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

AMBASSADOR ROBERT M. SAYRE

Interviewed by: Thomas J. Dunnigan
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INTERVIEW

Q: This is an interview with Robert M. Sayre who had a long and distinguished career in the foreign service. Ambassador Sayre served as American Ambassador in three countries in Latin America and has had many years experience in that and other fields in the Department. In the Department he served three times at the Assistant Secretary level and also served at the White House on the National Security Council staff. The date is October 31, 1995 and I will be interviewing him on behalf of the Foreign Service Oral History Program and the Association for Diplomatic Studies and Training.

Tell me, what interested you in the field of foreign affairs, in making a career of it, was it something in your education or earlier training?

SAYRE: My first experience in foreign affairs was being in the United States Army in Europe during the Second World War. I tell people rather jokingly that I got my doctor's degree in international relations by spending four years with the Army overseas and in the United States and getting trained that way. But when I became interested in it, there were people suggesting I do other things. When the Department of State in 1949 asked for people to apply for an intern program at the Department of State looking forward to a long term career, I applied for it. They had about 1600 candidates around the United States. I'm from Oregon, I was then at Willamette University, and I was selected as one of the thirty to come participate in the program. So that's how I started.

Q: Had you specialized in Latin American affairs in your studies, because, as we know, most of your career was devoted to that area, and I wondered what awakened your interest in it?

SAYRE: No, I did not. What got me involved in inter-American affairs was when I got my first assignment in the Department of State as an intern, it was on inter-American affairs. I worked with the U.S. Ambassador to the OAS at the time, and did some things at the Organization of American States. Slowly but surely I became involved in inter-American affairs. That's how it started.

Q: Those were the years of ferment in Latin American, and President Truman recognized that in a way when he introduced his Point Four Program in 1949. I gather you became involved in that program as it concerned the area?

SAYRE: Yes I did. After the program was announced, I was in the Bureau of Inter-American Affairs. I put together the Point Four Program for Latin America and helped present it to the United States Congress and get it approved. I managed the program for

two years. I also worked with the Organization of American States on a committee representing the United States. We put together a technical cooperation program for the Organization of American States.

Q: Did you have to work with Congress in doing this?

SAYRE: Oh, absolutely. We had to put together a budget. Another unique story is on the Director of the Institute of Inter-American Affairs who was running the program in Latin America. He said he didn't want me to put together a budget. I thought we had to. When we had the hearing in the Congress, the Chairman of the committee asked for the budget for the Point Four Program and the Director had to turn around to me and say "Please give me that budget you prepared." We handed it to the Chairman and the Congress appropriated exactly what we asked for--eighteen million dollars. (This was 3 times larger than the $6 million program at the time.) We had to work with the Congress and present a program each year, that's correct.

Q: Was there much opposition to the Point Four program, or what you were trying to do in Latin America at the time?

SAYRE: No. There was no opposition at all. In fact, what the United States was trying to do at the time was respond to the request from the Latin American countries for a Marshall plan. There was really no enthusiasm for that idea because the Marshall plan was designed to restore Europe, whereas what Latin America had to do was develop. They were both economic, but they were different approaches, and so there wasn't any willingness to consider a Marshall plan. But the US took the initiative to create an Inter-American Bank in 1960. I wasn't involved directly in that. But then we set up the Alliance for Progress in 1961 and I was directly involved in that; in fact reviewed President Kennedy's speech (prepared by Dick Goodwin) before he made it.

Q: Going back to those early days, at that time, a number of the Latin American countries were something less than model democracies in our view. And these days we take great pride in pointing out the progress that has been made. But was there any feeling that we should not be dealing with the dictatorial regimes down there? I'm thinking say of Juan Peron and people like that.

SAYRE: Well, we had a problem with Juan Peron and we weren't really dealing with him because unfortunately Juan Peron was on Adolf Hitler's side during the Second World War. But we dealt with every other country in Latin America. And Brazil was exceedingly helpful to us during the Second World War: sent a division to Europe, provided bases so that we could get to Africa, did all other kinds of things that were helpful to us. Mexico helped us in the Philippines with an Air Force squadron is my recollection and so on. So the Latin American countries were very helpful during the Second World War and they were very helpful after that.

As I'm sure you know, before we got involved in the Second World War, we had what was known as a hemispheric isolation policy. We wanted to protect our southern flank and everything else but we said we really didn't want to get involved in a war in Europe. And finally we had to just because we had to save the rest of the world.

Q: Did you have to do much travel in that, in those years? Did you get to Latin America at all?

SAYRE: Oh yes. I traveled quite a bit, not only with respect to the Point Four Program, but the longest trip I took was going around the hemisphere inspecting our military missions that we had in Latin America. And we had them in seventeen or eighteen countries. I went with an Army general at the time who was checking in to all of this. So yes, I had an opportunity before I got my first assignment in Latin America to visit almost every Latin American country.

Q: Who took the lead in the Department at that time? Was it ARA or was the Point Four considered a separate program? And what was the relationship with the ECA, the Marshall plan group?

SAYRE: Well there was really no relationship with ECA. Edward G. Miller, the Assistant Secretary for Inter-American affairs, was very positive and helpful. We had help from David Rockefeller outside the Department. We had help from Nelson Rockefeller. But really it was an internal operation. We had, as my judgement, very effective Assistant Secretaries. The Point Four Program in the 1960s was managed by the Bureau of Inter-American Affairs. I was in charge of that. But then, as they developed a Mutual Security Agency, and later what became to be known as the Agency for International Development, they took over all these programs. But even in 1960 to 1968, the Agency for International Development program was run by a consolidated Bureau of Inter-American Affairs. And the head of the program for Latin America was a Deputy Assistant Secretary in the Bureau of Inter-American Affairs and every Deputy Director in the Bureau was from AID except one where AID was the Director of the office. But it was a consolidated program in the western hemisphere until about 1970.

Q: Were there relations with the White House or was there interest there, or not, in this program?

SAYRE: Oh, President Kennedy in 1961 proposed the Alliance for Progress. That was a major proposal he made at the Organization of American States in April of 1961. Lincoln Gordon, who had been working on the Marshall Plan, came over and devised the Alliance for Progress. He was the one who came up with all the ideas and put it together. I was the Executive Secretary of the group that put it together, the Task Force on Latin America. But it was done by Lincoln Gordon.

Q: Well, I was thinking in the earlier days perhaps of the Point Four back in the Truman days and early Eisenhower days, was there White House interest in Latin America and what was going on?

SAYRE: There wasn't as much interest in Latin America and what was going on as we saw in the 1960's, no. There was no opposition to doing things for Latin America, but there wasn't a strong interest.

Q: Well now, going on, I believe you were integrated as a Foreign Service Officer in the 1950's, sometime, and your first overseas assignment took you to Lima, Peru as Political Counselor?

SAYRE: That's correct. I went down as number two in the political section. After I was there a year the Political Counselor left and the Ambassador made me the Political Counselor.

Q: The Ambassador was Ambassador Achilles?

SAYRE: Theodore C. Achilles, yes.

Q: What were our chief concerns with Peru in those years?

SAYRE: Peru was a major supplier of mineral products to the United States: lead and zinc and other products. Major American companies were working in Peru and other agricultural products like bananas came from Peru. But our main interest was the minerals that Peru supplied to the United States. We of course were naturally interested in a country that was a major supplier, keeping it going, and everything else.

Q: Could you, as Political Counselor, meet with the opposition figures, say the APRA people there? Or were you limited to dealing with the government?

SAYRE: The government did not restrict Embassy consultation. I met with the Aprista leaders; in fact had them to a reception at our house with other political leaders. I can't remember the exact date but the head of the Aprista party was kept in the Colombian Embassy for some time. I met him after he was released. I talked to other lower level leaders in the Aprista party. We talked to Fernando Belaunde Terry (not an Aprista) who'd lost the election and so on. There was no objection by the Peruvian government to us talking to anybody.

Q: While you were there I believe it was 1958, there was rather a dramatic visit by Vice-President Nixon. Can you tell us a little about that?

SAYRE: Well, Vice President Nixon came down on a trip through Latin America. He was in Lima; he had set up a schedule. We thought he was going to be able to visit the University of San Marcos, but it didn't work out. (San Marcos University was established

in 1551 and is the oldest university in South America.) The students threw rocks at him at the University, and he had to leave. He went over and made his speech at the Catholic University; that was the only unusual incident there.

Q: Did you accompany him on any of these visits around?

SAYRE: No, I did not. He was traveling in his own car. The Ambassador accompanied him but I did not. I was however over at the University when this happened and saw them do it, but I was at some distance and I was traveling with his interpreter (Vernon Walters) at the time.

Q: This was a foretaste of what he was going to run into in Caracas I gather later?

SAYRE: When he got to Caracas, they trashed his car.

Q: A dreadful thing. Do you think that demonstration against him was Communist-inspired or was this a nationalist feeling?

SAYRE: No, I think it was politically-inspired. There was a prior meeting over in the Plaza San Martin before they did this at the University. And there was no question at all that this was Communist-inspired, in my mind. I wrote the report on it after the trip, and I think that's what it was.

Q: In those years, could you foresee the rise of the opposition group the Sendero Luminoso an outfit that had caused such trouble since then?

SAYRE: No, it was not apparent. Mrs. Sayre and I traveled all over Peru when I was there, except over into the Amazon area, but I didn't see the Sendero Luminoso coming up. I saw a lot of other difficulties. Because of their economic situation, they had the first strike in their history which included all government employees, the police, and everything else--it was a day-long strike. So they did have political problems, but they kept things reasonably on track.

Q: So there wasn't the armed guerilla warfare then?

SAYRE: No.

Q: Well then after several years in Lima you were transferred into a post that was probably much more in the eye of the storm at the time, Havana. And you went there in 1960 I believe under Ambassador Philip W. Bonsal. You went as Economic Counselor I see which is quite a change from being Political Counselor.

SAYRE: Well I had just graduated from Stanford University with a Masters degree -- the Department of State had sent me to Stanford -- and I went to Havana. I was sent there as a Financial Officer. Because of the difficulties we were having, the difficulty we had

getting people who were willing to go to Cuba, the fact that Ambassador Bonsal departed, and the Economic Counselor moved up to be the Charge, I moved up to be the Economic Counselor.

Q: What could you do in Havana in those days, did you have a feeling of being cloistered or shut in or being followed wherever you went, or were the Cuban officials still semi-friendly?

SAYRE: Cuba officials were not friendly at all. We were cloistered. We could not have any association; we could not have any consultation with the Cuban Foreign Ministry. I only met one Cuban official for the whole time I was in Cuba, and he was in the central bank. I went over and talked to him about the economic situation in Cuba. But as a practical matter, Fidel Castro and his officials simply would not talk to any official in the United States government at all. It was a very difficult situation.

