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

AMBASSADOR E. ALLAN WENDT

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

Q: Today is The 20th of May, 1996. This is an interview with Allan Wendt - do you have a middle initial?

WENDT: I have a first initial—E.

Q: All right, just Allan Wendt.

WENDT: A-L-L-A-N. Everybody misspells it, although it isn't that uncommon. Think of Edgar Allan Poe. He spelled his name the same way I spell mine.

Q: This will be done on behalf of The Association for Diplomatic Studies. I am Charles Stuart Kennedy. Let's start at the beginning. Could you tell me a bit about your family and when and where you were born?

WENDT: I was born November 8, 1935 in Chicago, Illinois. My mother grew up in that region, but my father was from New York City. He ended up in Chicago because he was offered a job there. It was the time of the Great Depression and jobs were not that easy to come by; so, he took advantage of that opportunity.

Q: What kind of work was he in?

WENDT: By training he was a chemical engineer, though also with a liberal arts education from Cornell. He ended up in the business world. He worked for the US Gypsum Company. So, I grew up on the North Shore of Chicago.

Q: I was born in Winnetka, too.

WENDT: You were born in Winnetka?

Q: Actually, I was born in Chicago, but my mother's father was a German lawyer from the Chicago area named Lackner.

WENDT: I was born in Michael Reese Hospital. I hope you're not going to tell me you were born in the same place.

Q: No, no, I don't think so. I'm not even sure. It was a hospital in Chicago, I think.

WENDT: We lived in Chicago until I was about six. We moved out to Winnetka, just 20 miles north of the city on Lake Michigan, as you know, in 1941.

Q: Where did you go to school?

WENDT: I went all through the Winnetka public school system. Then I went to New Trier High School. That is something I've always been proud of because I thought then and think now that it is an example of how good public schools can be. Charlton Heston, Senator Charles Percy, and Don Rumsfeld all went to New Trier. Rumsfeld was a senior when I was a freshman, and he doesn't seem to have changed a bit since then.

Q: At New Trier, could you major in any particular area or anything like that? Did you have any particular interest?

WENDT: I don't think there was exactly a major, but I did study a lot of history. I think history and English were my two principal subjects, but also languages. I started with Latin. Then I went on to Spanish. I chose Spanish because I thought it would be very useful in this part of the world—the Western Hemisphere---and that certainly has proven to be true, although since then I've gone on to study other languages. At the time, I had a very utilitarian frame of mind. I thought of what would be useful, and I decided on Spanish.

Q: You graduated when from New Trier?

WENDT: 1953.

Q: And where to?

WENDT: From there, I went to Yale.

Q: Why did you choose Yale?

WENDT: I had in mind three or four universities. I had a good academic record at New Trier. At that time, if you had a good record, it wasn't too difficult to get into a top school. So, I applied to Harvard, Yale, Princeton, and Stanford and was accepted at all of them. I think that would be difficult if not impossible today.

Q: I think it would be, too.

WENDT: I probably wouldn't get into any of them today. I think it's far more competitive than in my day. Also, the admission of women has obviously greatly reduced the mathematical odds for male applicants.

Q: Also, New Trier, though, had this reputation.

WENDT: It had, and still has, a very good reputation.

Q: I went to Williams and I know we had about six or seven people from New Trier when I was there.

WENDT: I think I chose Yale in part because that's where several of my friends were going. It seemed like sort of a middle ground between Harvard and Princeton. There was nothing rational about this. It was really very arbitrary. But I almost went to Harvard. I had a legacy there—my father's older brother was in a famous Harvard class—1910, with Walter Lippmann and T.S. Eliot, among others. I applied for a National Merit Scholarship. I didn't get it, but I was admitted.

Q: What did you major in at Yale?

WENDT: I majored in history, with a minor in political science. I studied diplomatic history and became very interested in the subject. I think that whetted my appetite for a Foreign Service career.

Q: When you were studying diplomatic history and international relations, was there any concentration that you were making?

WENDT: Western European history interested me most, but I also studied Asian history, and a bit on the Middle East. My two principal areas of interest were Europe and East Asia, notably China and Japan.

Q: Looking back on it, was there any sort of thrust to the way you were being taught? It was a rather turbulent period. The McCarthy period was still in its upswing. We were still in the Korean War, or just getting out of it. NATO was being expanded.

WENDT: I think the academic curriculum that I was exposed to in history was pretty well balanced. I don't recall any strong biases in one direction or another. People tend to associate university faculties with a very liberal outlook, though I'm not sure how that notion would apply to the teaching of history---even recent diplomatic history. I had one professor who was very conservative, Richard Walker. He later became US Ambassador to Korea. I believe that was in the first Reagan administration.

Q: I think it was.

WENDT: He had a very conservative outlook, tending towards the notion that we had not handled relations with China well and that our failure to perceive more accurately where our interests lay was probably a factor in the fall of China to the communists.

Q: You graduated when?

WENDT: I graduated in 1957. I took the Foreign Service exam while I was a senior in college. I passed it. That was the written exam. But there was, as you know, quite an interval between the written and the oral. I didn't take the oral exam until about a year later. In the meantime, I went off to Paris to continue studying at the Institut d'Etudes Politiques, more commonly known as Sciences Po. After my first year there, I received notification of the administering of the oral exam for the Foreign Service at the American Consulate General in Frankfurt. So, I went from Paris to Frankfurt and took the oral. Happily, I passed.

Q: Do you remember the types of questions that were asked?

WENDT: I remember one question in particular that, fortunately, I was reasonably well prepared for, but I might not have been—I was lucky. They asked me to name all the ports from West to East, the principal ports, from Port Said to Singapore. I wonder if

most American students, even ones who do very well in college, have paid enough attention to geography to deal with a question like that. I think geography is a subject that gets short shrift in university curricula. As I recall, I was able to handle that question in part because of what I had learned in France. In Europe, you pay more attention to geography than in the United States. I had managed, for one reason or another, to look at maps and sufficiently acquaint myself with the world's geography. I could handle it. I also anticipated a lot of questions about the United States. So, I spent considerable time at the Sciences Po library reading about the history and geography of the United States and its economic base. I learned about industrial output and manufacturing output, a lot of things like that. I boned up such subjects for the oral exam.

Q: So, you passed the exam. This was what year?

WENDT: 1958.

Q: Then what happened?

WENDT: I asked for another year to finish what I was doing in Paris. I wanted to stay another year because I thought that one year, although very useful, really only laid the basis for more rapid progress later -- for example, in the French language.

Q: Oh, absolutely --

WENDT: And that, if I cut it off after one year, I wouldn't have gotten the full benefit of the effort I had already made. So, I asked for and got from the Foreign Service exam panel an additional year. I spent that year in France at Sciences Po. I came back to the U.S. in 1959 and entered the Foreign Service in late September of 1959, in the second Eisenhower Administration.

Q: Could you give me a little sense about the class you came in with?

WENDT: It was a very diverse group of people, maybe not diverse by contemporary standards in terms of women and minorities, but certainly diverse in terms of background. The group came from all over the United States, and many different universities. I always had to laugh at the notion of Ivy League dominance in the Foreign Service. I never saw any evidence of that since I joined the Service. Maybe it was true back in the 1930s, but this is a myth that seems to die hard.

Q: It seems to die hard. Also, even adding on to that particularly with the GI Bill of Rights and all, in my interviewing I find that many of the people who were Harvard, Yale, and Princeton types actually came from very modest backgrounds, but they got the GI Bill and they went for the best.

WENDT: I was going to make exactly that point. People who describe the Foreign Service as an Ivy League elite, which I doubt it ever was, miss the point that these universities take students from all over the United States. Two thirds of them are on

scholarships. So, it's a diverse group before they even get to these institutions. I think this is part of the ignorance that persists about the Foreign Service even today.

Q: Certainly within Congress. What notions were you getting about the Foreign Service? Did you come away from the A-100, your basic officer training course, with any ideas about the Foreign Service?

WENDT: I thought the course was reasonably well done. Already, though, I felt just a little bit of cynicism about where I was headed. I was not discouraged in any way, but I had already begun to sense that this was not going to be an easy road forward. I was enthusiastic, but my enthusiasm was already tempered by a sense that the Foreign Service might not be all that I might have hoped.

Q: At that time, where did one feel that the best sort of career and interesting opportunities lay in your class? Were they aiming at any particular place?

WENDT: At the time, there was strong interest in Europe. An assignment to a European post or to the European Bureau in the State Department was the most coveted assignment. I felt that way. It was not entirely rational. I don't pretend that it was. But I had a strong orientation towards Europe because I had just come from two years in France, where I had attended a French educational institution, not an institute for foreigners. I was in a French university environment and I had made a lot of friends in France. Contrary to what a lot of Americans believe, that is quite possible. A lot depends on the language. I had the good fortune to have acquired a solid knowledge of the language and that made life much easier for me. It gave me entrees into French society that I never would have had otherwise. So, I had a strong orientation towards Europe, and at the time towards France in particular.

I should add that while I was in France, I started trying to learn German. I thought French and Spanish were not enough. So, I took German as a foreign language. That in some ways was a bit foolhardy on my part because I had no academic base in the language at all. But in the summer of 1957, right after I went to Europe after graduating from college and attending the wedding of a childhood American friend of mine in France, I went off to Berlin. I spent five weeks in Berlin and then started studying German on my own with a tutor---and then I pursued it while in France. I had an old walrus of a professor at Sciences Po who was a very tough taskmaster. I explained to him privately who I was, that I was only auditing the class and that I had no academic background in German, unlike all the French students in the class who had had at least five or six years of it in secondary school. He said, "Don't worry. Just do your best. I understand perfectly." But then only a few minutes later, he forgot what he said to me. So, when there was a written exam in class – usually a passage from Schiller or Goethe -- and I didn't do very well, he would look at my paper and slam it down on the desk and say, "Monsieur, c'est lamentable." (This is terrible). I felt pretty bad, but there wasn't a lot I could do. I would explain my situation to him again, and he would say "Oh yes, don't worry about a thing – just do your best – and then the same thing would happen the next day. I did learn some

German, though. Anyway, I'm sorry, I digressed from your question. Yes, I had a strong orientation towards Europe.

Q: Assignment time came.

