassadors of Mexico and Ecuador, I decided to raise the issue in the General Committee where the secretariat had skillfully scheduled it rather than in the Program and Budget Committee. It was very late in the day; I made arrangements for my intervention with the Ambassador of Ecuador at midnight; the item didn't come up until 3:00 a.m., another conveniently arranged night discussion by the secretariat. Somehow the word got out that the U.S. delegation would raise the issue so that, by the time we met, there were many ambassadors. Fortunately, I had a few hours to prepare what I had to say, reviewing the history of the parity issue, previous assembly decisions, and even some relevant law, e.g. the doctrine of ultra vires or the act of exceeding one's authority. As an American with some background in the issue of the Supreme Court's authority, I was well prepared to argue the issue of how far the tribunal's authority extended in "legislating" salary policy vis-a-vis the OAS General Assembly's authority to adopt policy through resolutions.

I must have spoken some twenty minutes to a hushed assembly. My remarks upset completely the secretariat's plans to have a routine vote of approval of the tribunal's report. As promised, the Mexican Ambassador, Rafael de la Colina (then in his eighties but astute and considered the unchallenged doyen of Ambassadors), calmly intervened

with his expert legal training and background in support of my remarks. He was followed by the Ecuadorian Ambassador. But then the counterattack got underway. It began with the nemesis of any possible accommodation between the organization and other delegations, the Ambassador of Venezuela, a former champion of labor rights in his own country. He spoke at length taking sides with the "abused staff" which was "underpaid" and was seeking "justice". While his remarks could be disregarded as polemic and, on balance, unconvincing, it was not so with the Deputy Foreign Minister of Uruguay, a highly skilled jurist. He picked my arguments to pieces, making me feel as if I were being carved up as a roast. Skillful as he was, he could not reverse the impression generated by my remarks that the secretariat had tried to "pull a fast one" on the delegations. In the end, we approved the tribunal's report without the specific case which was to be settled later in the Permanent Council for submission to the following General Assembly.

The following year was a disaster. President Carter, who had just been defeated in his reelection bid, opened the General Assembly in Washington. His arrival at the OAS building was inauspicious: he was greeted by OAS staffers with placards demanding justice in their salaries, denouncing the U.S. for opposing parity with the UN, etc. At one point, the staff threatened to walk off the job of providing services for the assembly. All these theatrics were accompanied, however, by relentless lobbying by the Venezuelan Ambassador and the leader of the Staff Association to recognize the monetary payments implicit in the tribunal's decision, if not the policy of parity with the UN itself. They were successful, notwithstanding our own lobbying with other delegations. The bill came to \$9,000,000 under the tribunal's decision.

The secretariat had the illusion that the organization would approve a special increment to the already approved budget for the following year. While most delegations were unwilling to oppose the staff and prepared to approve payment of the tribunal's decision, they clearly were unwilling to come up with additional funds. The last day of the meeting, the secretariat came prepared to ask for the supplemental appropriation and presented a number of documents. I barely had time to review them as the Secretary General and the Assistant Secretary for Management made their presentation. I noted that, within the myriad financial figures, there was some indication that the secretariat had "unobligated funds", i.e. reserves, totaling about \$10,000,000. I intervened to ask about them. The Assistant Secretary for Management could not hide the fact that these funds were on hand, nor could he hide his embarrassment in having to reveal their existence. I quickly checked with a number of delegations, suggesting that we propose that these funds be used to pay for the cost of the tribunal's decision. All quickly agreed. I made a formal proposal which was adopted by consensus (with the notable exception of the Venezuelan Ambassador). The secretariat was furious. The Assistant Secretary for Management came to me and said that the organization could not manage its cash-flow in the coming year without these reserves. I told him that I would see that the U.S., as the largest contributor, would pay its contribution on a strict quarterly basis which he could use to maintain the organization's cash-flow.

This payment, which wiped out the reserves of the organization, set the stage or the trimming of personnel of the OAS beginning with decisions reached at the General Assembly in 1981 in St. Lucia. By the end of the decade personnel had been cut by nearly 60%.

The point of all this is to say in effect that you oftentimes can do more with less. I think the proof of the pudding is the OAS itself. If I can recall accurately, I will give you the figures. With an assessed budget of some \$40 million the OAS had a staff of about 1700 people in 1976. In 1992 with a budget of about \$41 million, and a staff of around 700 the OAS, in effect, was doing, I would say, at least three or four times as much, certainly in a political sense. It was making points and gaining credit to the OAS in its operations in Nicaragua, in Haiti and its election observation in Guatemala, Peru, Paraguay, etc. All of these things were additional to the activities they had been doing ten or fifteen years earlier but now with half the number of people. So, I think this shows that even when you are dealing with a political organization and with political objectives, that sometimes you can make headway when economizing and still achieve efficiency and undertake new tasks.

Q: Would you say that the OAS today is a more efficient organization than when you joined it in the late 1970s?