Q: And you were there as Economic Counselor at the time I gather when they were seizing property of American companies there?

SAYRE: Beginning in October of 1960, they seized all private property in Cuba including all of that belonging to the United States. The government took over everything.

Q: Did they respond to any of our protests or anything?

SAYRE: None whatever.

Q: Did you ever get to meet any of the revolutionary leaders?

SAYRE: No I did not. I never met Fidel Castro, his brother, or any of the rest of them. They wouldn't talk to us.

Q: What was the atmosphere in Havana at that time, in the streets and so forth? Were the people still rejoicing in their revolution?

SAYRE: No, they were not. For example, if you went to a restaurant in Cuba, and I went to a restaurant at the principal Hotel in Havana, I think there were two or three people in the restaurant. That was it.

Q: The life of vacationing in Havana had ended?

SAYRE: There was no tourism. Havana just was not active either economically or socially or any other way.

Q: Did you ever feel that you personally were the target of abuse or attack or not?

SAYRE: No, I didn't. That came later. Not in Cuba. But I know that I was observed by Cuban security.

Q: And we had no way, I take it, of helping our business people there?

SAYRE: We couldn't do anything. The only thing I could do when I was there was report on what was happening in Cuba, what the economic situation was, which direction it was going, what they were doing in terms of taking over everything, what it was doing to the economy and so on. I couldn't do anything else.

Q: Did we have any reason to believe that the Soviet Union was shipping missiles to Cuba?

SAYRE: At the time, I don't really think they were. I think this happened just a little bit after. But we knew that the Soviet Union was heavily involved--the Cubans worked out an agreement with the Soviet Union while we were there. One of the things that I tried to persuade the Department of State to do in order to disrupt what was going on was to embargo all sugar from Cuba. We were buying 3 million tons annually of sugar from Cuba. But it didn't, wouldn't do it. After Cuba worked out a sugar agreement with the Soviet Union, the United States finally embargoed sugar from Cuba in 1961.

Q: Were the Cubans then exporting the revolution, could you tell, trying to inflame other Latin American countries?

SAYRE: I'm sure they had already started that, because after I got back to Washington it was clear that they were busy all over the hemisphere.

Q: When and why did you leave Havana?

SAYRE: I left Havana because Fidel Castro effectively closed the United States Embassy. I was at this apartment watching the TV, and Fidel Castro's speech on New Year's Eve. He went on for four hours. He got near the end of his speech and he said that he was going to require that the United States take out of Cuba all of its diplomatic service, except the equivalent number that Cuba had in Washington. Now, what he didn't recognize was that Cuba had 130 Cuban diplomatic people in the United States at various consulates including in Washington. Well, we tried to find out from the Foreign Ministry what all of this meant at about one o'clock in the morning. We couldn't find out until the next day, and they finally told us it meant everybody, including the employees who ran the elevators. Well, we just couldn't possibly run an Embassy with only eight people including general service staff. So within I think it was 48 hours, we were on a boat headed back to the United States because the Cubans made it impossible to maintain an Embassy there. They can say they did not break relations with the United States. They did break relations with the United States even before that because they would not let our people in Havana talk to or conduct relations with the Cuban government.

Q: Did we force all their people out of the U.S. at that time?

SAYRE: We then decided to close the Embassy in Cuba because they had broken relations with us. I mean it was just normal.

Q: Well you came back to the Department and were again involved in the, and I would say it, the apex of Latin American affairs for a number of years, working under a number of Assistant Secretaries, I believe, Tom Mann and Bob Woodward and Ed Martin among others. You became, I understand, Executive Secretary to the Task Force on Latin America, which was run by Adolf Berle. How was that set up and tell us something about that Task Force?

SAYRE: When President Kennedy came into office, he created a Task Force on Latin America. He named Adolf Berle as Chairman of the Task Force. He had been in the "brain trust" of the Roosevelt Administration and also held some diplomatic assignments; and had been Ambassador to Brazil in 1945. There were several other people on the Task Force. I was named the Executive Secretary of it, and I was the Senior Assistant to Adolf Berle. I did the agendas for all the meetings and everything, and the Task Force itself, with Lincoln Gordon on it, was what put together the Alliance for Progress. We reviewed President Kennedy's speech on the Alliance for Progress which he made in April of 1961.

But because of the failure of the effort to do anything in Cuba, the Task Force came apart. Adolf Berle left, and all of the activities the Task Force had been working on were taken over by the Assistant Secretary for Inter-American Affairs.

Q: Well as I believe I told you in one of our informal conversations, I was myself at the Executive Secretariat of the Department at that time, I was Acting Executive Secretary at the time of the changeover from Eisenhower to Kennedy, and I well remember the difficulty we had in determining how to get clearances out of the Latin American Bureau in those first few months in 1961 because an Assistant Secretary was not immediately appointed and there was confusion as to who was in charge. There were, so it got to be a saying in our group that if you want to get a clearance or find out something in the Latin American Bureau, go see Bob Sayre, he's the only one who doesn't have a particular ax to grind.

And there were a number of people around as I remember beside Mr. Berle, there was Marales Carrion and Theodore Moscoso, and Dick Goodwin and people like that, all of whom had a good deal of clout at the time, but none of whom could really speak authoritatively for the Latin American Bureau. So in a sense I want to thank you for giving us the little assistance we could get there in getting something done. That's an aside.

SAYRE: Well maybe I should add in here that there was discussion at the time about creating an Under Secretary for Inter-American Affairs and Adolf Berle would have been the Under Secretary for Inter-American Affairs. I myself at the time was opposed to that.

Why was I opposed? Because they were not talking about making every other Assistant Secretary for a regional bureau an Under Secretary. I didn't really understand the rationale for having an Under Secretary for the western hemisphere and an Assistant Secretary for all the other bureaus. So that Adolf Berle and the others who were talking about this didn't get much help out of me.

Q: Just as an aside, was Mr. Berle, who was quite advanced in years at that time, did he have the energy and so forth to run the whole thing as Under Secretary? This is the question that would be in my mind.

SAYRE: Well, Adolf Berle was very good and he made a very significant contribution during the Roosevelt Administration. But the Task Force had some difficulty because when we held meetings he didn't stick to the agenda but he came into the meeting with his own agenda. And so on. I think he would have done all right. But he wanted to be at a high political level instead of being responsible for managing a detailed relations with the hemisphere.

Q: Was the Task Force involved in any way in the Bay of Pigs operation in '61?

SAYRE: No, that was one of the concerns of Ambassador Mann because the people in the Department of State who really knew about Cuba, who really knew what was going on, were not consulted. Now for a very strange reason I got asked, not about the Bay of Pigs, but rather about Cuba in general. Adolf Berle asked me about the situation in Cuba and what it would take to deal with it. I told him "I just left there, they have 250,000 men under arms. Castro is in control" I said based on my military experience I would not have a thing to do with Cuba or try to do anything about Cuba unless I went in with a reinforced division, a reinforced division comes to about 22 or 23,000 men.

He listened to me, and he talked a little bit, but it never came through to me that the United States was planning what it was planning. When I learned a week or so later that they had gone into Cuba with an under-strength battalion (less than 1,000), I was absolutely appalled that they would try such a thing when they knew very well that there were 250,000 men under arms in Cuba.

Q: At the time you talked to him, do you think Mr. Berle knew that this planning was going on and that something was going to come?

SAYRE: I assumed that he did.

Q: Moving ahead a year, did you or the Task Force get involved in the Cuban Missile Crisis in the fall of '62?

SAYRE: The Task Force was not involved and I wasn't really involved. I got into it simply because they needed some help on organizing the meeting and taking care of the

details and so on. But I was not directly involved in the planning or anything else on the Cuban Missile Crisis.

I was assigned to the Mexican desk in ARA in 1961. In addition to handling the daily issues on US/Mexican relations, I worked on two major problems. The first was the salinity problem on the lower Colorado River. Mexico protested strongly in 1961 the sudden increase in the salinity of the water it received under the 1942 Colorado River Water Treaty because it was destroying crops in the Mexicali Valley. It was determined that the salinity increased because the Wellton-Mohawk District in Arizona on the Gila River was pumping salt water out of the irrigation district. It was putting into the river four times the salt it received from the Colorado River, whereas rules on water use in the United States are that an irrigation district may not put into the drainage any more salt than it receives. I handled the negotiations for a settlement with help from the US Commissioner on the Boundary and Water Commission. We met frequently with the Seven Colorado River Basin States. I negotiated with the Mexican Foreign Minister, and coordinated with the Department of the Interior and the Congress. It took me four years, and I finally got it done when I was at the White House on the National Security Council Staff.

The other major issue was the settlement of the boundary dispute at El Paso, Texas known as the Chamizal. Ambassador Mann, then Ambassador to Mexico, was the principal negotiator. The dispute arose in 1867 over a change in the Rio Grande River at El Paso. Mexico claimed it was avulsion and the US insisted it was erosion. An arbitral commission in 1910 composed of the US, Mexico and Canada tried to resolve the issue, but was not successful. When President Kennedy visited Mexico in 1962, he agreed with President Adolfo Lopez to seek a complete solution. Again, the US Boundary Commission was deeply involved. I handled issues in Washington, including regular consultation with the Senate on the proposed treaty and with the White House. Ambassador Mann was able to work out a treaty that essentially divided the land in dispute. The treaty was concluded in 1963 and ratified in 1964. A new channel, in concrete, was built at El Paso, also four new river bridges, and a new national park in El Paso on the land received by the US. President Johnson went to El Paso to dedicate the new boundary markers and the bridges with the Mexican President--then President Diaz Ordaz. The Treaty of Guadeloupe-Hidalgo on the boundary that had been signed in 1848 was finally fully implemented in 1969.

Q: I gather that very few people in the Department were...held very closely, but...now on the Assistant Secretary level, Tom Mann came in to replace Ed Martin. Did that mean a shift in emphasis in any of our policies in Latin America in your view or was it just a replacement of one man for another?

SAYRE: The real reason for the change in Assistant Secretaries was that President Johnson became President in 1963. He wanted Ambassador Mann as Assistant Secretary because he considered him more knowledgeable about Latin America. Mann was from Texas. He had served in Latin America before. He knew Mexico very well, so that he was

much more knowledgeable about what had to be done in the area, how it worked and the way it worked. Johnson was not being in any way critical of Ed Mann--an outstanding economist--who he named Ambassador to Argentina.

Q: Yes, that was the purport of my question. Now in 1964, after your labors with the Task Force and other Latin American problems, you went over to the National Security Council. Can you tell us what you did there?