WENDT: This was part of my disillusionment. When the assignments were announced, I found somewhat to my dismay that I wasn't assigned to a post in Europe and I wasn't even assigned to the European Bureau at State. I was assigned to Washington and the Bureau of Personnel. That is not exactly a glamorous first posting in the Foreign Service. There I was, not only in the Personnel department but responsible for assignments to Washington. I had to cover all of the functional bureaus like the Bureau of Economic Affairs and also the geographic bureaus like European Affairs, Far Eastern Affairs, as it was then called. I wondered at the time, "My God, is this what I have groomed myself for?" I was really not much more than a personnel technician. I was pushing papers. Somebody traveling would need an allowance for excess baggage and I would write out a personnel order authorizing excess baggage and that sort of thing. But as I look back on it, actually, I learned quite a bit about the Department of State and how it operated. I met a lot of people, and that part of it was interesting. Whether that was a sensible assignment for a young Foreign Service officer is a fair question. Even though I was not as dissatisfied with the assignment when I left it as I might have been going in, I'm still not sure that that was a fruitful way for me to spend my time relative to other assignments they might have given me. On the other hand, it became apparent to me as time went on and I learned more about the Department and the Foreign Service that the people above me in Personnel had been carefully selected.

Q: Oh, absolutely. The personnel system is probably paid more attention to by Foreign Service officers than in almost any other profession because it's so important with regard to where you go and what kind of job you get. Did you find that this assignment stood you in good stead -- I mean, with regard to how the whole system of assignments worked?

WENDT: Yes---I found the assignment to Personnel useful but in an arcane way. I got to know how the system worked and who some of the players were. I was able to influence my next assignment, which was an overseas assignment. So, I can't say that at the time I was unhappy, though in retrospect, my question simply would be "Was that the best use of my time during my first year in the Foreign Service?"

Q: I think it's very difficult. I think it's much better to be associated with a country to begin with if you've got to be in Washington.

WENDT: I think that's right.

Q: At least it gives you a feel for what the trade is all about.

WENDT: Right. A lot of my friends were doing what seemed to me at the time to be interesting, glamorous things. And here I was, worrying about putting square pegs in square holes in the assignments process and taking care of a tremendous number of

mundane administrative tasks, like authorizing excess baggage or excess weight allowance for shipment of household effects, that sort of thing. But I did it only for a year, and in retrospect I would have to say I think it was worth a year.

Then, I moved over to the Bureau of Congressional Relations, where I was a junior officer again, doing partly clerical work. I was the low guy on the totem pole in the office. When the regular messenger wasn't there, I became the messenger. But it was interesting, too. I got exposed to people who were dealing regularly with Congressional relations. I got to know something about the Congress. I spent a fair amount of time on the Hill and went to a number of hearings. I thought I learned quite a lot.

Q: Did you get a feel about how the State Department interacted with the Congress?

WENDT: Yes, I did. I felt at the time that it was an uneasy, if not troubled, relationship. I suppose it still is.

Q: What were the main problems the State Department dealt with?

WENDT: With the Congress? I think it's not much different today from what it was then, except that there was far less micromanagement by the Congress then than there is now. I would say that it's gotten worse. At the time, Senator William Fulbright was chairman of the Senate Foreign Relations Committee. He was rather well disposed towards the Foreign Service, although we worried that relations between the two branches of government weren't too good and that the foreign affairs function was not well understood and appreciated by the Congress. I think it's worse now, substantially worse. Of course, there are no absolute criteria by which to judge and make comparisons. But now as I look back, yes, I think it has definitely gotten worse.

You see, those were the days when there were powerful committee chairmen who were not interested in micromanagement of the Executive Branch so much as they were in their own power base. Deals were struck all the time, and the deals would stick. Now, power is much more diffuse in the Congress. There is no discipline. There is far more involvement in the day to day routine of foreign affairs, far more meddling by congressional staffers, some of whom are talented and make a contribution, but others of whom are real neophytes with scarcely any relevant experience. They love to inject themselves into the everyday details of foreign policy. Because the Executive Branch, particularly the State Department, is so cowed by the Congress, people at State often don't stand up to unreasonable demands from the Hill. They just let themselves be rolled over.

Q: Then, you left this after two years, was it?

WENDT: Two years, yes -- one year in Personnel and another year in Congressional Relations, which as I said I remember well. There were colorful figures in the Congress then, people like Senator Everett Dirksen from Illinois, a great orator, and Senator William Fulbright from Arkansas. I remember a big controversy over the appointment of

Julius Holmes, who was the father of Allen Holmes, who is still in the Foreign Service. Right now, he's an Assistant Secretary in the Defense Department. I had gone to Sciences Po with him in France. That's where we met, and we have been in periodic contact ever since. He entered the Foreign Service a year before I did in 1958.

Julius Holmes had been linked to some transaction involving surplus oil tankers after the Second World War. What his involvement was, I don't know, but as I recall, it was never demonstrated that there was any wrongdoing. He had had a distinguished career, and although he normally would have been made an ambassador somewhere, he couldn't get through the Senate confirmation process. I think Senator Dirksen was involved and at one point held up the nomination. In any event, whatever the issue was, it eventually disappeared, and Julius Holmes went to Iran as ambassador. Anyway, for me it was quite a fascinating experience, that exposure to the Congress.

Interesting though it was, I must say my experience at the time did not tempt me to get more involved with the Congress, although I recognize and appreciate Congress's role in foreign affairs. But from my own experience as a foreign affairs practitioner, I don't think the way the Congress operates in this area really serves the national interest as well as it might. Of course, Congress has an important statutory role in the broad lines of our foreign policy. But I do not think it's practical for a legislative body and its staff to immerse itself in detail in the day to day management of foreign affairs. It doesn't work well. I find particularly vexing the endless numbers of laws and regulations passed by the Congress that prescribe in minute detail how the Executive Branch should conduct foreign policy and what the policy should be, laws that often deprive the Administration of flexibility and generate reams of useless reports that no one ever reads.

I should add that there were other activities during these two years in Washington that added to my enjoyment of this initial exposure to the State Department and the Foreign Service. I was able to take a graduate seminar in political science at George Washington University where I wrote a paper on Japan and Okinawa. Then there was an informal group called the Junior Foreign Service Officers Club, JFSOC, which organized meetings and receptions with young foreign diplomats assigned to Washington, including some from the Soviet bloc. I recall in particular an event we organized involving a visit to the White House—it was during the Kennedy Administration. I had had a hand in organizing the event through my position in Congressional Relations.

The White House agreed to the visit, and we all went over there on a warm, sunny day—I believe it was in late spring. When we got to the White House I mentioned to the people who first greeted us that the group would be honored if the President could find a moment to greet them. They said we should not get our hopes up. Well, towards the end of our visit, to our surprise, a White House staff member came up and said the President was ready to receive the group in the Rose Garden. So, we all assembled in a semi-circle and waited for the President. Finally, out comes President Kennedy, who looks at the group and asks "Who is your leader?" For whatever reason, nobody in our group responded, and he then repeated the question. Again, no answer. Finally, I stepped forward—not because I was in fact the leader of the group but because I had been the one

who had made arrangements for the visit, and no one else was responding to the President.
President Kennedy, who was taller than I had imagined, took me aside and said, "Now tell me who these people are and what I should say to them." In a few words I briefed him on the group, noting that there were some members of the Soviet bloc among them, and that they would welcome a few words from him about the importance of diplomacy. He then proceeded to offer a few very gracious words of welcome, stressed the importance of diplomacy in resolving international disputes and wished them all well in their future careers. Needless to say, the group was thrilled.

Q: Is there anything else of note you recall from this period?

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WENDT: Yes, there was something else. Having just spent two years studying at Sciences Po in Paris, I had brought my knowledge of French to a level of fluency that came to peoples' attention, notably the French language department at the Foreign Service Institute. I was given training as an interpreter -- particularly simultaneous interpretation, which I found easier than consecutive interpretation, which required memorization or taking notes on what was said and then reconstructing it.

In one case, I was chosen to be an Escort Interpreter for a group of relatively young, rising Moroccan politicians who had come to the US for a two week visit under USIA's leader grant program. After meetings in Washington, we toured the country from New York, to Chicago, Des Moines, Denver, San Francisco, Grand Canyon, Miami, and Puerto Rico. They were all quite capable and easy to work with -- except for one thing. All in their 30's and away from home, they made very clear their interest in women and somehow thought I could be helpful to them in this regard -- try as I did to convince them that this was not in my job description.

When we reached Des Moines, however interesting they found the American agricultural scene, they quickly concluded that their prospects there were dim and asked me to curtail their visit. This was awkward, of course -- I had to make up some kind of rationale with our hosts for the early departure and then call ahead to Denver to explain that we would be arriving early. I had a friend there who had contacts with the Denver Police Department. I explained the situation to him, and he simply said, "I'll take care of it." I never heard what happened. In San Francisco, aside from their official program, I took them to a few night spots I happened to know and simply turned them loose. They were delighted.

I don't want to suggest that this extra-curricular dimension dominated the visit—not at all. At least two of the three were quite intelligent and articulate and were clearly destined for higher responsibilities. Their hosts all over the U.S. were quite pleased with the visit, and I appreciated the time I spent with them. Many years later, I heard one of them became Ambassador to the US and then Foreign Minister.

Q: Quite a tale. Was there anything else?

WENDT: Just one other thing. I was once called on very short notice and asked to be an interpreter at an official White House lunch for an African Head of State—I don't recall the country—I think maybe it was Ivory Coast. Apparently, one of the regular interpreters had been taken ill. President Kennedy had his own interpreter, and my assigned task was to sit behind Speaker of the House Sam Rayburn and Secretary of Defense Robert McNamara and provide simultaneous interpretation from French to English. I recall Speaker Rayburn being asked by one the foreign guests if he traveled much abroad. He replied no, he didn't need to travel, because people always came to him in Washington.

You left Washington...

WENDT: I left Washington in December of 1961 for my first overseas post. I went to Düsseldorf, which was then a consulate general in the most populous state of West Germany. Actually, I could have gone to Bonn. One fringe benefit of my service in Personnel was that I could influence my next assignment. I chose not to go to Bonn because I thought in Bonn I would be too caught up in the large American community there. My opportunities for involvement with the German people and learning the language would be limited.

Q: I think you're quite right --

WENDT: Whereas at a consulate general in an area that was not part of the former American zone of occupation -- it was part of the British zone --

Q: That's opposed to Frankfurt, Munich and Stuttgart, which were in the American zone.

WENDT: Right. I thought my exposure would be deeper and that I would learn more at a constituent post than in Bonn. I think I was right. In retrospect, although the experience in an embassy would have been useful, I think it was a good decision. I made fairly rapid progress with the language.

Q: You were in Düsseldorf from when to when?

WENDT: From 1961 to 1963.

Q: What type of work were you doing?

WENDT: I was a visa and consular officer. That's all I ever did there. I handled non-immigrant visas because Düsseldorf could not issue immigrant visas. Applicants had to go to Frankfurt for that. I also handled protection and welfare of American citizens and notarial services, issuance of passports, all those things.