LEE: Definitely. It is. I think the same can be done in the United Nations. Now, I hope that the United States in dealing with the United Nations goes about this in a rational way. I think we are starting out with a new secretary general in the right way. I hope, however, the Congress doesn't go overboard with Senator Helms' office dictating the conditions. I don't think that is right. I think it has to be done with the people who are dealing with the issues in the State Department and the U.S. mission in New York to try to work out what can be done in tightening up the administration and doing some jobs with fewer people using other techniques. There certainly can be progress made. Part of the problem is a political problem that Congress will not be able to deal with and I will give you an example. It is impossible for the Congress to understand that the United Nations has 185 countries and the executive, the State Department, has to deal with each one of these. If we want their votes, we are going to have to work with them. You don't get votes by just smiling at people. You have to work with them and they have to have some interest in the organization and we have to be sure that their interests are protected if we want their vote. Now, the Congress is going to be less concerned by that. The Congress has to seek votes in Washington, not New York.

Q: That is right. And there will be times when we want those votes.

Well, thank you very much Owen, I think you have had an interesting and at times an exciting career. You served in a number of key posts. I thank you very much for the time you spent in this interview.

[Break in interview]

Owen, I understand there is an addendum you want clipped onto this. Please go ahead.

LEE: There is one major issue that I worked on and resolved during my experience in the OAS. It has some interesting managerial aspects to it. This has to do with what is called a Tax Reimbursement Agreement (TRA). What had happened is another illustration of how some things fall between the cracks or are neglected in the Department of State at times in dealing with multilateral organizations, involving significant sums of money.

In 1981 the State Department sent around to all international organizations an instruction saying that beginning in 1982 we would no longer pay tax reimbursement for U.S. citizens and permanent residents in the United States for their salaries in international organizations. Tax reimbursement is a device whereby the U.S. government pays the income taxes, state taxes and partial social security taxes, of U.S. citizens, and in this case, permanent residents in the United States, working in international organizations. In other words, all people subject to U.S. taxes will have their taxes reimbursed if they work for an international organization. We do so in order to equalize the salaries of these employees, because if they paid the taxes without reimbursement they would have smaller salaries than other employees. The reason being that most countries, the overwhelming majority of countries in the world, exempt their citizens from paying taxes on salaries earned in international organizations. It is a complex issue and one which I believe we should be doing for our employees in international organizations.

But, there were serious abuses. I knew of these abuses when I first came to the OAS mission. I looked into them and was very concerned because I found that we were automatically paying the tax reimbursement to the OAS on the basis of a simple billing. Since I was responsible for turning over the money, I was doubly concerned because I had no records, no information whatsoever. I changed that unilaterally on my own. I just told the OAS treasurer, an American, that I wasn't going to send the money over any longer until I got the records of payment. Since it concerned U.S. taxpayers, I said that I didn't care to know the names, but give me the number of each employee and a separate list with the name and the number. He sent them over and I set that system up so at least we had a record in case I was ever asked where the money went.

The aforementioned State Department order which went out failed to mention the inter-American organizations. It was one of those slips that often happens in the State Department. The inter-American organizations did not even get the message. I only learned of the State Department message because the treasurer of the OAS called me to ask about it. So, I asked him what it was all about and he said that there had been a State Department instruction to the UN. After his call I went to the Bureau of International Organizations Affairs (IO) and found out what it was all about, realizing immediately that this is what I had been hoping for all along because we had no agreement with the OAS on tax reimbursement when I arrived in 1978. We were paying the money on the basis of some understanding, but there was no agreement. The only thing I could find was a proposed agreement sent by the OAS to the State Department years earlier but the State

Department had never acted on it. So, we started paying and had neither records nor an agreement. So, I wanted to close the gap.

I immediately checked with the people in IO and they agreed we should have an agreement and, now that they had been alerted by me of this lapse, they wanted to close the gap too. So, I had their support. I went to our ambassador, Ambassador Middendorf, and he did something that I will always acknowledge as a very helpful thing. He said, "Owen, you are in charge. You take care of all of this." That was a very useful and all important decision.

I went ahead with negotiations which were difficult and lasted a year and a half but in January, 1984, we did sign a Tax Reimbursement Agreement, the first agreement concluded on the basis of the earlier instruction by the Bureau of International Organizations Affairs.

Q: Of which they hadn't told you.

LEE: Yes. Ours was the first agreement and set the model for other agreements.

The problem was, and this is why I mention this, that our people (Foreign Service, Civil Service, etc.) who served in our mission years earlier did not pay attention to what was going on with the money that we contributed to the OAS. We just paid the money. No one cared whether we had the agreement. No one cared what the terms of our payment were and what the OAS did was unilaterally on their own. Instead of requesting reimbursement taxes for the salaries earned at the OAS, they requested reimbursement taxes on a family basis which meant that, if an employee had a wife working for IBM or the World Bank in Washington, the U.S. government paid the taxes on both their salaries. Furthermore we also paid the property taxes that these people had. I was scandalized by this and scandalized by the fact that some of the sums that we paid were higher than the salaries the people were earning. This was a terrible situation.