SAYRE: Well, what happened as you know, in November of 1963 was that President Kennedy was assassinated and President Johnson became the President of the United States. Tom Mann knew President Johnson very well. He did not think that the way they had been handling inter-American affairs in the White House was adequate. He wanted somebody over there who could work on it. President Johnson agreed to have me come over and be a member of the National Security Council staff, and be the person in the White House on inter-American affairs. Ralph Dungan had been handling it with his left hand or right hand, I don't know which, but he was actually in charge of personnel matters in the White House and doing Latin America in off hours. He went to be the U.S. Ambassador to Chile. I took over and did nothing else but inter-American affairs in the White House, worked directly with Ambassador Mann who was the Assistant Secretary, but also with the other people in the Bureau of Inter-American Affairs and all agencies involved in inter-American affairs.

Q: Did you get to work with other people leading the NSC such as McGeorge Bundy or Walt Rostow, or did they take an interest?

SAYRE: Walt Rostow I think came later, but McGeorge Bundy is great. He did a wonderful job of running the National Security Council Staff. He worked very closely with Dean Rusk, as the Secretary of State. He wouldn't let anybody in National Security Council staff do anything unless they told him first that they had worked it out with the Department of State. Our job was to see that whatever the Department of State was doing was consistent with the President's policy, and that's what we did every day in the week.

Q: May I editorialize to say I think things have changed a bit in that regard in recent years.

SAYRE: One of the things that I finished on the National Security Council staff that I had worked on before I got there wasn't really a part of my job on the National Security Council. I had been working for four years on straightening out the problem of the salinity of the Colorado River where an irrigation district in Arizona was dumping four times as much salt into river as it had any right to do. It took me four years to get the Department of the Interior and the Senator from Arizona and the State of Arizona to agree that they shouldn't be doing that. We got an agreement with Mexico that we would dump the water from this district in the Gulf of California and not in the Colorado River. The Corps of Engineers dug a canal to accomplish that.

Q: To go back to the Task Force, when was that actually dissolved?

SAYRE: I think it should be said it disappeared.

Q: It disappeared, I see, just sank without a trace. Now in 1965 you moved back into the Department from the National Security Council and served under several Assistant Secretaries, I believe, Jack Vaughn?

SAYRE: Jack Vaughn asked me to come back and then I worked with Lincoln Gordon. What happened, that had a lot to do with it, was the Dominican Crisis.

Q: I wanted to ask you about that, yes.

SAYRE: I knew about the situation in the Dominican Republic, and a few days after I returned to the Department of State, actually the next weekend, the roof fell in. And civil war broke out in the Dominican Republic. I knew all of the contingency planning that was done. We had approved it in the White House, President Johnson had approved it, and so on.

One of the things the Director for Caribbean Affairs did was call me on the telephone at home on Sunday and say "Things have blown up in the Dominican Republic. Should we carry out the contingency plan? We need to send a ship over to get the Americans out of the Dominican Republic and so on." I said "Go ahead and send a ship." And an aircraft carrier went over with an embarked Marine battalion to stand off the shores of the Dominican Republic about fifteen miles so it couldn't be seen from Ciudad Trujillo (the name of Santo Domingo at the time).

On Monday morning, President Johnson met with the National Security Council staff, McGeorge Bundy, Tom Mann, and so on. I wasn't there. And the President asked them, because he had a message from an American brewery convention that was being held in the Dominican Republic, "How do we get them out?"

McGeorge Bundy said, "Mr. President, there's a U.S. aircraft carrier with a battalion of Marines aboard standing off Santo Domingo, we can send them in to get them out." And the President said to McGeorge Bundy: "Who the hell did that?" And McGeorge Bundy explained: "Mr. President, it's just there. If you don't want them to go in and take them out, that's all right, it's your decision, nobody can see the ship." He sent them in. And that was the first step to help solve this problem. And I'm glad I wasn't at the meeting, because it was my fault.

Q: Well it worked out in the end anyhow; that's very nice. And I presume you were then heavily occupied for some weeks with the Dominican situation?

SAYRE: That's correct because Jack Vaughn did not agree with what had been done, so he really wanted to move over to the Peace Corps and not be Assistant Secretary. I took

over all responsibility for the Dominican crisis and dealt with Tom Mann on it. Mann was then the Under Secretary for Economic Affairs.

Q: Excuse if I may interrupt, you were then Deputy Assistant Secretary, weren't you?

SAYRE: I was senior Deputy and Tom Mann was the one I dealt with in the Department of State on the Dominican crisis. I was the coordinator for the crisis for the whole time, in Washington.

Q: Now did you get to meet with and work with Ambassador Bunker when he went down there?

SAYRE: Absolutely. I worked with Ambassador Bunker. I worked with Cy Vance who was over at the Pentagon and the Deputy Secretary of Defense. Tom Mann, though, was the person in the Department that I dealt with most of the time; Dean Rusk of course.

Q: Looking back on it, would you say that our intervention in the Dominican Republic was right or not?

SAYRE: We did the right thing because the Dominican Republic has had a duly elected government ever since that happened. So that I think we did the right thing, we saved a lot of lives, but there were a lot of people who were just murdered in the civil war. But I think we did the right thing.

Q: What were some of your other principal concerns during that time period as senior Deputy Assistant Secretary besides the Dominican Republic? Were you bothered with Cuban problems or other?

SAYRE: Yes, Che Guevara went to Bolivia. And the Bolivians had a very difficult time trying to figure out how to deal with it, because the only trained military they had in Bolivia was the presidential guard. We didn't want, and they didn't want, the President of Bolivia to be without a good guard. So we trained an additional division of the Bolivian Army, and as soon as they were trained, they were the ones that went out and found Che Guevara.

Q: Found Che Guevara and finished Che Guevara, I take it?

SAYRE: Well, I don't really know the facts about that. As I understand it, what happened was that the Bolivian government decided after they captured Che Guevara to terminate him. The United States was not involved in that. I frankly was very upset to find out that they had done anything like that, but the Bolivian government made that decision.

Q: In your capacity as senior Deputy Assistant Secretary did you carry out liaison with the White House, where you presumably had numerous contacts at that time?

SAYRE: Yes, Ambassador Bowdler was in the White House. He replaced me. Unfortunately he had to go to the Dominican Republic for awhile and help Ambassador Bunker on the negotiation. But he was over there, and then there were others. I worked well with the White House. I continued to work with President Johnson and he continued to call me on the telephone.

Q: Congratulations, I believe. Well as a result of that, or not as a result of that but perhaps as a reward, you were sent off for the first of your embassies in 1968 to Montevideo as Ambassador Extraordinary and Plenipotentiary. There was unrest when you arrived in Uruguay?

SAYRE: Let me say first that before I left a couple of things I did with President Johnson and that's the reason he continued to keep in contact with me. He had visits to Mexico, Adolfo Lopez Mateos, when he was President. Also, we went down with President Johnson and put in a new boundary marker because we had reached an agreement with Mexico in the Chamizal settlement. President Johnson went down to dedicate the new boundary with the Mexican President, to dedicate the four new bridges and dedicate the new boundary marker and so on. We had other people, other presidents, coming up, so that's the reason I kept in contact with President Johnson.

We had an interesting incident which occurred when President Johnson went to El Paso to dedicate the new river channel. President Diaz Ordaz had come to Washington, and traveled with President Johnson to El Paso for the dedication. The Mexican President was concerned about the Chamizal Treaty because he thought Mexico should have received more land. We had already helped resolve that concern by building a concrete channel at El Paso instead of the normal dirt channel. The effect was to leave the northern edge of the channel where it was agreed but to move the rest north. This meant that Mexico had a little more useable land on the south side. But President Diaz Ordaz wanted it also clear that his predecessor had agreed to the new boundary, so he asked that one of the new bridges across the channel be named the John F. Kennedy Bridge on the US side, and the Adolfo Lopez Mateos Bridge on the Mexican side. President Johnson would not accept the proposal because he said that he had already named more than 20 sites in the U.S. for President Kennedy. I proposed to President Johnson that we resolve the problem by naming the Mexican side of the channel, the Adolfo Lopez Mateos Channel, and that we decide later what to name the U.S. side. On the way down to El Paso, President Johnson asked me to come back to his compartment in Air Force 1 and outline the proposal to the Mexican President. I did so and the Mexican President accepted it. So the bridge in question was named the Bridge of the Good Neighbor. Mexico has placed a large marker on its side of the Rio Grande naming it the Canal de Adolfo Lopez Mateos. There is still no sign on the U.S. side.

President Johnson made one more trip to Mexico in 1968 to dedicate the statue of President Abraham Lincoln. A statue of the Mexican hero, Benito Juarez, had been dedicated in Washington on Virginia Avenue. Lincoln and Juarez had communicated with each other because of the French invasion of Mexico and the occupation of Mexico

in 1863. Napoleon named Maximilian as emperor in Mexico. The United States opposed this, but could not help because of the Civil War in the United States. The United States did press France to leave after this War, and it did so in 1867. The statue of Lincoln in Mexico City was a reciprocal arrangement to recall these events. I went to Mexico City to arrange President Johnson's visit. For security reasons, it was scheduled as a visit of Mrs. Johnson. I worked out the overall details with the then Foreign Minister, Antonio Carrillo Flores, with whom I had worked closely on the salinity and Chamizal issues when he had been Ambassador in Washington. Carrillo Flores was a unique and outstanding statesman for Mexico and Latin America in general. Some 300,000 Mexicans attended the dedication ceremony. When I arrived in Mexico to make the arrangements, the Foreign Minister met me at the airport. When we went to his car, he said that I should sit on the right. I replied that I could not do that because the ranking person always sits on the right. He replied that in Mexico, the place of honor is behind the chauffeur. To me, it was another example of how unusual and effective Antonio Carrillo Flores was in working with the United States and handling international relations for Mexico.

I should mention one other thing: in 1967 there was a meeting of Presidents of the Hemisphere. I and Jim Jones, Congressman Jones, were responsible for going down to Punta del Este in Uruguay and getting all the logistics in place. I was not responsible for the substance of the meeting. Lincoln Gordon did all of the substance of the meeting. But President Johnson went to the meeting.

Before he went to the meeting what we tried to do was get congressional approval to extend the Alliance for Progress for ten years. President Johnson wanted that done and to have the program increased to a billion and a half dollars as opposed to the billion a year for the first ten years. That effort by President Johnson was approved in the House of Representatives but it was killed in the Senate by the Senator from Arkansas who said he just didn't want to give President Johnson a blank check--another Tonkin Gulf resolution. So that President Johnson went to Punta del Este empty-handed.

Q: Would that have been Senator Fulbright?