Q: Who was consul general when you were there?

WENDT: Edmund Kellogg was his name. He died fairly recently, a year or two ago, I think. It was not a big post, but it was a very active one. North Rhine Westphalia was the most populous "Land" (or state) in West Germany. There was a lot of business activity. There were also a lot of American citizens of German origin who had gone back there to retire. Remember, the dollar was very strong then, 4.20 marks to the dollar, compared to 1.50 marks today. So, the dollar went a long way.

Q: Can you think of any consular cases that particularly got you involved?

WENDT: Yes. At the time, we were still interviewing everybody who wanted a visitor visa for the U.S. One of the questions we had to ask was, "Were you ever a member of the Nazi Party?" I'm not sure why we asked that because, somewhat to my surprise, practically everybody said "Yes, we were all more or less in the Party." In any case, it was not grounds for denying a visa.

Q: Well, it did open up other questions, I think...like the question of "What else were you doing?"

WENDT: Yes. Then we might say "Were you ever a member of a criminal organization" by which was meant the SS. Every once in a while, somebody would turn up who actually admitted being a member of the SS. Then we'd look into the circumstances. Depending on how bad it was, we might grant a waiver and issue the visa. I can remember a request for a visa for Alfried Krupp, of the famous Krupp Iron and Steel Works. He had been judged a war criminal. I don't remember exactly why -- probably for employing slave labor in some of his factories. There was a bit of a fuss. Finally, it was decided to give him a visa. I never met the man in person. It was all done through intermediaries. That was one case.

I remember another case of a fellow applying for a visa who seemed awfully suspicious. It had nothing to do with his political activities, but I think he had been convicted of some kind of misdemeanor or worse. He was trying very hard to get a visa for the United States. We had some adverse information on him. I turned him down. The next thing I knew, he had rushed off to some other American consular post and got the visa. I suppose we didn't get the word around quickly enough that we had turned him down. I learned later he had a criminal record as a swindler and was called in German "Lügen Epke" (liar Epke—his last name).

There was an element of frustration to my job because we had to interview everybody. I wouldn't say it was a visa mill like Naples or Genoa or someplace like that, but we were working hard all day long. What I came to appreciate, though, was that I was conducting all this business in German. I really made rapid progress in German. I met all kinds of people and was able to talk to most of them, even if only briefly, because there were usually always visa applicants in the waiting room. I think, in a different kind of job, I wouldn't have had the exposure that I had as a young visa officer.

Q: Well, that's an excellent way to learn a language. Did you get involved in any protection and welfare problems?

WENDT: Yes, I did. There was a fellow, an American citizen of German origin, who kept writing us eccentric letters -- we thought maybe he was a bit crazy, claiming he had been unjustly imprisoned and he wanted to get out and he wasn't being well treated. We went and visited him, but the conclusion we came to after our visit was that he really was crazy.

I actually enjoyed the tour of duty in Düsseldorf. I found it a rather elegant, accessible city. I was there only a year and a half. But I thought I learned a lot. I'm not sure how well it prepared me to be on a fast track in the Foreign Service. Maybe I would have done better to go to the embassy in Bonn. I would have met more people in the Foreign Service. But at the time, I wasn't thinking so much about getting ahead in my career as I was about acquiring useful experiences. I did get to know the DCM (Deputy Chief of Mission) at our Embassy in Bonn, Brewster Morris and his wife Ellen. I was frequently invited to their residence for dinner. I would drive down from Düsseldorf to Bad Godesberg. I enjoyed that, too. I thought I had very good exposure. It was a useful tour, even though it lasted only a year and a half.

Q: Then you left there in 1963, I guess?

WENDT: I left there in '63. I came back to Washington and was assigned to the Operations Center—the State Department's around the clock watch office, which had just been created around that time.

Q: I think the Cuban missile crisis, more or less, in 1962, had spurred its creation...

WENDT: Yes. I remember, John Kennedy was president when I was in Düsseldorf. I think the Wall was built around that time, wasn't it?

Q: That was '61, I think.

WENDT: I believe it was while I was in Düsseldorf that the Berlin Wall was built.

Q: We're talking about the Berlin Wall.

WENDT: Right. Anyway, I came back to Washington and was assigned to the Operations Center in the summer of 1963 as a watch officer. The job was all right, but I can't say that I carried it out with any great enthusiasm. I fielded telephone calls at all hours from everybody and anybody. It was interesting for a while. Then, still in the Operations Center, I became a writer and then an editor of the top secret "Morning Summary" that was sent to the seventh floor principals, including the Secretary. That activity in some ways was more interesting and useful than just being a watch officer. You really learned how to write in a disciplined manner because you had to reduce a long cable, say, to three or four lines covering just the key points, and you had to edit other

people's materials. Again, very broad exposure -- cables coming in from all over the world. You were responsible really for what information in capsule form went to the Secretary of State.

Q: Were there any crises that you particularly think of when you were either watch officer or editor that were really memorable?

WENDT: Yes. The coup against Ngo Dinh Diem in Vietnam.

Q: This was in October or early November of 1963.

WENDT: Yes. Actually, I was scheduled to take delayed home leave at that time. But I happened to drop by the Operations Center the night before I was due to leave. I was going out to the West Coast, to San Francisco, which I was excited about because I had never been to California. I had never even flown on a jet aircraft, believe it or not. In the early days, remember, we traveled by ship -- far more enjoyable than what we do today. Anyway, I stopped by the Operations Center -- I forget why -- to pick up some papers or something I had left there -- and I quickly learned there was a coup in progress in Saigon against the Diem regime. So, I was drafted into service on the spot. I recall I postponed my departure on vacation for a day or so -- those were the days when you could change an air reservation without penalty. Anyway, I pitched in to help the people on duty. That was very exciting, trying to figure out what was going on in Saigon.

I remember people streaming in and out of the Operations Center -- very high ranking people. When you're a junior officer, it's impressive to see all those people coming in and out. I don't think I saw the Secretary of State, but I saw just about everybody else. That's another thing I remember about my early days in the State Department, exposure to people of great stature -- at least, that's what I thought at the time -- people whom one could look up to, people whom one might emulate, people like Chip Bohlen, Averell Harriman, Livingston Merchant, Llewellyn Thompson. I sometimes ask myself if we have people quite like that in the Foreign Service today. Or maybe it's because I'm much older myself and they're contemporaries. This is an aside, but if there are such people, I have the impression some of them may have left the Foreign Service. I think one would be hard put to find the equivalent of people like Bohlen, Merchant, and Thompson in today's Foreign Service. For sure there are some—Tom Pickering and Bill Harrop come to mind. But that's another issue we might come back to.

So, there was the coup against Diem and that was exciting. It was interesting enough, my job in the Operations Center. I definitely thought it was worthwhile.

Q: I never served there, but I was told that sometimes this was really quite a good way to get ahead -- you were talking about the fast track. You kind of learn where things are done in the Department. And also there is a selectivity about getting the people who go into that area, which usually makes you sort of a slightly marked person or something like that. Did you find that to be the case?

WENDT: I'm not sure. I know that was alleged at the time, but I was never convinced it was really true, that it marked you for the fast track. I think that the whole assignments process was so haphazard, I'm not sure there really was a fast track. There were people, obviously, who did very well. Sometimes they did well because they really were talented and demonstrated their talents. Other people did well because they were lucky or had the right contacts. Some people who were very talented did not do as well as one might have expected. Other people who were not very talented did not do well and shouldn't have. But it was a very mixed bag. Anyway, I'm not sure that the Operations Center was the ticket to the fast track.

Q: Were you in the Op Center when Kennedy was assassinated?

WENDT: Yes and no. I was assigned there, but remember I said I was going on leave. I stopped by and the Diem coup was going on in Saigon and, as I said, they drafted me into service. After a day or so of doing that, I flew out to San Francisco. As I recall, this was deferred home leave. Anyway, while I was in San Francisco, I was standing on a street corner waiting for a cable car, and suddenly I saw some people clustered around a radio on the steps of the hotel that I was standing in front of saying Kennedy had been shot. So, although I was assigned to the Operations Center at the time, I was in fact on leave in San Francisco when the Kennedy assassination took place.

Q: When did you leave the Operations Center?

WENDT: I left the Operations Center in 1964—or maybe it was the beginning of 1965. I don't quite recall. I was there for about a year. Then you won't believe what happened to me after that. I was reassigned to the Bureau of Personnel.

Q: Oh, my God.

WENDT: Yes -- this time it was in connection with the buildup in Vietnam. They wanted somebody to work full-time on Vietnam. Somehow, they landed on me -- I suppose because of my prior experience in Personnel. So, I set about recruiting people essentially from within the Foreign Service to go to Vietnam.

Q: I invite you to talk about this in as much detail as you can because I think this is very important. We're working on trying to get a history of the Foreign Service in Vietnam and this recruiting effort in particular. In the first place, what was the attitude around there about getting people for Vietnam? Was it considered a good thing or a bad thing or was it just a job or what?

WENDT: On balance, I thought it was a good thing, although I experienced bouts of skepticism about it, about whether or not we should be involved in Vietnam in the first place and whether we were going about the whole thing in the best possible way. But I supported the program, and I thought it was a very good professional opportunity for people in the Foreign Service. I must admit I didn't necessarily think that at the very beginning. But after I had had a chance to talk to a few people who had been to Vietnam,

I rather quickly reached the conclusion that we were doing the right thing. There was a massive buildup of the American civilian presence in Vietnam and there was, of course, the buildup on the military side that had begun in 1965.

Q: We can add that in. How did you go about doing your job of recruiting people to go to Vietnam? What were the criteria for selecting them?

WENDT: By and large, we looked for single people -- you couldn't send families at the time -- who spoke French. French was still quite useful in Vietnam at the time. So, personnel technicians would put together lists of people throughout the Foreign Service who spoke French and who were single, both in Washington and at overseas posts. We had carte blanche from the White House directly from Lyndon Johnson to take everybody and anybody we wanted. We landed on them like a ton of bricks. .

Q: How does one do that?

WENDT: It was very straightforward. I spent a lot of my time recruiting people for the rural pacification program. Most of these people, even though they were Foreign Service Officers, were actually detailed to USAID, which was running the program. These FSO's received something like 10 months of Vietnamese language training and some other kinds of training to equip them to serve in a war zone. Then they were sent out to Vietnam -- usually to the provinces. I was also responsible for staffing in the embassy.