The principle that we worked on, and even this principle was hard to get across in the negotiations and in the end I had to threaten to cut off all payments to get a final agreement, was that reimbursement would be based only on the salary of the employee and no other reimbursements would be made. Now, there are other details about this such as what would be considered the basic salary, etc., but in the end we got an agreement that satisfied us that we had some control in the future of what monies would be expended. I mention this particular case because it involved at the time between \$5-6 million a year.

I say this is another illustration of what I call, I hate to use the term, the negligence of my predecessors and other people who worked in the mission who didn't care. But, you have to be careful dealing with international organizations and we, the U.S. representatives, have to get into the detail of how they do things because it is our money. We can not leave it to them entirely.

The second conclusion I drew was that I only reached this agreement thanks to the support of the ambassador and putting me in full charge of this particular problem. A few years later, just before I left and retired, there was an opportunity to negotiate with the OAS for what we call a Headquarters Agreement. The OAS in Washington actually had been here for over a hundred years but there was no Headquarters Agreement such as the U.S. government negotiated for the UN in New York in 1947. In other words, providing for control of property, the status of the people who work in the OAS, the secretary general's position, etc. None of this had ever been regulated.

There had been going back and forth between the OAS and the State Department for many years a number of proposals but we reached a point in the early 90s where it became possible under Ambassador Einaudi to do this. He took an interest in this and there was an officer in our mission who had a law degree. I went to him and said, "Look, I think you can make it but make sure you get from the ambassador a commitment that you are in charge. If you are in charge, you can do it." Ambassador Einaudi did put him in charge and he did it. We did get the agreement.

My point here is that from a leadership, a managerial standpoint, if you have a major task for someone you have to put them in full charge so that they can do it. This young man did a splendid job and at one crucial point it was necessary for the ambassador to intervene with Under Secretary Eagleburger, and he did settle one problem that we had. But, it was all in the hands of one person to know when to bring in the ambassador and the Under Secretary.

Q: That is good advice. Thank you, Owen.

LEE: One of the most rewarding tasks I performed while with USOAS was a collateral one with tremendous responsibilities at the OAS. I served for sixteen years as the Vice Chairman elected by the Permanent Council on the OAS Retirement and Pension Committee. The Chairman was an elected Ambassador but there were periods in which there was no chairman and I acted in his place. That is where I think I was serving the interests of the U.S. Government, i.e. ensuring that the OAS pension scheme not become insolvent which, if it happened, would inevitably involve the U.S. in a bail-out. It was a trustee position. When I joined the committee, it was overseeing some \$40 million in funds, investing them at the whim of members of the committee, and reluctant to have an actuarial study done to ascertain whether or not the fund could pay for its long-term obligations. When I left this position upon my retirement in 1994, the fund administered by the committee totalled some \$250 million, it had paid out over \$75 million to separating or retiring employees who took lump-sum payments, it had a decade-old investment policy with contracted managers who were periodically evaluated by an independent consulting firm, and an actuarial studies were carried out biennially, the most recent showing an actuarial surplus (this in contrast to the UN pension fund which is in deficit).

I had been part of the team to put together a highly sophisticated investment policy in 1979-80 thanks to the collaboration of a professor from the Carnegie Institute who taught us something about the latest investment theory. As acting chairman, I overcame staff objections, notably from one American, to have an actuarial study carried out in 1982, and a decade later as acting chairman to discipline the Wells Fargo Bank. This was quite an incident.

When we decided in the early nineties to modify the investment policy slightly to include up to ten percent in foreign equity investments, we thought it would be more prudent, in tracking the EAFE (Europe, America, and Far East) Index, to reduce the percentage of Japanese stocks from around 60% in the index to no more than 40%. We could not have been more prescient! Four months later the bottom fell from the Japanese stock market. A short time later, the Treasurer of the pension fund called me to say that Wells Fargo Nikki had informed them of their error in overlooking the committee's instruction to limit the fund's exposure to no more than 40% in Japanese equities. The bank's officials affirmed that they would correct the error and all would be well. Not with me, I told the Treasurer, instructing him to call back Wells Fargo Nikki and tell them that the committee would hold a special meeting to hear their representatives about what happened and how the bank planned to avoid a recurrence in the future. Wells Fargo Nikki sent two officials from San Francisco. Before the meeting, I talked with each of the committee members asking that they assist me in "putting the bank on the carpet" to ensure that nothing like that ever occurs again.

The Wells Fargo Nikki representatives came well prepared to provide the assurances we were seeking including the assignment of a second full-time person to keep track of the fund's investment. The meeting was friendly although the committee members played their roles well in underscoring the seriousness of our concerns. Wells Fargo Nikki did what they were supposed to do too: provide assurances to the committee so that the bank could keep the account.

Let me add a footnote to this story: At the time, I was within two years of retirement and all my personal funds invested in the government Thrift Savings Plan were being administered by ... Wells Fargo Nikki. I can't truthfully say that this fact was lost on me in my approach to the incident with Wells Fargo Nikki at the OAS.

End of interview