SAYRE: That's correct, Senator Fulbright. That's when U.S. relations with Latin America came apart. It began then and it continued until 1990. Relations just went to pieces with respect to this hemisphere. Now you were asking me..?

Q: I was asking you, sir, about the situation in Uruguay when you arrived as Ambassador?

SAYRE: The situation in Uruguay when I arrived as Ambassador both politically and economically was very unsettled. We obviously couldn't do anything about the political side of the equation, but we immediately moved with the Agency for International Development to help Uruguay get its economy straightened out. Uruguay was in a deep recession, depression really, with a minus four percent growth rate. With the help of the

Agency for International Development, by the time I left there some 16- months later, Uruguay had a positive growth rate.

But it did have these political problems of the Tupamaros and as a result of all of that political difficulty, it turned into violence right after I left. Any place I traveled in Uruguay, and I visited every state in Uruguay, I had to go with a police car in front of me, a police car behind me, and a person sitting in the front seat with a machine gun, etc. I couldn't go anyplace in Uruguay without that kind of protection. The communists were very, very busy in Uruguay.

Q: I wanted to ask you about anti-Americanism and the Soviet influence at that time?

SAYRE: This was really Cuban. They were back of all of this effort on the part of the Tupamaros to cause trouble all over Latin America for the United States. It was at this time that our Ambassador in Brazil was kidnapped.

Q: Burke Elbrick?

SAYRE: That's right.

Q: And was there not an American killed in Uruguay?

SAYRE: That happened after I left. They kidnapped three American Embassy staff. They murdered the head of the AID police program we had in Uruguay (Dan Mitrione) because of the Soviet nonsense about the police U.S. training program. What we were trying to do was train Uruguayans to stop using guns to deal with crowds. We were teaching them to use shields and batons and everything else and stop just firing into the crowd with guns. And the head of the program was doing an excellent job of getting them trained to deal with these kinds of riots and so on. Because of that Soviet film at that time, and I don't remember the name of it, it led to this kidnapping and he was killed.

Q: A tragedy. Now Nelson Rockefeller visited Uruguay when you were there?

SAYRE: That's right. I went over to Asuncion and picked up Nelson Rockefeller and brought him to Uruguay. He met with the President of Uruguay. What he was doing was traveling to consider and come up with recommendations on what ought to be done about U.S. economic and political relations with the hemisphere.

Q: Was his visit a success?

SAYRE: It was a good success.

Q: Yes he was always welcome, it seemed to me, in Latin America. He'd done a lot for them. They liked him. Did you have an AID mission at the embassy at that time in Uruguay?

SAYRE: Yes we did.

Q: How about Peace Corps volunteers. Were any of them in Uruguay?

SAYRE: I did not have any Peace Corps volunteers in Uruguay because Uruguay had at the time, and still has, one of the highest ratios of literacy of any country in the hemisphere. And in those terms it was in reasonable shape.

Q: Was there any Washington interest in human rights issues in those days, as far as Latin America?

SAYRE: The United States has always been strongly interested in democracy and human rights in Latin America. This view on Latin America goes back to Presidents Jefferson, and especially President Monroe. It is very difficult to maintain peace, freedom and democracy in the United States if you do not have neighbors that believe in these principles. But it is not easy, because we have always been reluctant to intervene in the affairs of others. We now have a very encouraging situation in the Hemisphere because every country has a duly elected and constitutional government except Cuba. The United States and other countries are doing all they can to promote and maintain this situation on democracy.

Q: Give us some background on what happened in Panama and why the Department of State decided to assign you to Panama and Ambassador Charles Adair to Uruguay?

SAYRE: What happened in Panama was that there was a sudden change in government in Panama; a coup. There had been an elected government, and after only about 13 days General Omar Torrijos took over the government. The U.S. Ambassador to Panama was following instructions on how he should deal with this dictatorship in Panama. But Omar Torrijos and his people didn't like the way the Ambassador was dealing with them. So when Nelson Rockefeller went through Panama, they talked to him about it, and told him that they wanted a new ambassador. If the United States didn't send a new ambassador, they would nevertheless declare the present ambassador persona non grata.

I had made an unfortunate mistake. I had told the Department of State in Washington, unrelated to what was going on in Panama, that I had three things that had to be done in Uruguay and that I thought that the third thing, straightening out a loan that had been made to Uruguay, would all be done sometime in the next few months. And it all got done. And they asked me whether I was finished with my agenda in Uruguay, and I said "Well, I've got done what I told you." They said "Well, we want you to go to Panama." And they said it was going to be a switch. I always felt it was a double-cross. But anyway, I was sent to Panama, and our Ambassador in Panama came down to be the Ambassador in Uruguay. When I arrived in Panama unfortunately Panama also declared the Deputy Chief of Mission persona non grata.

Q: Who was that I wonder?

SAYRE: I can't remember his name right now, but he left. And I had to get a new Deputy Chief of Mission in Panama, so that when I went in to Panama, I was going in without the kind of help an Ambassador is usually used to having. But that's the reason for it.

Q: What was your relation to the U.S. Governor there in the Canal Zone?

SAYRE: We had a committee created by a decision in Washington. I was the Chairman of the committee, the Governor and the Commanding General of the Southern Command were members of the committee. We met once a month to discuss U.S.-Panamanian relations. But I had a peculiar experience when I arrived in Panama. It was just before Armistice Day, now called Veterans Day, and I was asked to attend the ceremonies at the Episcopal Church in the Canal Zone. So I went, and they had a reserved section in front. When I went in they said "You're supposed to sit back here." I started to look around at what was going on. I discovered that they had me sitting with the colonels, and that all of the officials of the Southern Command and the Panama Canal Zone were sitting ahead of me. And I thought "My goodness. I'm the representative of the President of the United States and here I am with the colonels." But that's the way it was the whole time I was there; whenever I went over in the Canal Zone except to these meetings which I chaired, they had me parked back with the colonels. That was it.

Q: That doesn't seem to me to be very...

SAYRE: And I couldn't get any advice from the Department of State. I asked Protocol what the rules were since I was the representative of the President of the United States, and they wouldn't answer my question.

Q: That's an unfortunate, an embarrassing situation, but...

SAYRE: Well it was one of the reasons the Panamanians were annoyed because the Ambassador to Panama from the United States wasn't treated like the Ambassador to Panama. But my personal relations with these people were great. I thought the Governor and the General were just outstanding, very exceptional people.

Q: And you had good cooperation?

SAYRE: Absolutely. Absolutely. Governor Parker did a remarkable job as the Governor. I never questioned it. So did General Mathers, the Southern Commander.

Q: How did we resolve the issue of granting sanctuary in the Canal Zone to Panamanians? Did that question arise?

SAYRE: No it did not. We didn't have that kind of a problem while I was there.

Q: I think you're probably fortunate that you didn't because... did you take part in the negotiations to build a sea-level canal that we were talking about at the time?

SAYRE: This happened before I went to Panama. I was the Chairman in Washington of the committee that made all of the economic studies about building a sea-level canal and so on. The proposals were to build one through the Isthmus of Tehuantepec in Mexico. Another proposal was to build one through Nicaragua. Another was to build one through Panama. And a fourth one was to build it on the border in Colombia. And I went down to all of these places except the Isthmus of Tehuantepec because the Mexicans just flatly said, "We do not want a canal." But we went to Nicaragua, and to Panama, and to Colombia. In Nicaragua, if we had built a sea-level canal we would have destroyed the lakes in Nicaragua, it just was not a practical idea.

Q: Not feasible?

SAYRE: Not a feasible proposal. The Colombians said "We do not want to take the canal away from Panama. We do not want a canal." And anyway, it would have been a canal a hundred and twenty-five miles long. One of the ideas was that part of the digging that would have been done for a canal on the Colombian border would have used nuclear explosives. Nobody would agree to that.

We looked at the route in the Darien Gap halfway between Panama City and Colombia and the engineers said "The soil shifts so much here it wouldn't make any sense to try and build a canal because it wouldn't remain a canal very long." The only place that we could conclude that you could build a sea-level canal that might stay, was near the existing canal.

But then we ran into all kinds of objections from the environmentalists because they said the sea creatures in the Pacific would be coming over to the Caribbean Sea and they would destroy all the sea life in the Caribbean Sea. We had all kinds of opposition to it. The other part of the problem was that the tide level is much higher in the Pacific than it is in the Caribbean--it would have meant that you could only travel back and forth in a sea-level canal according to the tide changes. So you could go one way for twelve hours and the other way for twelve hours. Because of the tide on the Pacific side, you would have had a ten-mile tide pushing you through the canal, and it wouldn't have been so easy to navigate. But nevertheless, it would have been a feasible proposition if it could have been worked out.

Q: But the result is that of the four, none was ever brought to life?

SAYRE: The cost of building a canal was quite high. One of the things I learned in Panama, much to my surprise (after the Governor had shown me everything in the Canal, all the engineering things and so on, absolutely marvelous), was the Governor's answer to my question "Well would you please tell me how much traffic from the United States goes through the canal coast to coast?" And he said "Less than two percent of the traffic

going through the Canal." And I was surprised because they had been using the figure of thirty-five percent. So then I said "Well, could we do an economic study?" And he said "Oh yes, I know some people at Stanford University who would do an economic study."

They did one. But they didn't show it to me. I finally got them to let me see it. It said that the economic value of the canal to the United States was thirty-five million dollars. I said "My goodness, the U.S. economy is a trillion dollars. (It is $6 trillion in 1995.) What does all this mean?" So the Governor said, "Well why don't you call up the economist?" So I said "Okay, I'll call him. " I did. And I talked to him about his study which I thought was very good, but it didn't have any conclusions in it. And I asked him about this figure of thirty-five million dollars as the economic benefit of the canal, and I said "Isn't that marginal if the U.S. economy is over a trillion dollars?" And his answer was "You said that, I didn't." But it really raised questions about whether the United States should be spending trillions of dollars to build another canal when the facts of life were that the canal in terms of the U.S. economy, didn't produce much income for the United States.

Q: The canal is of great interest to the Europeans and other shippers I think?

SAYRE: The biggest user of the canal, as a single country, is Japan. But the countries on the west coast of South America depend on it, and so on.

Q: How strong was the Cuban influence in Panama when you were there?

SAYRE: I didn't think it was very strong at all. There was no question at all that Omar Torrijos knew Fidel Castro very well. There was no question at all that people on his staff were dealing with the Cubans. But I didn't really have any impression that Fidel Castro was having all that much impact on them. One of the things that we got done oddly enough was a ship from the United States with Cubans aboard had gone into Cuba, and the Panamanians got the Cubans to give all the passengers back to the United States including one they sent to Panama. So they had that kind of a relationship, but I don't think Fidel Castro was influencing Omar Torrijos.