We would simply send a telegram to the FSO in question. I'll give you an example -- Frank Wisner, who is today ambassador to India. Frank was a good friend. He was ideally suited to go to Vietnam. He was single at the time and knew French. But he had also been trained in Arabic and was serving at the time in Algeria. He hadn't been there very long. So, we sent a telegram out to him saying "Report for training prior to assignment to Vietnam." His ambassador -- I believe it was William Porter -- came back with a cable saying, "This is impossible. This makes no sense. Wisner has been trained in Arabic and hasn't been here very long etc..." But we had our marching orders as well as solid backing for what we were doing in terms of the Government's priorities. Our priority was Vietnam. That was beyond doubt. So, we sent a cable back to Ambassador Porter saying "Sorry, but you will have to take it up with the President if you're unhappy. We are operating under a White House edict." So, Frank went off to Vietnam. I don't think that he regretted it for one moment. He did extremely well there. He was involved in fascinating activities and assignments. So, that was the situation as regards Foreign Service personnel and assignments to Vietnam.

Believe it or not, just about everybody we approached agreed to go---some very reluctantly, but I can recall only one person who managed to weasel out of the assignment, and one person who resigned rather than go. That was the choice. Can you imagine trying to do anything like that today?

Q: It's ridiculous to even think about it. Did you have anybody coming up and saying they didn't approve of the policy, of our engagement in Vietnam?

WENDT: A few, but not many. I think a lot of people actually viewed the assignment as a very interesting and challenging opportunity. Here was a war going on -- maybe not a declared war, but manifestly a war. It was an opportunity for relatively young civilians in the Foreign Service to get involved in very interesting and often difficult and exciting work. I would say the majority of people saw it that way -- not everybody but clearly the majority.

Q: I went to Vietnam as a mid-career officer. I was also in Personnel. I got myself assigned later as Consul General in Saigon. I wanted to see the elephants.

WENDT: That's right. When were you there?

Q: '69-'70, just after...

WENDT: You were there when I was there! That's another matter we'll have to come back to. In any event I found this second assignment to Personnel a very interesting job. I not only had a chance to talk to people who were on their way out to Vietnam, but I interviewed everybody coming back, or people who had been there and who were maybe on home leave and then returning to Vietnam. Note that this was after the bombing of our embassy had taken place, which was a pretty devastating experience. That was in 1964, wasn't it, the bombing, or was it 1963?

Q: I believe so, something like that. What were you getting from the officers who were coming back from Vietnam? What were they telling you about what they were doing and how effective it was?

WENDT: If I could generalize, I think the majority of the people I talked with liked their work. There was some skepticism as to how much progress we were making in achieving our objectives in Vietnam, which was understandable. I think everybody shared a degree of skepticism -- or most people. But what I found interesting was that people liked Vietnam. They liked the country. They liked the people, although, as I say, there was a degree of skepticism and cynicism. But they all kind of got caught up in their work. They did it with more enthusiasm than one might have predicted. Certainly, in retrospect, when you consider the virulence and the bitterness in the anti-war movement, it's very hard to square that with what I experienced among the professional Americans who served there. Maybe the military was more skeptical or even cynical, I think, in part because of the way the military conducted the war. Also, for the military it was only a 12 month tour of duty, which I think was too short.

Q: Yes, very much so.

WENDT: So, the military, even those who were not in actual combat, tended to see the worst aspects of Vietnam. The civilians usually saw it in a more favorable light.

Q: I think also the military had a one year tour, but often that was reduced to only six months. So, they were sort of like tourists hopping back and forth.

WENDT: That's right. That part of it was regrettable. I had a chance to go to Vietnam for the first time myself in August of 1965, when Henry Cabot Lodge went to Vietnam to become our ambassador for the second time. The Far East Bureau wanted somebody to go with him as an escort and they chose me. So, I accompanied Lodge to Vietnam. I had never been beyond California at that point. It was fascinating because there was a White House aircraft at his disposal for the trip. We took off from Andrew's Air Force Base outside of Washington, picked up Lodge in Boston, flew to Travis Air Force Base in California, and then to Hickam Field in Honolulu, where he wanted to stop overnight and go for a swim. We stayed at the Royal Hawaiian Hotel. The next morning we flew on to Anderson Air Force Base in Guam. That was a SAC base, a Strategic Air Command Base. That was the first time I had seen a B-52.

Q: That was our major bomber at the time.

WENDT: Yes. That's where a lot of B-52's were stationed. As I recall, at the time they were used only against enemy targets in South Vietnam, not the North, and I think also in Laos. The Philippine Government wouldn't agree to let the B-52s overfly their country—so, the bombers had to fly way north above the Philippines and then back down towards the Indochinese peninsula.

From Guam we flew to Hong Kong for a day or so and then on to Saigon. For me, this was really a new world. I had never been to East Asia before. I had been working on Vietnam in the personnel area, but actually to see the country was fascinating. I was there a week. Lodge stayed on as ambassador, as you know.

I went all through the embassy interviewing people. Phil Habib was the head of the Political Section at the time. We talked about personnel, what kind of people he needed, where the weak spots were in the embassy. I found the whole scene very interesting.

Q: Did you get any feel for Cabot Lodge at the time you were with him?

WENDT: I had a favorable impression of this man. I knew him before only as a public figure. But what impressed me about Henry Cabot Lodge was that he had quite a good knowledge of the history of the region. I remember when we were flying over Cam Ranh Bay, he pointed it out below and told me about the whole history of Cam Ranh Bay and the Russian fleets and how the kamikaze...you know, this is where the term "kamikaze" originated—it means divine wind in Japanese---how this "divine wind" had saved the Japanese from Kublai Khan's fleet...this was going way back to, when, the 13th century?

Q: Yes. This was when Kublai Khan's fleet was coming out of Korea and it was wiped out by a typhoon.

WENDT: Which the Japanese labeled "divine wind." And the "divine wind" in the form of kamikaze pilots was supposed to save them again towards the end of the Second World War. Anyway, Lodge, I thought, had a very good appreciation of the history of the area and the culture of the country. Beyond that, he was very nice to me personally throughout the trip—though I must admit with some amusement that he was rather capricious in some of his requests. In retrospect, I was essentially a personal assistant. For example, when we were in Hong Kong -- we spent the night there after leaving Guam -- all of a sudden he announced, "I need some toothpaste" and then he named a particular brand of Swiss toothpaste that I had never heard of. It was seven or eight o'clock in the evening -- maybe even later than that. Everything was closed. I thought, "How on earth am I going to get this toothpaste for him?" He didn't want just any toothpaste. He wanted this particular brand. So, I managed to get hold of the assistant manager of the hotel, and I said, "Look, this is the situation. Can you help me out?" He said, "Well, there's nothing I can do right now, but I'll see if we can't get somebody into the pharmacy early tomorrow morning." We were scheduled to leave the hotel at 7:30 am.

You know how it is with military aircraft. You have to have your bags ready and right in front of your hotel room door. If it's a VIP flight, the bags are set out ahead of time and you just walk from your hotel room directly into a waiting car, which takes you right up to the aircraft out on the tarmac.

So, with the cooperation of the assistant manager of the hotel, I stationed myself right in front of the pharmacy in the hotel at 7 am sharp. As soon as the girl came to open the place up, I said, "Ma'am, I'm in a very difficult situation." I took 30 seconds to explain it to her. "I need to have the toothpaste right away." She said, "Well, okay, let's see." She opened the door and fumbled around inside a drawer and miraculously came up with not just one tube of toothpaste but about half a dozen. I bought them all, raced back up, and stood in front of Cabot Lodge's hotel room door. I didn't knock on the door. I waited until he opened it, more or less at the appointed time when we were supposed to leave. I said, "Sir, here is your toothpaste." Well, after that, he thought that I was pretty effective. In truth, I was just lucky they had the toothpaste in the hotel and that I was able to get into the pharmacy before it officially opened. Anyway, occasionally Lodge would come up with requests like that. It was always a challenge to see if you could accommodate him.

I stayed in Saigon about a week. It was a very useful trip. By that time, my responsibilities had expanded and I was no longer dealing just with personnel for Vietnam, but also for a number of other posts in the East Asian region as well. I was part of the Far East Bureau at State and responsible for all our posts in the region, though Vietnam was always the top priority. So, from Saigon I went on and visited our missions in Taiwan and Japan before flying back to the US.

Q: Did you get any feeling talking at the embassy in Saigon of any division at the embassy? In talking to the officers, often a personnel officer ends up as father confessor or brother confessor or something like that. Did you get any impression of any division within the embassy over how things were going or any problems?

WENDT: Not really. By and large, it was a very capable bunch of people who had gone out there. Most of them were quite positive about their work. There was, of course, skepticism about how well the whole war effort was going and whether we were going to achieve our objectives in Vietnam. But this was not an embassy where morale was low and people were at each other's throats. A good number of people had actually volunteered to go there. Vietnam was considered a top priority, as I said earlier. In a way, it was a badge of honor to serve there -- which is not to say that everybody we sent was able and well qualified. Some people got caught up in this dragnet who may have been marginal performers. But on the whole, it was a very good group of people. Maybe you recollect otherwise.

Q: No, not at all. Most went on and did well. These were people, for the most part, who were interested. They were inquisitive and intellectually challenged. If you've got a major foreign policy preoccupation, you don't wash your hands of it and say "I won't touch that thing." You want to get out and see it.

WENDT: Absolutely, though occasionally I thought some people were perhaps overly enthusiastic about the programs they were involved in, to the point where they just couldn't see any risk factors, and that maybe a measured dose of self-interrogation or a little more questioning of what was going on and how it served our objectives might have been appropriate. But better to be motivated than simply to be cynical about it. Vietnam was where the action was, and that's where a lot of people wanted to be. In a way, I felt sorry for people who struggled so hard to get out of the assignment and not go there. There was a war going on. It was fascinating professionally and personally. This was clearly the place to be.

Q: From the personnel, professional point of view, did you have problems with marriages, liaisons? I mean, most of our people were unmarried. Maybe you could talk a little about that because this was also, as we all know, a difficult place in a way.

WENDT: It was a difficult place because we were sending mostly men. That became a matter of controversy later on, the fact that we didn't send as many female officers out there as we might have. We did send some. But a lot of the men were there without their wives. I think that did generate problems because inevitably many of them got involved with the local women, even to the point where they weren't in a great hurry to go back home and they would extend their tours. I think these circumstances generated a lot of problems in people's family lives.

Q: Did personnel take note of this or get concerned about it?

WENDT: No. This was considered a private matter. We didn't get involved in it. I don't see how we could have done so productively.

Q: How long were you doing the whole personnel thing?

WENDT: I think for about a year and a half -- first concentrating exclusively on Vietnam and then branching out and covering other posts in the Far East area, as it was then called. I should say that I didn't just deal with Foreign Service personnel. We were also bringing in people from the outside, including a lot of people who had had previous exposure, but who were now doing other things. I'm talking about people like General Edward Lansdale. We processed his papers and got him onto the embassy payroll. I recall also Lou Conein, the famous CIA operative who had been there earlier during the Diem period. And Daniel Ellsberg. A lot of people came in from the outside. I got to meet most of them, too. So, my horizons were not confined to the Foreign Service.

Q: Did any of these strike you... I am thinking particularly of Ellsberg and Lansdale -- they both became quite well known--

WENDT: Were any of them controversial? The truth is, I didn't know much at the time about what Lansdale was doing. But I came to know more later on.

Q: He was quite famous, in a way, because he was the prototype of a character in the novel, "The Ugly American." It was a rather seminal book as far as American attitudes towards foreign policy went.

WENDT: Yes, indeed. I did occasionally think that maybe there were too many of these different programs and activities going on at the same time, and I wondered, "Who's pulling all this together? How is it coming together?" You know how America tends to smother a problem, just overwhelm it, and that's what we did. We had a huge number of people in Vietnam. Where I think, in retrospect, I became somewhat cynical was whether or not all these people were really engaged in activities that mattered that much as far as achieving our objectives was concerned.

Q: I think this is where I came out, too. It wasn't so much that I thought, you know, you could put a nation together. I mean, look at South Korea. But when I found young officers involved in beautification programs for Saigon, I thought, "Wait a minute."

WENDT: That was a problem. We overwhelmed the place. I think sometimes it was too much. It was more than the country could absorb and went beyond what we could usefully accomplish. But I nonetheless remained committed to the basic idea of the US being in Vietnam and preventing the country from falling to the communists. That was my view at the time, and I feel it very much today with hindsight. My view hasn't changed.

Q: You were there in Personnel about a year and a half and then what?

WENDT: Then I made a decision which at the time seemed like a good career move, but in retrospect, I'm not so sure. I looked at my background and saw a big lacuna in it, namely in the economic area. I didn't have any background in economics. I had not taken a single course in economics as an undergraduate in college. I had dabbled a bit in economics while I was a student in France in order to prepare for the Foreign Service

exam. But then I began to think that foreign policy was going to become more and more a matter of foreign economic policy and that this was really the wave of the future for the State Department and for individuals in it. I was wrong in retrospect -- we can come back to this point. In any event, I decided to reorient myself -- and I did so by signing up for the State Department's six month economic training program, which was designed to provide the equivalent of an undergraduate major in economics. It was a new program and I was in the very first class. I started in January of 1966. So, it was at the end of 1965 that my second tour of duty in Personnel came to an end.

In January 1966, I found myself over at the Foreign Service Institute studying economics full-time. In the summer of 1966, when we finished the program, I thought, "What a shame to stop now. All of this knowledge is fresh." The State Department had a university training program, an advanced training program in economics. I thought, "Now is the time to sustain the momentum and go on to university training." Well, I ran into a buzz saw of opposition in the Personnel Department. They said, "You've had six months of training. Now you go to a real job and then later on we'll see about university training." Well, I resisted that. I said, "If I'm ever going to do it, now is the time. It's an academic program. The courses I have just been through are fresh in my mind. I'll never be in a better position to do it than right now."

I finally prevailed and they agreed to send me to advanced training. This was in the late summer of 1966. I packed my bags and went off to Boston, where I occupied an apartment on Beacon Hill that a close, childhood friend of mine, Lyman Drake---who had been doing graduate work at MIT---and his wife Claire, had just given up as they were moving to California. I took over their apartment on Beacon Hill in Boston and plunged into advanced economic programs at Harvard.

Q: You did this for a year?

WENDT: I did it for an academic year. I worked very hard. I think I bit off a little more than I could chew because my background in economics was limited to the six month course at the Foreign Service Institute and wasn't that advanced. Some of the graduate courses I took were really tough. But I got through it all right. I got decent grades. I even stayed through the summer semester in 1967. Personnel and the Foreign Service Institute, FSI, very graciously agreed to that. There was a summer program at Harvard where I took courses in mathematics and statistics for economists. I suppose today it would be much more difficult to get such an extension. Things were more flexible back then.

Q: Looking at the way economics was taught then from the perspective of the foreign affairs field, what were the thrusts that you were getting out of your studies? Was there anything in particular that Harvard was pushing?

WENDT: I don't think so from a Foreign Service perspective. I took several courses in foreign trade. That was, of course, useful. But mainly I followed an academic program of preparation for a doctoral degree in economics. I didn't take courses that were essentially

political science with a dose of economics. I took pure economics courses. That's why I had to work so hard.

I must tell you about one amusing incident that occurred during my year at Harvard. I was taking a course with Professor Arthur Smithies, a well known academic of Australian origin. It was a fine spring day and the windows of the lecture hall at the Littauer Center, as it was then known, were wide open. Professor Smithies had a sheaf of papers on the lectern and as he delivered his lecture, he kept looking at them and shuffling them around. Suddenly a gust of wind came through the open windows and blew all the papers off the lectern and onto the floor. A zealous graduate student jumped up to pick up the papers and immediately noticed that they were all blank!

Smithies later went out to Saigon as an advisor to the US Mission on economic issues. So, I had a chance to see him again and seek his advice on a whole range of issues.

Q: Hilarious. Now, when you got out of there...

WENDT: In the meantime, it had been decided, more or less -- I don't exactly remember how this came about -- that he who lived by the sword would die by the sword and that I would also go to Vietnam. I did not resist this. There was no way I could have even if I had wanted to. I had sent all these people there, citing the White House edict, and I was single, and I spoke French. So, there was no rationale for my not going to Vietnam. It was my turn -- so, off I went straight from Boston to Saigon, stopping in Beirut to visit an old friend from my time at Sciences Po, Peter de Roos, who was the representative there for J. P. Morgan.

Q: You were in Vietnam from when to when?

WENDT: I arrived in Saigon for the second time in August of 1967. As I said previously, I had been out there briefly in August of 1965 with Henry Cabot Lodge. I went back in August of 1967 and stayed until July of 1971 -- so, four years, even though the tour of duty was officially only 18 months.

Q: When you initially went out, what was your job?

WENDT: On paper I was assigned to the embassy Economic Section, but in actuality, I was in USAID. It was a joint State-AID economic section. But the embassy involvement was a fiction. It was one big economic section located in one of the USAID buildings. I had a job that involved markets. I was analyzing commodity markets in Vietnam, particularly rice. Rice was a critical commodity in Vietnam. Because of the war and the insecurity in the countryside, rice production in Vietnam had fallen off greatly. To make up for that, we instituted a PL480 (Public Law 480) program. Public Law 480 provides for the sale of agricultural commodities, surplus to the US, to foreign countries in need. It wasn't a commercial sale. We were paid the price of the rice in local currency. So, it was an assistance program. We got what was called "counterpart funds" in local currency, which we could use to pay a lot of our local expenses.

Q: In some countries, you face a real problem because they go for mushy rice and we don't. I mean, there are different types of rice. What was America producing?

WENDT: Our rice was considered by the Vietnamese to be rather low grade rice. As you imply, for Americans, rice is rice. For the Vietnamese, this is not so. There are many different grades of rice and ours was not near the top of their list in terms of quality. But nonetheless, they were a country in need and so they took our rice. We imported vast quantities of it into the country. My job was to help organize this trade, and in particular to learn enough about rice production and trade in Vietnam to be able to project what their needs would be for imported rice. It was a massive program. A lot of money was involved.

Q: This was the major agricultural program, wasn't it?

WENDT: Yes. We were importing at the peak of the program something like 750,000 metric tons of rice a year -- millions and millions of dollars worth of rice. So, finding out what was happening in Vietnam, not only with regard to how much rice they were producing themselves but also conditions in the countryside, was important. How big was the crop and what was the market outlook for the future? As areas became pacified, more rice would be grown. The job meant keeping your fingers on the pulse of Vietnam's agricultural markets and monitoring the security situation in the countryside, keeping a watch on such oddities as illegal exports. A lot of people said, "Well, there's really plenty of rice in Vietnam. The problem is it's all being illegally exported to Cambodia because the government in Vietnam has pegged the official price at too low a level, so that farmers don't find it worthwhile to sell their rice locally." That led almost to a mythology of oceangoing junks loaded with Vietnamese rice wafting across the Gulf of Siam and being sold illegally outside the country. In fact, this was a lot of nonsense. There was no evidence that any such thing was happening on a significant scale.

Q: Did you get involved with the so-called "miracle rice" program at all?

WENDT: Yes, I did.

Q: Could you explain what this was?

WENDT: This was a high yield rice. "IR-8" it was called. This was a rice variety that we thought would help cover the deficit in rice production in Vietnam. But it didn't work that easily. It was not that easy to grow. It needed a lot of fertilizer and other inputs that also cost money. The taste of the rice was maybe not as good as some other varieties. Still, the program was making some progress. But it was not a miracle solution to the rice problem in Vietnam. Remember, this was a country that was a net exporter of rice before the war. So, it really was rather sad, but it was a direct result of the lack of security in the countryside that a country that had been a net exporter had become very dependent on rice imported from the United States. Occasionally, Vietnam would buy rice in commercial markets from Thailand. We didn't much like that because we had ample rice

available under the PL 480 program and our market, the US market, had adjusted to Vietnam's requirements. Also, the Vietnamese didn't have to pay precious foreign exchange for American rice. They could pay for it in local currency, whereas when they bought rice from Thailand, it was a straight commercial sale involving scarce foreign exchange. I think the PL 480 program actually was quite successful. It did what it was designed to do.

Q: Did you feel the hand of Senator Ellender from Louisiana at all, whose state was a major rice producer? Ellender was very much into sugar and rice, I think.

WENDT: Indirectly, yes, because every time the Vietnamese would go offshore and buy rice commercially -- say, from Thailand -- there would be screams from the rice trade in the United States. Of course, we had to analyze whether these purchases were justified or not. That was part of my responsibility. So, I became a kind of rice expert. I don't still have that expertise, but at the time, I probably knew as much about the rice market in Vietnam as any non-specialist around. It was interesting for me because I had to get to know a lot about how the trade was conducted. I met the Chinese rice merchants who conducted the trade. I traveled all over the rice producing areas in the Mekong Delta. It was an interesting job.

Q: Were you getting good reports from the field on rice production? We had all these officers out on the CORDS program at the time.

WENDT: I would not say that the information we got from American sources was all that useful. You could find out far more by talking to the Chinese merchants who were conducting the trade.

Q: We're talking about indigenous Chinese, too. Were these Chinese who lived in Vietnam?