Q: Were you there when Panama reestablished relations with Cuba?

SAYRE: I don't recall that, I don't think so.

Q: That came, I believe, in '74 sometime.

SAYRE: I left Panama in March of 1974.

Q: Probably came thereafter. Was there any evidence of Panamanian complicity in smuggling drugs to the U.S. while you were there?

SAYRE: Yes there was. We had a significant drug problem with people at the airport helping them. The U.S. agencies that were working on it dealt with it completely on their

own and they didn't tell me what they were doing because they claimed they were in the Canal Zone, so they didn't have to tell me, even though they were also operating in Panama.

Q: Always a mistake, because it will come out later and it causes problems at higher levels sometimes. Now let's talk a bit about the talks which Ambassador Bunker was holding on the treaty governing Canal Zone operations. Did you take part in those or not?

SAYRE: No I did not. I was told when I went to Panama that, "You should go down there and see if you can get along with those people." And those were my only instructions I ever got as the U.S. Ambassador to Panama. We had the largest economic program per capita in the world, and that created a good atmosphere and maintained good relations.

What we were trying to do, and what bothered me about Panama was the concentration in Panama had consistently been on just Panama City and Colon. The Panamanians hadn't really looked at the total country of Panama. And I thought if we could get the Panamanians to think about their whole country instead of just Colon and Panama City, that we might relieve some of the tension with respect to the Panama Canal because they thought that was their only industry and that was the reason they made so much out of it.

So the aid program was quite successful in trying to get the Panamanians to make a country out of Panama. Omar Torrijos wanted very much to get this done. He was very active in trying to get the communities to develop their own governing bodies, to develop their own activities and so on.

One of the things we did was establish three new universities in Panama away from Panama City so that the children going to college would not have to go to Panama City. Fortunately I got to lay the cornerstone at the one in central Panama, Santiago de Veragos. The others were in David and Colon. Another thing we did was to sign contracts and help finance construction of the highway from Panama City through the Darien to El Real so that the Panamanians could develop that part of their country.

Q: Is that part of the Pan-American Highway?

SAYRE: Yes, yes. Omar Torrijos was going around the country. Every time he wanted to go though he would try and borrow an airplane from the U.S. military in the Canal Zone. I got him two helicopters so he would have his own planes to go around, hold these community meetings, and get people to try to develop Panama more effectively and be broader in scope and everything else. I think it worked quite well at the time because he was so anxious to get it done and we were anxious to help him to get it done.

One of the funny things that happened was after I'd been there I don't know how long, maybe three years or more, Omar Torrijos was talking to me and he said "Bob", in Spanish of course, "we haven't had a riot and we haven't damaged your embassy and we

haven't blown up your cars since you've been here. We have to do something about that." Well the next time I came back from the United States to Panama, they met me at the airport with a guarded car and I don't know what the intelligence was but from then on I had guards.

Q: From the mouth of the President. Well, there were, going on in parallel at that time I gather, these negotiations on the future of the Canal Zone which resulted in the treaty we have today. You were presumably kept informed?

SAYRE: I knew what was going on, but I was not involved in the negotiations. What I would have really liked to have seen happen was a base agreement type of arrangement instead of what they did. And my preoccupation was, and still is, that the Panamanian economy would lose the support of the U.S. which helped sustain its economy. At the time, twenty percent of the gross national product of Panama came from the Canal and U.S. bases; now it's down to eight percent. And the Panamanians are very worried that when the United States leaves Panama that it will be very damaging for their economy. I spent an awful lot of time trying to explain to the Department of State in Washington that this was going to happen. I spent an awful lot of time trying to explain to the Panamanians that this was going to happen. Neither side accepted the facts. I didn't get anyplace.

Q: However, if one reads the papers these days, you can see that the Panamanians are beginning to think about some of the problems that might arise, and perhaps they will backtrack a bit on this.

SAYRE: They're already having trouble. What I have suggested is that we set up a natural disaster response mechanism. I've talked to Secretary Perry about it. It would require a naval base on the Pacific side and a naval base on the Atlantic side to move around the Caribbean and down to South America, and an Air Force capability at Howard Air Force Base to move people around. Whether we'd need an Army capability I don't know. Based on what happened recently because of hurricanes in St. John's and so on, I think you would also need some military, some Army capability. Also, what I would like to see done is for the United States to help train teams in all of the countries, the Caribbean and Central America and North and South America, so that they would be more effective in their response to natural disasters in this part of the world. There is no response mechanism at the present time.

Q: Were you there when Henry Kissinger came down to sign the agreement or to sign the Statement of Principles, I believe, to put it more directly?

SAYRE: Yes I was there, but I did not participate. Henry Kissinger met with Omar Torrijos. I was not asked to attend the meeting at all.

Q: Henry has been known in other places not to want his ambassadors sitting in on meetings he was having with chiefs of state.

SAYRE: I didn't know what they were doing, nobody told me.

Q: Did you ever feel that you were personally in danger while you were there by dissident elements?

SAYRE: Not very much. I did at the end because of what I've already said. But no, I never felt in any danger at all while I was in Panama. In fact, there was no incident in Panama affecting the ambassador until six months after I left.

Q: In a sense you might have been in more danger in Uruguay than in Panama.

SAYRE: Oh absolutely, no question about it. I was in more danger in Brazil than I was in Panama.

Q: Our embassy in Panama was attacked after you left, I believe.

SAYRE: That's right but it wasn't over any dispute with the United States. It was over the price of bananas.

*Q: Which has something to do with the United States because we eat bananas, but...I understand. Well then you left Panama in '74 after four and a half, a good long tour for an ambassador, and came back to the Department where you became a Senior Inspector and shortly thereafter Inspector General of the Foreign Service. Did you do any overseas inspections while you were in thos*e...?

SAYRE: When I first came back, yes, I inspected in Europe, all of the international organizations. I also did an inspection in Europe of the Embassies in the central European countries, that is Germany, Switzerland and Austria, and also East Germany at the time. That was very odd because I had to go to Berlin then. I had to get on an airplane and fly over to East Berlin. They wouldn't let me cross the boundary.

Q: They wouldn't let you cross checkpoint Charlie. What were your, as Inspector General, what were your principal concerns, what were the things that were bothering you?

SAYRE: Well that's one of my general preoccupations I'd like to just outline later. We were responsible for evaluating the embassies and auditing the use of government money and so on. We were required at the time to inspect every post in the world once every two years. So while I was Inspector General for four years we did it twice. We inspected every office in the State Department, the first time it had ever been done, every one of them in the four year period that I was Inspector General. During the time that I was Inspector General, the function was re-defined and I became the Inspector General of the Department of State. I was also named Acting Inspector General for Foreign Assistance.

My principal preoccupation was that we had difficulty doing inspections because there were no policy papers. The Embassies and Bureaus didn't have in writing what their objectives were. It's very difficult if you don't have in writing what the objectives are to evaluate whether they are carrying out the objectives and whether they are using the resources to support carrying out the objectives, and whether they have the people there that they need to do that or not. It's not an easy task. We had to figure out what the policy was before we started.

Q: I believe that has now changed because I recall getting instructions, annually we had to submit, you know, goals and...

SAYRE: What is submitted annually is a financial management paper so that they can calculate what the State Department budget is. But to my knowledge there is no general system for the preparation of a policy paper which cover the total range of U.S. policy including what all other agencies are doing in the country. We didn't inspect the other agencies; we evaluated the relationship of the Department of State with all other agencies.

Q: I see. Tell me, what do you, how do you feel on the question of whether we should have a Foreign Service Officer as Inspector General or have an outsider who can take a different look at it? You know the criticism that this is just people inspecting their own kind and perhaps being afraid to call the shots on ambassadors because they might be serving under them at some post?

SAYRE: I went through this with the General Accounting Office. They did an evaluation of the State Department on this matter. One, they questioned whether the Department of State Inspector General should do evaluations or whether it shouldn't just be limited to auditing. The first report that the General Accounting Office did was so incomplete that they didn't even issue it after I objected to so many things and asked so many questions. They decided that they couldn't put out that report. They did it over again.

I have no trouble whatever with a Foreign Service Officer being Inspector General. I don't have any trouble with Foreign Service Officers being Senior Inspectors. With respect to auditing the use of the money, no Foreign Service Officer did that. It was all done by civil service officers and we had a good auditing staff.

I just have to say I was very proud of all the people who worked for me. There's always one or two who don't do what they're supposed to do, but overall I was very pleased with the people that they gave me to work on the inspection business. I don't have any trouble with a Foreign Service Officer being the Inspector General because you get such people as Bill Harrop who is absolutely outstanding in doing these kinds of things, and you get others. I think that they're quite objective. My problem with outsiders is, they don't know what they're dealing with.

Q: Did you feel you got top-level support as Inspector General, that is say from Secretary Kissinger and Deputy Secretary Richardson or not? Did they pay much attention?

SAYRE: I got the best possible support from Larry Eagleburger. He just told me without any doubt whatever, "If they try to assign to you somebody you do not feel is qualified, just so they can have an officer having something to do, you just tell me and it won't happen." And he helped me immeasurably. He had a committee to evaluate how the Department's money was spent and how the budget was put together and everything. I sat on it as observer and answered questions for them when they were meeting. I was not a member of the committee. So I got first-rate support.

I didn't really get much attention from Secretary Kissinger. But I got outstanding support from George Shultz when I was doing a couple of inspections after I came back from Brazil. I couldn't have asked for better help than I got from Ben Read. In other words, at that level, I got the best support in the world. I have absolutely no criticism of the attention the Department officials paid to inspections.

Whenever we had an inspection that turned up something questionable, I went up and briefed the Congress. One inspection was on the Foreign Building Office in the State Department because there was a real question on what a congressman had done with respect to providing money for buildings and so on and so forth. I went to Larry Eagleburger and said "We need to do an inspection." And he said "Go do it." And we did it. And we turned the inspection report over to the Justice Department. We couldn't find that anything illegal had been done, but I considered that a decision for the Justice Department and I sent it to them. So whenever we found something wrong, that was serious we got help. Just off the top of my head, I recall that in one series of inspections we had to go to Larry Eagleburger and the Director General and four ambassadors were removed, either because they couldn't deal with the staff, they were drinking too much, or something else. So we got all kinds of support on that.

But generally speaking when it came to changing the culture of the Foreign Service and the Department being more effective on preparing policy papers, or changing the way the training is done and so on, well we didn't get anyplace on that.

*Q: There are certain built in cultural problems. Well, after your experience as Inspector General, you were sent to Brazil in 1978 as Ambassador. What was the situation like when you arrived there? Did we have major problems with Brazil at that t*ime?