WENDT: Yes, these were Chinese who lived in Vietnam. As you know, there was a big Chinese community there. But the Chinese were not newcomers. They had emigrated there from the southern part of China back in the Ming dynasty. They had been around for 300 years. But they remained Chinese.

Q: I know, when I was there, I used to see them coming out of government buildings on bicycles, coming out with huge sacks of rice, which I'm told were part of their pay. Were you looking at rice as being a currency, too?

WENDT: Well, not really, because we were not interested in promoting a barter economy. Matters like that were conducted outside of official channels. All of that was probably illegal. Inevitably, there was theft. We were bringing in such a huge supply of commodities, materials of all sorts, that inevitably in a period of wartime scarcity, a certain amount would be siphoned off. At the time, the Vietnamese were blamed for it -- to some extent, rightly so, but there was a lot of American collusion. Even in our own military, the GI drivers would occasionally sell on the black market an entire truckload of

goods destined for the PX. So, there was corruption. There was corruption among the Thai and the Filipinos who were stationed there. I sometimes had to laugh a bit about it. Whenever there was a shipment of electric fans to the PX, the Royal Thai Cobra troops would find out about it before any of the rest of us and be in line outside of the PX when the fans were put on sale.

Q: I would see them being actually marched through. They would all buy the same things.

WENDT: Yes. And then the next day, if you wanted an electric fan, you couldn't get one in the PX, but you could get it at the street market. I'll never forget the French Consul General Jacques de Folin at the time coming to me—I had come to know him quite well. He said, "Allan, you know, now when I really need a stereo set, I know I can get one in Hong Kong or I can send out for it through the Peter Matheson diplomatic supply catalogue and what not. But all this takes time.

Could you possibly get one for me at the PX? That would be a lot simpler." I said, "Well, Jacques, I could, but it's a bit tricky for me to do that. It's against the regulations. I would feel a little uncomfortable violating our own regulations. I would have to sign for it." I think we had ration cards. I said, "I've got a better way for you to do it. You buy it on the street. I don't know how they get the goods, but they get them. You just find one of these ladies squatting on the side of the curb hawking various merchandise. She'll have the PX catalogue. You tell her what you want, and I guarantee she'll have it delivered to your residence the next day." And that's exactly what he did. Of course, he had no difficulty acquiring foreign currency on the black market, like virtually the entire foreign community except the Americans. The Vietnamese were maintaining the piaster with our approval and support at an entirely unrealistic and overvalued exchange rate. But for Americans, it was strictly forbidden to change money on the black market. Not all Americans observed those rules, of course, but I think a lot of them did.

Q: A lot did, and those who didn't ended up coming before the Irregular Practice Authority, which I chaired.

WENDT: Exactly. You know all about it.

Q: For this recording, we would take people... It boiled down to a civilian court martial. You would take away their PX privileges. This was for people who were not in government, but working for the government, which essentially killed them as far as operating in the Vietnamese economy was concerned. It was sort of annoying because almost all the other countries were living off the black market. In fact, we used to call it "The Bank of India" because of all the Indian money changers in downtown Saigon. We used to go after them.

WENDT: At the time, I thought that Americans should not have been put in this situation. I felt then, and I still do feel, that if the United States wanted to subsidize the government of Vietnam, we shouldn't do it through the exchange rate mechanism. We

should just say, "Okay, we're going to subsidize you so that you will have enough foreign exchange," but not take it out of the pockets of the individual Americans who lived there by forcing them to acquire everything they might need locally at a very unrealistic exchange rate. There was no cost of living allowance to compensate for it, as I recall. There was a hardship differential, but it was not strictly speaking a cost of living allowance. It was just designed to compensate people for being in a tropical, developing country and a war zone. Anyway, that's the way it was. But only the Americans observed this restriction.

Q: Also, I think, it was a little unfair, too, because the military had no real need, you might say, for money. I mean, they had no need for anything because they could get everything through the PX and all. So, they had no appreciation of the civilians who were trying to live mostly by the rules. Very difficult.

WENDT: A lot of official civilians lived on the economy. You did need to acquire a certain amount of goods on the local economy, particularly to pay housekeepers and buy food. You couldn't buy all your food at the PX or commissary. It wasn't practical. I think that was unfortunate. I was not in a sufficiently high ranking position to be able to argue the case at the time. Even if I had been, I wouldn't have gotten anywhere.

Q: I'm interested in your reaction looking at how we were doing this. I mean, you came out of the FSI economic course and Harvard and all this. You've got economic models, how you do economic analysis, and all of a sudden, you're in a place where it looked like we were controlling all the levers. What do you think was right? What do you think was wrong from your observations at that time?

WENDT: I thought, on the whole, that what we were doing in the economic area was sensible. We had a commercial import program designed to supply needed goods to the Vietnamese, the sale of which would absorb a lot of local currency and thus keep down the rate of inflation. We paid for the foreign exchange part of it. Some people didn't like this program, which involved among other goods an influx of Honda motor cycles, you remember. The streets of Saigon were a relative sea of motorcycles.

Q: I was told this was something to absorb --

WENDT: Yes -- absorb local currency. That was the idea at the time, but it annoyed people because they saw the pollution, the traffic jams, all these young men -- we called them cowboys -- who should have been in the army rather than roaring around the streets of Saigon on their Hondas. But remember, this was a country that didn't have the kinds of transportation we're accustomed to in the United States. From a purely economic point of view, enabling people to go from one place to another is fundamental. You can't develop an economy if people can't move around. So, the program served that purpose as well. Maybe we allowed too many consumer goods to be imported. But we were trying to keep the lid on inflation and enable the Vietnamese to maintain a reasonable standard of living. If you don't bring in enough commodities, all you do is drive up prices. You don't want an economy of scarcity. So, we tried to bring in enough, not only to absorb the excess

purchasing power that was generated in a wartime inflationary economy, but also to provide basic infrastructure needs, and transportation is infrastructure, even if it takes the form of Hondas.

So, I thought, basically, by the beginning of the 1970's we were on the right track in terms of the economy. I think the evidence justifies that view. I remember in 1970 the rate of inflation of the Vietnamese economy was less than two percent. This was at the height of the war, in an underdeveloped country with a rather primitive economy fighting for its survival, and yet the rate of inflation was only two percent. That was remarkable. To me, that as much as anything signified that we were on the right track. Domestic production was picking up. The domestic economy was producing more and more rice. Goods were moving in the countryside. Things were going in the right direction. I thought it was a vindication of our policies. Whether we could have done as much with fewer Americans in the country and with less money is always open to debate. As I said earlier, I do think at times we tended to overwhelm the situation. We might have achieved a comparable result with less of an American presence. I thought the American presence had become so large that it was itself a liability. We needed to get the Vietnamese to do more things for themselves. The problem was that if they saw that the Americans were going to do everything for them, they didn't have the incentive to take on all these responsibilities themselves.

Q: Which included not just the economic side, but also the military side. We tended to brush them aside and say, "Here, we'll take care of it."

WENDT: That's right. Well, eventually, we moved away from that with the Vietnamization program.

Q: I think that was what Nixon started.

WENDT: Yes.

Q: You started in Vietnam in early '68, was this right?

WENDT: I got there in August of 1967.

Q: In a way, everything sort of goes up to Tet and is post Tet. Tet was January 31, 1968. How did you see the situation on the ground, what you were getting from your colleagues and from being a member of the team and all? What was the military and political situation?

WENDT: We didn't have any advance indication of the Tet offensive. We were caught completely unaware. I know there was some intelligence indicating possible trouble, but I was not privy to that information.

Q: I'm not really t talking about that. I'm talking about how it was going in general, both on the political side in Vietnam -- we've already talked about the economic side -- and also on the military side as you saw it up to Tet?

WENDT: To me, it seemed like a stalemate. I did not have the impression we were making great progress. I thought, at best, maybe we were holding our own. I did detect at the time what I thought was a lack of motivation on the part of some South Vietnamese to make the sacrifices necessary to prevail in the struggle. That may have been a shortsighted view, like all generalizations -- failing to take into account that there were lots of very highly motivated, dedicated Vietnamese people. Remember, this was at the peak of the American presence, the big buildup. I was worried that we were simply overwhelming the situation, kind of pushing the Vietnamese aside, and that ultimately, that approach was not going to work, and that we needed to find a way to motivate more Vietnamese to assume greater responsibility themselves for what was happening in the country, but that's not the way we went about it.

Q: President Thieu wasn't present by the time you arrived there, was he?

WENDT: Yes, he was.

Q: Did you have the feeling that there was at least a stable government?

WENDT: Not stable enough, I thought at the time. I have to back track a little here and say that I was skeptical at the time and I'm even more skeptical in hindsight about the wisdom of getting rid of Ngo Dinh Diem. What came after Diem was much worse. The Thieu government, at least in 1967, seemed to me to be not as effective as I would have thought necessary in order for us to prevail in this struggle for us, for the Vietnamese, for the West. There was a lot of backing and filling and signs of real progress were hard to find. Those signs did come later, but not in the way people anticipated. It was a difficult period. I was concerned and skeptical about whether we were on the right track. To me, it seemed more like a stalemate.

Q: Did you yourself deal with the Ministry of Agriculture, the Ministry of Trade, etc.?

WENDT: Sure.

Q: How did you find their level of efficiency and all?

WENDT: There were a few dedicated individuals, usually harassed and overworked, and a lot of people who didn't seem to be doing very much -- this was a common problem in developing country economies. They're not paid much and are almost driven into some form of corruption. Some people in very high places were quite corrupt. That's a theme I want to come back to in view of what happened to Vietnam after it fell to the communists. At the time, you judge by the evidence before you. Although we had good working relationships with the ministries, their top people were very hard-pressed. One might have wished for more people we could work with fruitfully. They were

overwhelmed. I don't want to paint a negative picture -- not at all. As I said, there were dedicated, able individuals who I thought were doing their best in difficult circumstances. Yet some of my foreign colleagues would say I wasn't cynical enough. I can remember later when I would say something favorable about some particular individual -- and people would say, "Oh, you've got to be kidding. That guy was so corrupt. He's stashed huge amounts of money in bank accounts in France and the United States" and so on and so forth.

Q: Of course, one never knows... Sometimes, these are just plain stories.

WENDT: I know.

Q: It's easy to say.

WENDT: There was a lot of back biting. And the Vietnamese were pretty tough on each other. I think it's almost a national trait. They don't help each other that much. At times I had the impression they seemed to like carving each other up. But this was a particularly difficult period we were going through. We took a number of actions that were well-intentioned but perhaps in retrospect were misguided. They were more a reflection of our own circumstances and our own predilections than they were a realistic assessment of what was feasible and desirable in a wartime situation in Vietnam. This was sometimes true even in our assistance programs. There's a story I always like to tell about our effort to sell surplus commodities to the Vietnamese. You know, one of those commodities was bulgur wheat, a widespread product in the United States, but not evidently to the Vietnamese taste. We tried very hard to convince the Vietnamese that this was a useful product, that they should eat it, that it was nutritional and easy to cook, and so on. But they didn't want any part of it. So, we were getting nowhere.