SAYRE: It's difficult for me to evaluate how bad they were. Because my experience up to that time working in the Bureau of Inter-American Affairs and with Brazil generally, the relations with Brazil couldn't have been better. We were real partners. But when I went to Brazil in 1978, I think the relations with Brazil were the worst they had ever been. It all stemmed from the human rights policy of the United States. There had been some human rights abuse in Brazil, but the President of Brazil had dealt with it. He had removed a four-star general who didn't deal with the problem. And when his Minister of the Army objected to him removing the four-star general, he removed the Minister of the Army. The United States continued to accuse Brazil of human rights abuses. So we had a real

problem on that. There was a problem on nuclear matters because we were not supplying Brazil with what we had agreed to in terms of helping Westinghouse build a nuclear energy plant and so on. The Brazilians went to the Germans to get the help because we said we couldn't help them. The Germans entered into about a thirty billion dollar agreement with Brazil and they were going to build four more plants. Without telling the Brazilians, Vice President Mondale, after he was elected, went over to Germany and talked to the Germans about canceling the agreement. The Brazilians found out about it. What happened? The Brazilians canceled every military agreement they had with the United States, they canceled all other agreements. U.S.-Brazil relations just went to pieces.

And by the time I arrived there in 1978, because my predecessor had been called back to do something else and there was quite an interim between my arrival and his departure. Nothing really happened in improving Brazil-U.S. relations until President Carter went to Brazil several months before I got there. He talked to the Brazilian President and the relationship began to improve, especially between the two presidents. But that was just before I got there.

Q: Am I not right in thinking that historically our relations with Brazil have always been quite good?

SAYRE: Oh absolutely. I mean the Brazilians were with the United States in both the First and the Second World War. They had a division in Italy. They cooperated with us on all kinds of defense matters, economic matters, everything else, the relationship was great, but it came apart. I tried very hard to get all of these issues straightened out. I really only resolved two of them.

The human rights issue we got settled, and we stopped reporting the way we'd been reporting. The Brazilians were really doing everything to straighten out the situation and in fact President Ernesto Geisel and President Joao Baptista de Oliveira Figueiredo just got the human rights problem straightened out and that's what we reported.

We also reestablished the military relationship with a meeting between staffs of the Joint Chiefs of the two countries once a year. That's still going on. But the rest of the problems, my successors also tried to resolve, and we're still trying to work them out. The one I'd like to see get worked out is economic relationships. We need to get our economic relationship back together.

Q: How large was the embassy when you arrived?

SAYRE: The twelfth largest embassy in the world.

Q: And how many subordinate posts did you have?

SAYRE: We had eight.

Q: Did you get to visit them?

SAYRE: Oh yes, I visited every state in Brazil except a couple over by the Bolivian border.

Q: Who was you DCM at that time?

SAYRE: George High.

Q: Oh yes, George High. What role did you give him? Did you divide the work between the two of you or did you both concentrate on the same problems, or did he run the embassy and you ran policy, how did that work out?

SAYRE: George High ran the embassy internally, and I dealt with the external side of handling relations. This was partly because I believe in delegation of authority, but secondly the Brazilian ministry Itamaraty wanted to deal with me, they didn't want to deal with lower-level officers. But our lower-level officers in the embassy tried to deal with lower-level counterparts, and the relationship between the embassy and the Brazilian government I think was quite good. In fact, Figueiredo, when I got ready to leave, somebody asked him "Well how are U.S.-Brazilian relations?" And he said, "Well now on a scale of 1-10, they're back up to 8."

Q: Which speaks very well for our ambassador then.

SAYRE: Well, George High did a great job.

Q: Now Vice-President Mondale visited during that period, did he not?

SAYRE: Yes he did and that helped improve the relationship also.

Q: Yes, he's a winning personality.

SAYRE: He couldn't come down for the inauguration because President Carter was out of the country, so he couldn't leave the country. His wife came. And as soon as President Carter got back, he came down and sat down and talked with President Figueirdo and actually I think that worked out better. Because he had a real chance to talk with President Figueiredo. If he had come down as Vice-President, there were so many presidents from Latin American counties there that I don't think Mondale would have had a real chance to talk to President Figueiredo.

Q: Yes, much better to go one-on-one later.

SAYRE: Absolutely. I think it worked out much better.

Q: And you also had a visit from the Pope when you were down there?

SAYRE: Yes sir, we had a visit with Pope Paul II. One of the issues that I discussed with Pope Paul II was the major dispute between Argentina and Chile over the Beagle Channel. Because they couldn't get it settled any other way, I had recommended to the Department of State in 1979 that because I thought both Argentina and Chile would accept the Pope, that he be asked to arbitrate the dispute. The Department did. He arbitrated it. They came to an agreement in November 1985. But between the time that I made the recommendation and the time the Pope agreed to arbitrate, the Argentine army went to sea to fight the Chilean navy. The Pope intervened before the Argentine navy started shooting at the Chilean navy, so a war was avoided between Chile and Argentina. When the Pope came to Brasilia in June of 1980 I talked to him about it. And he was very pleased that he had been able to do something, get involved in it and negotiate a settlement. He negotiated a rather ingenious settlement and both Argentina and Chile accepted it.

Q: I think that's a real feather in your cap, sir. And you can take great pride in that.

SAYRE: Well, you give the credit to Pope Paul II.

Q: What was the situation with regard to this gentleman Daniel Ludwig and his Amazon development scheme?

SAYRE: Well, Daniel Ludwig had a huge project, the Jari project, up in northern Brazil near the Amazon River. As you know, Daniel Ludwig was a big shipping magnate and had a big shipping industry, but he invested in Brazil. What he had been promised by the Brazilians in the Jari project was some 6 million acres. He wanted to have a paper mill and produce pulp and paper as part of the industry.

As it turned out, the most he got was a million and a half acres. He had the paper plant built on a floating ship in Japan. They brought it over to the Amazon River at Jari. They sank the ship and the plant started operating. It was a very effective program. He kept planting new trees and cutting them down. They were making money, but he wasn't making as much as he wanted. They also were mining some material in the area which he used to make slick paper and he was shipping that out also.

He had a huge bunch of oxen and mules which they used to drag the trees out of the woods because they couldn't take in tractors. If they took in tractors they'd have turned the ground into cement and they couldn't plant any trees. One of the things that was very interesting to me when I visited the Jari project was to find that when they cut these trees down, it was a tree I think they brought in from Africa, it grew back up again in about six years, and then they cut it down again. And they said "Well this is the fourth time, we don't know how often this happens." They also had pine trees.

They had a scientific program there to develop additional trees and they had about thirty thousand employees in the Jari project. But Ludwig just could not get the amount of land he needed to make it really as big a project as he wanted to. I talked to the head of the Brazilian President's household about this matter, an Army general, and explained to him that we had a serious difficulty here because of various kinds of problems.

I also talked to, when I came up to the United States, to Ludwig's lawyer in New York about it, a former Attorney General of the United States, and asked him whether he wanted the United States government to be involved in helping solve this problem. The answer was "No." So I quit. I didn't do anything more.

What Ludwig did was work out an agreement with a group of Brazilian businessmen. He had invested significantly. But my recollection is that about $245 million had been borrowed from the Brazilians to do this project, so it wasn't all his money. The Brazilian businessmen bought out the project and they agreed to pay off all these loans. It is now a Brazilian company.

But the real problem was that the people in this area saw it was a real opportunity, and they made land claims and other things. Ludwig himself did not have a public relations operation. He didn't have a group to work with the Brazilian government and get all this straightened out. I asked him "Why not?" I never got an answer from Ludwig or anybody else about it. I only talked to him once. We just happened to fly up to the Jari project together on an airplane one day. But it was a remarkably good project and he had an excellent idea but it just didn't produce as much results as Ludwig wanted.

Q: And now it's in Brazilian hands?

SAYRE: It's in Brazilian hands, yes.

Q: Did you notice any change in our policy toward Brazil when President Reagan took over?

SAYRE: Not really. With respect to Latin America, Reagan's focus was on Nicaragua and other problems in Central America, and a few other cases. I didn't see any change in U.S. policy toward Latin America.

Q: Well after three interesting years in Brazil, and exciting I'm sure too...

SAYRE: I was actually there four...

Q: Four...you were brought back to the Department in late 1981, or came back to the Department, where you became Director of Counter-Terrorism which at that time had assumed the importance it now has. We were very concerned with terrorism. What were the problems you faced with taking over in that assignment?

SAYRE: Well one of the first problems was that the Department of State did not have an emergency planning process. I thought they did. But we found that all of the emergency plans that had been submitted by about one embassy in four in file drawers up on the seventh floor. Nobody had reviewed them. We set up an emergency planning program. I traveled around the world, met with all of the DCMs, told them what had to be done in order to have an emergency planning program, insisted that every embassy present a proposal on emergency planning. And by the time I left the job we had an emergency plan for every embassy in the world. That was one of my principal preoccupations.

Another preoccupation was that there was a substantial threat against embassies, the obvious one of course in Lebanon, but there were other ones.

Q: Were you there by the way when the Beirut embassy bombing took place?

SAYRE: I arrived just about the time it was blown up the first time, and sent over an investigation team to check on what had happened. It found that while the embassy wouldn't permit any other vehicles to come to the embassy building, the Ambassador's car was parked in front of the embassy building. What happened was the terrorists, instead of going in the way everybody thought you'd go in, they went in opposite way, they drove straight into the building and blew the building up. And the building, because it had a circular entrance, wasn't designed to deal with somebody coming in that way, and it wasn't closed off. It should have been closed off for everybody but it wasn't.

So it was a tragedy. The second time the Embassy was bombed I was working with John Poindexter and Oliver North. We had this Interdepartmental Counter-terrorist group which I chaired. The vice-chairman was from the Justice Department. Every agency in the U.S. government that was involved in these kinds of problems (there were about nine or ten of the agencies), was in the Inter-Agency Counter-terrorist group and we met regularly. We came up with a program to improve security in embassies, a billion and a half dollars over a five year period.

When the Embassy was bombed again in 1981, I went immediately to the White House, and the President agreed and sent our proposal to the Congress. We got three hundred and sixty million dollars to start improving the security of our embassies around the world out of the billion and a half dollar program we had proposed. The program had been previously reviewed by Secretary Shultz who approved it, and it had also been approved before it went to the President by the Office of Management and Budget, so it was very quick, and the Congress approved it in ten days.

The other thing was just generally trying to prevent terrorism around the world and handling events that occurred. That was a tedious job, and I didn't expect anything other than the normal baseball batting average of winning one in three.

Q: How did you relate to the Office of Security in the Department because we have security officers now at our embassies around the world?

SAYRE: I started working on this problem with Under Secretary Kennedy. He wanted me to be responsible for counter-terrorism and emergency planning. And as you might expect, there do tend to be bureaucratic problems. It didn't work too well at the beginning. But we had one of the Directors of Security, Mr. Fields, and the relationship could not have been better. If I asked him something, he would come up some proposals.

Now every once in a while we had some problems. For example on the Dozier case, we did not get the help we should have gotten from the Central Intelligence Agency because they are supposed to collect the intelligence and provide it to the Department of State and the Ambassador and so on to deal with the issue. We had to deal with that ourselves and the Director of Security set up an intelligence committee that coordinated all the intelligence and helped me work on the Dozier case until it was finally settled.

Q: Excuse me, would you explain the Dozier case?

SAYRE: It was the Red Brigade in Italy that had kidnaped General Dozier. They were holding him. The Italian government and the Embassy worked very well together. They finally found General Dozier and got him released. Part of the work was to coordinate the intelligence, and the Security Office set up an intelligence committee for us and worked it all out.

After that particular case, once the Central Intelligence Agency realized what it had not done, it took over the responsibility. From then on we didn't really have any problem coordinating intelligence as they are required to do under the National Security Act, but they just weren't complying with the Act on the Dozier case.

We were not able to get the kind of money that was needed to implement the President's Directives. I wasn't able to get the kind of support I needed on funding because the Under Secretary for Management thought that my proposal threatened other monies in the State Department. The Director of Security, after the second bombing in Beirut, wanted to do it on his own; in fact, he set up a committee after we got the three hundred and sixty million dollars; the Inman Committee to consider how the Department should handle security and terrorism. But I think generally the coordination with other government agencies and the bureaus in the State Department and so on was working quite well.

Q: Good. You had to testify before Congress, I gather?

SAYRE: Oh yes, we had to go up and testify to get all the money every year. We also got a police training program set up. That was a real problem. The Congress didn't really want to do it because of all the trouble we'd had with the police training program back in the seventies, but they finally agreed to do it when I gave them a written assurance that the Central Intelligence Agency would not be involved in any way in this police training program and in fact it is not. It's handled by the Department of State and the training is done at the federal police training center in Georgia. We also worked with state

governments and municipal governments. Edward Marks put this together and dealt with the Congress to get the final issues settled. The program is still functioning.

Q: Secretary Shultz is known to have favored preemptive or retaliatory strikes against terrorists abroad, and this excited some comment. How do you feel about that?

SAYRE: I don't know that George Shultz really wanted to do those kinds of things. He wanted us to be active. For example, after I left the office in 1984, he sent me over to settle a problem in Abu Dhabi. Some terrorists from India had hijacked an airplane, they'd landed in Abu Dhabi and he thought the Embassy had made an improper agreement to let them be given asylum in the United States. I went over to Abu Dhabi. I talked to the head of the government over there and of course the Embassy and we worked out an arrangement. The U.S. plane came to pick up these people with a U.S. flag on the tail, but when it took off it went to India.

Q: Oh I see. Well then in 1984 after three years of Director of Counter-Terrorism, you went back to the Inspection Corps?

SAYRE: Yes.

Q: Had the situation changed? Were there new problems?

SAYRE: Well as I've already said, Bill Harrop was the Inspector General. He asked me to come back and I did a couple of things for him. He had gotten the Secretary of State to agree to a minimal policy planning process so that inspectors would have some kind of assurance that they knew what they were doing when they evaluated and audited an embassy. Unfortunately, it wasn't comprehensive.

But anyway Bill asked me to come and we did an evaluation of the Department's economic performance. After I got the first draft all done, he said "I want you to come up and explain it all to the Secretary of State," which I did. It was a most unusual experience for me because the Secretary of State when I was Inspector General never asked me to come and tell him anything. And I went over the whole report with the Secretary of State and he said "That's fine." And I said "Well Mr. Secretary do you want me to make any changes?" And he said, "No, you submit it exactly as you've done it." And there were some things in there that were kind of critical of the way the State Department does its job, but he wanted the report submitted the way it was.

Q: And this was Secretary Shultz?

SAYRE: That's correct.

Q: And he, of course, knew economics.

SAYRE: The other thing I did was look at how the ambassadors were carrying out National Security Council Directive Number 38 which says that ambassadors are responsible for all other agencies in their country except those that come under the command of the joint chiefs and so on. And so I did that. We had the full cooperation of the inspection corps. They looked at about 24 countries and got me answers to all kinds of questions. I went personally to about a dozen countries and looked at things. One of the things that I found was that there were very few ambassadors really complying fully with NSCD 38, and I had to report that more needed to be done.

On the economic matter, I had to report that the Department of State was not being very effective in dealing with the American business community and working with them. They were doing a good job in the western hemisphere but I couldn't find that they were doing the job they should be doing in the eastern hemisphere countries, and that's what we had to report.

Q: In 1985, after a lengthy career, over 35 years in foreign affairs, you took retirement from the Foreign Service, but that didn't of course mean that your involvement in foreign affairs had ended because you became an advisor to our representative to the OAS who was Ambassador McCormack at the time?

SAYRE: That's correct.

Q: What were some of the issues he wanted you to look after for him?

SAYRE: Well he wanted to get the United States policy on the Organization of American States back on track, and he also wanted to make the priorities of the Organization of American States clearer and more effective. Unfortunately the United States in the early 70's had decided that it shouldn't be paying any more in quotas than 50%. We were basing our quota at the UN on the comparative GDP, and our GDP in the world is 25%. So we paid 25% to the UN. But when I told the people in the Bureau of International Organization Affairs that the United States had 85% of the GDP of the OAS member countries, they didn't know that, and they were objecting to us paying 66% of the quota.

Anyway, Ambassador McCormack and I persuaded the Congress to agree to change the policy. The Secretary of State, at a meeting in Guatemala, also announced publicly we were changing our policy--the United States would pay its quota, and the Congress agreed. We had an unfortunate problem because we ran into difficulty on the exchange rate losses in Europe so the Bureau of International Organization Affairs took away one-third of the money that belonged to the OAS to pay the exchange rate losses. So we paid even less to the OAS. We finally paid our first full quota in 1990.

But those were the objectives we were after. We were really trying to do something about strengthening inter-American relations and so on. Luigi Einaudi followed with a very strong performance, and Ambassador Babbitt has done the same. She has been very, very active getting the OAS to do its job on things like Haiti and armament and other things.

As I said the other day in a speech at Georgetown University, for the first time in 25 years, things are looking good.

Q: Did you have to work with any of the delegations from other countries, or were you mainly advising Ambassador McCormack at this time?

SAYRE: Well I was mainly advising Ambassador McCormack, but I did work with the other delegations. I knew a number of them, the Brazilians especially, but I also knew the Mexican representatives. I discovered the Costa Rican representative had been on a committee, he and I together, back in 1950, and so on and so forth. So that I did talk to the other delegations, but never without the permission of the U.S. Ambassador.

Q: Did you attend the council sessions?

SAYRE: Oh yes, and I wrote the speeches for George Shultz and the other speeches that were made by Ambassador McCormack for the next three years, yes.

Q: Well after that period you then moved over from the U.S. mission to the OAS itself where you became Under-Secretary for Management in 1987?

SAYRE: Yes, that's correct.

Q: What was the problem you faced in that assignment?

SAYRE: Well they weren't too different from the problems that Ambassador McCormack and I had worked on because when I got there the U.S. was still not paying its quota. Only about 11 of the countries in the organization were paying their quotas on a timely basis. Brazil for example wasn't up to date, Argentina wasn't up to date, so on and so forth. So we continued to have a problem on financial support. But the Secretary-General was very anxious to focus the OAS on objectives. Whenever I went to him each budget cycle and suggested how we should ask for money and what we should get, he would do it.

Q: I should add that you knew him in previous careers.

SAYRE: He was what we would call the Deputy-Secretary of Itamaraty when I was Ambassador to Brazil.

Q: Ah yes, well that makes for a better relationship.

SAYRE: And he knows Latin America very well. One of the things that's of interest is that when we were in Brazil there was an armed dispute between Peru and Ecuador in 1981. He was the chief negotiator for the Guarantor Powers--Brazil, Argentina, Chile and the United States. I sat on his committee and we lived in his office, and I mean literally for two days, and he got the problem settled all on the telephone. And I gave him a trophy with an old telephone on it, with a satellite-style plaque on it showing the calls he'd been

making to settle this dispute. And the Department of State said it's the first time in the history of armed conflict that it's ever been settled by telephone.

So that I think given the circumstances in the OAS he did as well as he could. We finally got the quotas and everything back up to where they should be and we got more focus on priorities and so on. We got an awful lot of cooperation from the OAS staff, and we have some quite outstanding people on the OAS staff.

Q: Were you able to, should I say, slim down the OAS staff because personnel has always been a problem there?

SAYRE: Oh the OAS staff got severely slimmed. I wasn't responsible. I had to manage the problem of slimming it down but the reason we had to slim it was because the United States didn't pay its quota in 1989. We lost thirteen million dollars. We didn't have any money to pay the staff and we reduced the staff from 1400 down to 600.

Q: Cut it in half, more than in half. My...that must have led to hard feelings all over the hemisphere?

SAYRE: It caused a very serious problem of handling issues. But the United States started paying its full quota and the other countries began to pay their quota. Canada came into the OAS in 1990. The situation began to improve. It's not as good as I would like to see it. I would like to see the UN, for example, depend on the OAS for the western hemisphere. The UN likes to do it itself, but I think things are better.

Q: Well the OAS contributed mightily to such things as settlements in El Salvador as I recall.

SAYRE: No...the OAS played a key role in Nicaragua, not El Salvador.

Q: Nicaragua

SAYRE: The UN was the one that dealt with El Salvador. The OAS played the key role in Haiti. Despite what the media says, the OAS was the key player in Haiti. The OAS also solved the problem in Peru with the Fujimori coup and got that straightened out. The OAS Secretary General, Baena Soares, also went to Guatemala, and within two weeks there was a duly elected president of Guatemala. It was the quickest thing in that category that happened. So the OAS has made quite a remarkable record for itself on election observation and responsibility for getting democratic government in the hemisphere. Yes.

Q: Well I sometimes feel it doesn't get the credit it deserves indeed, but perhaps that's not a bad thing in some ways.

SAYRE: Well it's all right. Part of the problem is that the OAS does not have as good a public relations operation as the UN does.

Q: Amen. Did you leave the OAS when Baena Soares was still there or did you stay for the new Secretary-General?

SAYRE: I left the OAS before the new Secretary-General came in because the new Secretary-General removed all of the persons that had been specifically appointed by the previous Secretary-General and replaced them with his own appointees.

Q: Has the admission of Canada had much effect on the UN, on the OAS?