One day in a province in the Mekong Delta, one of our USAID rural affairs people was touring a village and came across a farmer and his wife, and out in front of their hut a large caldron was on the fire. The woman was preparing a whole vat of bulgur wheat. The American was absolutely thrilled. This was the first example he had seen of the Vietnamese being willing to use this commodity. So, he took out paper and pencil and started making notes about this remarkable breakthrough and got an interpreter over to talk to the woman. But before he could pursue the matter, she came along and picked up the caldron, took it out back behind her hut and poured it into a trough for the pigs. So, the poor chap, thinking that he had discovered at last a great breakthrough on bulgur wheat -- he was crestfallen. Through his interpreter, he said to her, "I am absolutely dumbfounded. If all you're going to do is feed it to the pigs, why on earth did you bother to cook it?" And she said, "Well, that's the only way they'll eat it." So, that's just a vignette about some of the frustrations we encountered in our aid program.

Q: Let's stop at this point. We'll pick it up at the end of Tet. We haven't really discussed what you were doing, what happened, and all that. I think that's what should guide our discussion.

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Q: This is the 10th of July, 1996. Let's pick up at Tet – January,1968. Where were you, how did it hit? Can you tell us your role in Tet?

WENDT: I had been in the country only about four or five months. As at most large embassies, there was a duty roster. Periodically, your name came up and you pulled duty. It was for a week at a time. Shortly before my turn in January of 1968, the Embassy instituted a new procedure, requiring that duty officers sleep in the building at night, instead of just being there until a certain hour and then going home. I suppose they thought that would provide more security in the event of a problem, that it would give you access to all the facilities of the embassy. It makes a certain amount of sense in a situation like that where there was a war going on. So, that was my first stint as Duty Officer. It wasn't the first night. I honestly don't remember which night it was, maybe the second.

I was sleeping in a small office on the fourth floor near the communications area. These were the quarters of the duty officer, very spartan, nothing much there but a cot and a chair. I had a manual of instructions. I had looked at that, of course, and one thing I noted right away was that most of the information in the duty officer's manual was out of date. So, I didn't pay a great deal of attention to it. Well, about 2:30 in the morning, I was half asleep. The sleeping conditions weren't ideal. Maybe I was dozing rather than sleeping. All of a sudden there was a loud explosion that really shook the building. I didn't know what was happening, whether rockets were being fired at the building or what. Anyway, we had been instructed in the event of an explosion to take cover immediately. So, recalling that instruction, I dove under the bed. A lot of people years later thought that was very amusing as a first reaction. I had difficulty explaining that I was simply following the precautions that had been given to us. When you're under a bed, this is a good shelter from falling masonry and debris and whatever. Anyway, it didn't take long for me to grasp what was really going on -- that we were being attacked. I then called the phone extension of the Marine guard down on the ground floor. He told me there was a Vietcong commando squad trying to break into the building. They had blown open a hole in the wall surrounding the compound, the outer perimeter, and rushed immediately into the compound, and surrounded the embassy building itself. They were firing everything they had at us.

In the beginning, of course, being inside the building, I couldn't really know what was going on -- and I was not foolhardy enough to go up to a window and look out, where I would have been in the line of fire. Actually, you couldn't look out that easily anyway because the building itself was surrounded by a concrete lattice work shell, sort of an outer wall with a space between the wall and the building itself -- and the shell looked like it was part of the building.

Q: Which was designed in some ways to deflect rocket propelled grenades (RPGs).

WENDT: Exactly. It was designed to deflect whatever they could fire at us, RPGs, B-40 rockets, AK 47's. I don't think they had any B-40 rockets, this commando squad. Anyway, the architect of the building was a foresighted fellow because he evidently anticipated what could conceivably happen, and it came to pass. I really thought I was living my last moments because I knew there was almost nothing in the embassy that could protect us. The Marine guard had told me that one Marine had already been killed. I think he also told me that several MPs had been killed -- four as it turned out. On top of all that he had a wounded Marine on his hands -- and there he was, all by himself. So, the situation looked bleak. I really thought it was only a matter of moments before the VC came crashing into the building. For all practical purposes, we were defenseless. We had no weapons.

As it turned out, there was another military man in the building, an Army communications man, who had a rifle. He was in uniform. Then I found out much later that there was another Marine guard somewhere in the building. But for a long time he never appeared -- he never materialized. I happened to see him only a couple of hours later when I went up to the roof. I didn't even see him on my first trip to the roof. It was a subsequent trip. He was crawling around on his belly just below and on the side of the roof. I couldn't figure out what he was doing or how long he had been there. I suppose he had been there from the beginning.

The next thing I knew that same Marine and the Army communications man climbed on board the first helicopter that was able to land on the roof of the embassy and took off, leaving me and a couple of other civilians alone in the building. I heard later they took off supposedly to provide additional fire power for the helicopter as it lifted off the roof of the building with the wounded Marine. We had gone down to the ground floor to pick up the wounded Marine and take him up to the fourth floor duty officer's quarters where we put him in the cot I had been sleeping in. Then, when we found out there was going to be an attempt to land a helicopter on the roof --

Q: How did you find that out?

WENDT: I was in regular contact with MACV headquarters near Tan Son Nhut Airport, the US military command center (Military Assistance Command Vietnam). Our communications held up very well -- so, I was able to talk to them. That was one thing I spent a lot of time doing -- talking on the phone. Anyway, the military had tried earlier to land helicopters on the roof of the embassy, but they were drawing too much ground fire from the guerrillas in the compound. Eventually, they did get a chopper in. They offloaded a couple of cases of M-16 tracer ammunition, which might have been useful if we had had any M-16s, but there were no M-16s in the building.

Q: M-16 being the standard rifle of the time.

WENDT: Right. But at that time, in 1968, the M-16 rifle had not been issued to the Marine security guards. I'm not even sure all our troops in the field had the M-16.

Q: The Marines probably had the M-14 at that time, which is a NATO weapon.

WENDT: Right. So, there were no M-16s and, therefore, this ammunition was useless.

Q: Before we move on here, you had this Viet Cong sapper unit around the embassy. Why didn't they get in?

WENDT: No one knows for sure why they didn't get in. The presumption is that they lost their leader early on and therefore were a little uncertain what they were supposed to do, or that whenever they tried to get close enough to the doors to plant satchel charges to blow them open, they got caught in a crossfire. You see, after a while, we had people on the rooftops of adjoining buildings firing down into the compound at the sappers. When I say "we," I mean mostly MPs, some American civilians responsible for security and presumably also some Vietnamese police or soldiers, although I don't know that for sure.

Q: This was a period when one took great exception to the fact that we had these planters in the compound which had lips that you could duck under, which they got rid of afterwards.

WENDT: The sappers did duck under the planters, that's right. They took shelter under them. But they should have been able to blow open the doors anyway. I often thought that a really professional group of commandos like the kind the British used in the Second World War would have been in the building in a matter of minutes, but these fellows never quite made it. There were various presumptions about why they didn't get into the building. I should note that at the beginning, the doors to the embassy were open. They were not routinely closed, particularly in the winter months at night when it wasn't so hot.

In any event, when the incident began, a quick thinking Marine on duty in another building across the compound saw what was going on, raced across the courtyard, and got the doors closed in the nick of time. So, interestingly, the one functioning Marine guard on the ground floor of the embassy was not even assigned to the embassy. He had been assigned to a different building. There were two other Marines, not counting the mystery one on the roof. As I said one was killed and one was wounded right off the bat. We were very lucky that this Marine, Sgt. Harper, saw what was going on, raced over, got inside and closed the doors. They were very thick doors made of teak, splinter proof wood. They stood up well to the pounding they received. A number of rockets were fired into the building and did a certain amount of visible damage, but it turned out to be relatively superficial and easily repaired.

Surprisingly, I was able to stay in touch with just about everybody I needed to talk to, including people who were responsible for the ambassador. They moved the ambassador to a safe house very quickly and set up a command post there. I spoke to those people by phone. I spoke frequently to the State Department Operations Center and to the White House Situation Room. Once I held up the phone so that the caller in Washington could hear rockets thudding into the building. All of these communications held up very well

despite the siege we were under. But it wasn't always easy to call people locally in Saigon.

Q: In a way, I suppose people must have been really caught off balance if you couldn't have brought a significant number of American forces from Tan Son Nhut or someplace like that to the embassy.

WENDT: That's, of course, one of the points I kept making when I was speaking to our military headquarters out near Tan Son Nhut airport. They kept promising relief. But the relief never came. Well, it did eventually, but it didn't accomplish much. Six hours after the attack began, the military actually landed a platoon of airborne infantry onto the roof of the embassy.

Q: For the record, Tan Son Nhut is about a 20 minute drive from the Embassy -- particularly at night when traffic is light.

WENDT: Right. You can imagine that I pleaded frequently for relief. I had to point out occasionally that the Embassy in the heart of Saigon was the symbol of the American presence in Vietnam. The fact that we had lost control of it was quite serious. I think the same word was coming out from Washington. The military explained later they were under attack all over the area and that the embassy was only one of their problems, albeit a major one. At one point they promised me that an armored column was on its way through the city to relieve the Embassy. I don't know whether such a column existed in reality. Anyway, it never arrived.

Q: Correct me if I'm wrong. I wasn't there at the time. I came a year later. While there were attacks on other places, this was sort of the only real attack in this particular section of town, wasn't it? Or were there also attacks against other buildings? I don't know about the presidential palace.

WENDT: I believe the Presidential palace was also attacked, and that fighting was going on at Tan Son Nhut and Bien Hoa Air Base. But I think the Embassy was the focal point of the attack, and it was truly a harrowing experience. I'm amazed in retrospect that I lived through it. After about the first hour or two when I realized I was still alive and that the worst fate had not befallen us, I began to think, "Well, maybe we're going to get out of here alive somehow." Of course, that does concentrate the mind a bit as well, the notion that you've got a chance at survival. But I was prepared for the worst. As I said, we had no weapons, though I did end up with a .38 revolver that I had taken from the wounded Marine whom we evacuated.

Q: I suppose afterwards, you could have had a whole arsenal.

WENDT: Yes, later I could and did have a whole arsenal in my bedroom in the small villa I lived in. I officially drew two weapons from the embassy, a Colt 45 automatic and an M-1 carbine -- both World War Two vintage weapons.