SAYRE: I really think that the admission of Canada has been a very positive thing. It has given more balance to the OAS. It's helped the United States because here's another developed country that's coming in and expressing its own view. Canada and the United States have worked very well together in the OAS. It's positive. It would help if Canadian relations were handled by ARA, especially because Canada now gives first priority to relations in the western hemisphere.

Q: And how, finally on this question, how useful do you judge the OAS to be nowadays? Is it an organization that we want to see continue?

SAYRE: Yes. It should be continued, it should be strengthened. I think one of the problems of the U.K. is that it tries to deal with problems around the world without relying on existing organizations in the area of the world in which it's working.

For example, you see the problem in Bosnia. What finally happened? NATO came in and NATO and the UN have been working more or less together now and we're finally getting the problem in Bosnia straightened out.

Almost every issue that's come up in the western hemisphere, the organization that has finally dealt with it, except for Salvador which was handled entirely by the UN, has been the Organization of American States.

And I think that the UN needs to press the regional areas to really make their organizations more effective. The UN needs to work with these regional organizations so that it will be more effective. There are too many details and complications. I think that would be a great help, because it doesn't really solve problems for example to bring in somebody from Thailand to work in Nicaragua. They didn't really understand the issues in Nicaragua. The director of our program in Nicaragua was from Argentina and he was absolutely remarkable. And he worked well with the Nicaraguans, they understood him and he understood them and it all got done. But we had real problems trying to deal with people from other areas of the world who didn't really understand the culture that they were working in.

Q: Finally back to your days in U.S. OAS. How did that organization relate to ARA in your time? Were they close? Did ARA pay much attention to U.S. OAS? Or were they treated just as a poor cousin?

SAYRE: No. When I started out in 1950, there was a very close relationship because the Director for Regional Political Affairs was also responsible for the OAS. The problem arises because they completely separated the OAS operation from the rest of ARA and it no longer comes under Regional Political and Regional Economic Affairs. That's one part of the problem.

The other problem is the Department has put all of the international organizations under the Bureau of International Organization Affairs, and when it comes to priorities, that Bureau gives first priority to the United Nations, and then it looks around to see what else it does. It gives next priority to European organizations, and the western hemisphere gets last priority.

Q: I don't know how one can correct that. There it is.

SAYRE: Well, as I say to people, 40% of U.S. exports go to Latin America. We just need to understand on which side our bread is buttered, and what our economy depends on, and pay more attention.

Q: Well Ambassador Sayre, those were the questions I had in mind. Do you have any other comments you would like to make?

SAYRE: Well, I had put together some comments because it seemed to me that we would talk about individual issues, but the major issues so far as I am concerned, based on my long experience in the Department of State, is that the Department of State needs a strong, comprehensive policy planning process.

As I showed you, the Department of State was established in 1789 by legislation that still applies. Under the law the Department of State is the staff of the President of the United States to handle international relations. And for that reason, I always considered that I had the responsibility to follow the policy laid out by the President, whether he's a Democrat or a Republican, and to support the President's efforts because the Department of State is his staff for foreign affairs.

Now the Department of State doesn't have an organized foreign policy process to discharge this responsibility. Its system does not closely relate its objectives to the budget. And that's a big problem. In order to have a policy planning process related to budget, you have to run the process over a period of eighteen months. But I was always told in the Department of State, "Oh we can't think ahead more than six months." What happens is, that the Department has to prepare the budget, give it to OMB; the Office of Management and Budget reviews it and gives it to the President, the President presents it in January and the Congress finally acts on it in September. That's a total eighteen-month period.

And you can't relate resources and budget, and resources and policy if you don't think ahead about eighteen months.

The Foreign Service and the Department have resisted the planning process. As I've said, they say "We can't think ahead more than six months." So there's a disconnect between the policy and the resources. As a result of that, there's a disconnect between the Department of State and the Congress because the Department of State doesn't outline clearly for the Congress on a continuing basis the reason it's presenting its budget. And that's what the Congress really looks at--what's the budget of the State Department, for what do you want the money.

Various efforts have been made to establish an overall process. But I couldn't get one accepted. Bill Harrop as I've mentioned didn't get a comprehensive one accepted, and there's no regular system for consultation with all the other agencies involved in foreign affairs. We had one in the Bureau of Inter-American Affairs in the 1960's beginning with proposals by the Ambassador based on what all the agencies at the embassy said. When it came into Washington we had an inter-departmental group meeting of about 18 agencies. We met once a month either to consider the budget or consider how it was being carried out, and whether we were doing what we were supposed to be doing. We had a similar arrangement when I directed counter-terrorism.

But unfortunately, ARA was the only bureau in the Department of State that was doing anything like that. And it caused me a problem, as I mentioned to you, when I was Inspector General because we couldn't obtain policy papers to do the auditing and the evaluation. In effect, the inspection team had to determine what the policies were and what the resources were before they could do the evaluation and audit that they were supposed to be doing.

Now, the Department is trying to put a system in place, but it will only cover the work of the Department, the Agency for International Development, and the Information Agency. There is no system to provide the President and the Congress with a comprehensive policy and overall resource requirement including those of Commerce, Treasury, CIA and Defense who are also spending huge sums of money overseas.

Q: You'd do this on a country by country basis?

SAYRE: You'd do it. The persons who really ought to put this together are the Assistant Secretaries for the regional and functional bureaus. They're the ones that ought to bring this all together and see that it gets done and give it to the Under Secretaries for Political Affairs and for Management to put in the State Department's budget and be able to explain to the President and to the Congress, how much money is needed, what we're doing, why we're doing it. My basic approach to this is: If we do not define the policy, and discuss it with the other agencies, you cannot provide leadership because you are not telling the followers what they're supposed to be doing; that's something I learned in the Army.

Now a second problem is there's duplication in policy planning. The most significant duplication is that the Department of State is supposed to do policy planning but there's the National Security Council staff that also does it.

Given the present situation in the world, we're trying to redesign how we do everything. What I would do is have the Assistant Secretaries in the State Department fill every one of those positions in the National Security Council, have their offices over in the Old Executive Office Building so they'd be right next door to the President, and when the President wants to talk to somebody, he doesn't have to wait for twenty minutes till they get there. They can walk across the street and talk to him. I think one of the serious mistakes that was made back after the Second World War was that they moved the State Department to 21st and Virginia. It should have stayed where it was, right next door to the President of the United States. After all, it provides his staff for foreign affairs, according to the 1789 law.

Now, who would head the National Security Council Staff? Well, the obvious candidate is the Under Secretary for Political Affairs, but you know, you could do something else. But what we'd end up with is a much more coordinated and comprehensive and consolidated approach to foreign affairs and you wouldn't have all of the various people you hear these days talking about foreign policy. There'd be two, the Secretary of State and the President. And you would also save several millions of dollars each year in the budget.

Another part is staffing and training the Department. The Foreign Service insists that it is a "generalist" service. It has not been willing to recruit and train its personnel to perform all the various functions which must be dealt with on a daily basis. For example, when I headed the team that inspected economic affairs in 1985, what did we find? Personnel told us that only one in four of the people assigned to an economic job had background in economic affairs. Well, how do you expect other countries to believe you know what you're talking about if you're not really qualified? So what we recommended was; "You should get these people trained." We got turned down on our recommendation because the Director General said "we're not a specialist service." What I think the Department of State should do is have specialists up to the Counselor grade and then when you get into the Senior Service in the State Department you become a generalist, but until that time you have to perform specialized functions and take care of all of these various functions. The Foreign Service insists that it is similar to the U.S. military and this is the way the U.S. military services do it.

Q: Isn't that what the cones are designed to provide?

SAYRE: No they're talking about cutting the cones: they only have four cones, and they're talking about consolidating into two cones. So they don't do it, and they don't recruit on the basis of all the functions they're supposed to be performing, and the biggest single problem that I encountered is the one I've already mentioned on economic affairs.

What does the Secretary of State say is the single highest priority of U.S. foreign policy? Economic and commercial affairs. Is the Department of State ready to deal with that? Well, somebody else will have to answer the question because I do not know what has been done on staffing since 1985.

There is a problem of dealing with the U.S. Congress today because the Department of State has not kept the U.S. Congress informed on what needs to be done, what it's doing and so on. The Congress is wondering whether the Department of State really has a policy, and what it needs in the way of resources to carry out the policy. Until they really get a policy planning process in place and functioning and dealing regularly with the U.S. Congress on what's going on in the world, they're going to continue to have problems with the U.S. Congress, and we are going to continue having problems getting the money to do it.

And another thing that they need to do is keep their personnel up to date. We bring people into the Foreign Service and they're expected to stay for twenty to thirty years. Well how do they stay up to date? They have to go to training programs. They can't be kept up any other way, but the Department of State has not had programs that regularly bring in people and make sure that they're trained and qualified to do the kinds of functions that they're supposed to be doing. For example, what we suggested in 1985 was, given the number of people who are economic counselors at Embassies and in the Department of State, to send about 25 people a year to get a Masters Degree in economics. They said "That's specialization and we won't do it."

These are the three problems that need to be dealt with: a comprehensive planning and budget process, an organized process to advise the President and the Congress, and a recruiting and training program related to the functions which the Department of State is expected to perform if it's going to be the staff of the President on foreign affairs.

Q: Given those very useful comments, would you, looking back on your career, would you advise a young person to join the Foreign Service today as a career?

SAYRE: Yes I would. Why would I? Because the United States is becoming more and more dependent on the rest of the world. Thirty-five percent of the income of the United States is related to our investments, our exports, and other things overseas. And we really have to deal with this. So we need a much stronger Department of State. We need to be there.

People say "Well you can handle it on a computer." You can't handle it on a computer. I don't understand the Congress saying this. The Congressmen talk personally with each other to get an agreement. How do they think we're going to get an agreement with other countries in the world unless we have an Ambassador and an expert staff there to talk to them and get agreement and do it on a daily basis? You can't do it by computer. It won't work. So I want to see the Department of State strengthened. I think the cutting of the

Department of State's budget twenty-five percent is a very serious mistake and it's going to plague us, adversely affect our leadership, and hurt our economy.

Q: Would you recommend a young person going in for Latin American specialization these days?

SAYRE: Latin America is back on the agenda of the United States. I think being in the Latin America area would be useful, but I don't think that you should confine yourself, as I got confined because of the personnel system of the time. I think you need to know what's going on in the world, and how that impacts on the western hemisphere, how the western hemisphere impacts on everybody else, and I don't think you can do that unless you get assignments in other places and watch what's going on in the world.

Q: Well thank you very much Ambassador Sayre. Do you have any further comments you would like to add?

SAYRE: No I think I've said too much.

End of interview