Q: What about the surviving Marine?

WENDT: I wrote a citation for an award for him and he did get an award -- I believe it was the Bronze Star. I thought he handled himself superbly in an extremely difficult situation, where for all he knew, the enemy could have come bursting into the Embassy at any moment, which is, as I said, what we all thought was going to happen. Miraculously, thankfully, it didn't happen.

Q: What were you getting from the embassy, the ambassador's security guard and otherwise? Did they say, "Stiff upper lip" or "We're trying to do something?"

WENDT: They were all kind of besieged themselves. They were on the outside trying to organize the armed reaction that we hoped would be mounted to retake the Embassy. I know some of our civilian security personnel participated directly in the action. Leo Crampsey was one, the Embassy Security Officer, and Bob Furey was another.

Q: And there was another one. A colonel who became...

WENDT: George Jacobson?

Q: Yes, Jacobson. I remember later seeing a picture of him on TV being handed a .45. Somebody was passing it off to him.

WENDT: That was at the very end. Jake as we called him was in a little house in the compound behind the embassy, very vulnerable. Somebody apparently threw a .45 up to him when he saw that one of the VC guerrillas was going up the staircase after him. But I was told subsequently that Jake actually finished this VC off with his bare hands. Apparently, he had been gassed, you see, and probably couldn't put up much of a fight. Eventually, we did use gas -- tear gas I assume -- in the compound. But I was nervous about that because by that time, we had some of our own men in the compound, and we might be gassing our own men.

Eventually, our people got over the wall and stormed the compound and finished off all but two of the Vietcong, who were taken prisoner. You see, gradually, the Vietcong got picked off one by one by our people shooting down into the compound from the rooftops of adjoining buildings. I was still communicating with the Marine guard, and I knew that by the time the platoon of Airborne infantry landed on the roof of the Embassy building in a helicopter, most if not all of the guerrillas had been killed or captured. So, I tried to explain this state of affairs when I greeted these troops, who were armed to the teeth with M-16's, grenades, knives, you name it, they had it. I was there when they got out of the helicopter -- this was around 6 or 6:30 in the morning, more than four hours after the attack had begun.

The platoon leader was a major -- Major Hillel Schwartz. I said to him, "The action is over. You might as well just go right down to the ground floor and take stock of the situation, but the fighting is over." He said, "Well, you may think it's over, but I can't

take any chances and I have my orders." So, they insisted on deploying through the building floor by floor, beginning at the top.

The only problem with that, of course, was how they were going to get out onto each floor. Well, they could go down the stairwell. But each stairwell had a fire door which you could open only from the corridor -- that is, you could go into the stairwell from the corridor, but you could not go from the stairwell into the corridor. This was a security measure, of course. An alternative would have been to go down the elevator floor by floor and then out into the corridor, but the troops didn't want to do that. So, I said, "Okay, just to show you how confident I am that there are no VC in the building, I will myself take the elevator down floor by floor, go down the corridor, and open the fire door for you so that you can come out from the stairwell and deploy." And that's exactly what we did. You can imagine that I certainly wouldn't have risked my life doing that if I had had the slightest reason to believe there were Vietcong in the building.

Q: Basically, you knew the entrance had not been breached.

WENDT: That's right. I knew the entrance had not been breached -- and I knew from communicating with the Marine guard on the ground floor, Sgt. Harper, that the VC had not gotten into the building and therefore deploying through the embassy and securing it floor by floor was a waste of time. Yet that's what the airborne platoon did. By the time they got down to the ground floor, all the action was over, and I don't think they ever fired a shot.

Q: What happened thereafter?

WENDT: Well, that's rather amusing. I eventually went home but not before Noon. General Westmoreland, commander of all our forces in Vietnam, came to the compound. I greeted him. I explained to him that I was the duty officer. The compound was a mess. There were bodies all over the place and shattered glass and masonry. He said, "Well, I suggest you get this place cleaned up and get people back to work by Noon." That was certainly an unrealistic suggestion under the circumstances. There was serious fighting going on in many parts of the city and people were at risk. So, it was hardly something we could have recommended to the staff. Yet actually we did get things back up and going pretty quickly. I was kind of a mess myself, not because I had been wounded, but I had blood all over my shirt from the wounded Marine I had helped carry up to the roof. I eventually went home towards the end of the morning. My housekeeper insisted that I get rid of the shirt right away because with all the blood on it, she thought it would bring bad luck. So, I took the shirt off and she burned it.

What intrigued me at the time was the question of whether or not I was going to be expected to continue my duty responsibilities that night. Now that I recall, that was only the second night of my duty obligation, and I had another five to go. So, once home I tried to take a nap. I was so wound up I couldn't really sleep, but I did try to get some rest. About five in the afternoon, I got a call from somebody saying…well, under the circumstances, I would be relieved of my obligation to take the duty that night and,

indeed, for the remainder of the week. I wasn't really surprised -- I half expected the call, but I did breathe a sigh of relief.

To me the attack on the Embassy was an unbelievable incident. It's very hard to imagine in retrospect that we got through it alive. I consider myself extraordinarily lucky. My car, which was parked in back of the embassy, was all shot up in the course of the fighting. Of course, that was mere material damage -- not important. But I was driving around in a car with no windshield for a while until I could get the car repaired. Fortunately, it was the dry season. This was the end of January, and it didn't rain at that time of year. I had the car repaired and kept it for three and a half more years, selling it to a Frenchman when I finally left Vietnam three and a half years later in the summer of 1971.

*Q. Did you get any kind of special recognition or award from the State Department after all this***?**

WENDT. Yes. In fact, both Griffin and I received the State Department's Award for Heroism. We were called back to Washington in December, 1968, for the ceremony, and Dean Rusk personally handed out the awards. They were given to several people -- I can't remember who else but I think one or more of the Security Officers, Leo Crampsey and Bob Furey, must have also received the award. My mother even flew to Washington from Chicago for the event.

The award reads as follows:

> In recognition of your courage, resourcefulness, and effective leadership at U.S. Embassy Saigon during enemy attack on January 31, 1968.

Q: Here you were, basically the new boy on the block. I always think one's receptors are a bit more sensitive than at home. This was when you first arrived. Of course, you got quite a welcome. What was your impression when the embassy started to go back to work? What was the feeling? What were they doing?

WENDT: I thought at the time that we had seriously misjudged the situation. Our intelligence obviously left a great deal to be desired. We had perhaps overestimated the extent to which we were making progress in winning the war. That's what I thought at the time. I learned afterwards that in fact we had had some advance indication of trouble during Têt, the Vietnamese lunar New Year. They had indeed increased the embassy security guard by 50 per cent, as I later noted somewhat jokingly, from two to three. Thus, we had one more Marine guard than we might normally have had. So, some people in the chain of command must have suspected something was going on. But the preparations and reaction, obviously, were not commensurate with the danger at hand. But I don't know for sure. Somebody must know. It must be in the classified files somewhere what kind of intelligence we did have. I think there was some evidence of unusual VC troop movements but far from Saigon. So far as I know, no one anticipated any military activity in the Saigon area -- and certainly not downtown where the Embassy

was. And remember this was Tet, a sacred occasion all Vietnamese were presumed to observe, including, some may have naively thought, the Vietcong.

Q: Of course, it's always after the fact that you can see the clues that tell us what was going to happen, but it's always lost in masses of other information. I mean, this is a classic case.

WENDT: That's right. Presumably, we had nothing very specific. Anyway, it's indisputable that the Tet offensive resulted in a military setback for the communists and their attempted uprising. The Vietcong as a military force were crushed. But it's also true that we underestimated their strength, their ability to mount the offensive -- and politically, therefore, it was a jolt, as everybody knows. We paid the price. Lyndon Johnson actually started withdrawing American troops that year. Then Nixon was elected towards the end of the year and the withdrawals continued. I think most historians and political analysts agree that, while the uprising was a military defeat for the Vietcong, it was politically successful. It certainly shocked the American people and it contributed to the debacle that took place at the Democratic Convention in Chicago later that year, 1968. It polarized the country.

The mere fact that the Viet Cong were able to mount an offensive, even if it was crushed, even if militarily it was a failure, suggested that somehow our grip on the situation was not as firm as we had thought. Of course, people had been saying something like this all along -- the critics of the war, that is. But this was a concrete example of how we misjudged the situation. I am not one who believed at the time that we should never have been in Vietnam in the first place. I thought the objectives for which we fought the war were legitimate. I just don't think we went about fighting the war in the right way -- at least at that time.

Q: I join you on that.

WENDT: The problem was incremental escalation. It was always too little and too late. But I think the objective was a valid one. I know a lot of people would disagree. But they disagree primarily based on the hindsight of the result that we obtained, which of course was a big disappointment -- clearly, a failure to achieve our objectives.

One thing I always felt very strongly about was that it was not a military defeat for the US, even though the press and people who ought to know better continue to depict it that way when they talk about our "defeat" in Vietnam. The American military was never defeated on the field of battle in Vietnam. We withdrew of our own volition. We could have garrisoned the country and stayed there indefinitely if we had wanted to. But a political decision was made to pull our forces out and abandon the military effort. You won't find one person in a hundred who knows that that famous picture, I think taken on the 30th of April, 1975, of the helicopter lifting off the roof of the American embassy -- actually it was a USAID building, not the Embassy -- had nothing to do with the American military effort. Our military had left Vietnam two years previously in early 1973. That photo showed an evacuation of civilians from a USAID building as the

communists were coming into Saigon. But I'll bet you can't find one person today, even in the State Department, who realizes that.

Q: I think you're right.

WENDT: It's shocking. Every time I read a seemingly authoritative, responsible article, I read about the "defeat" of the American military in Vietnam -- it really appalls me, and I'm not military. I never served in the military. I think we need to be clear about what actually happened. I also think that South Vietnam was doing relatively well, considering that the war was still going on in the early 1970s when I was there. In the economic area, we were making real progress.

Q: I certainly had that feeling from '69 to '70, the 18 months I was there. I thought things were going pretty well.

WENDT: Signs of prosperity were all around. The economy was emerging from a wartime situation. Economic activity in the provinces was growing. Security was returning to a lot of the rural areas. Rice production was up. American companies were contemplating serious investments. The rate of inflation had come way down. I think in the year 1970, it was only one or two percent, which is remarkable for a relatively small, developing country at war. I believe that if Vietnam had not been forcibly taken over by the communists, it would be as far along as the so-called Southeast Asian "tigers" are today.

Q: Oh, yes.

WENDT: We need to remember that the main reason we went into Vietnam was to prevent South Vietnam from being forcibly overrun by North Vietnam -- and the North's aggression against the South was materially supported on a large scale by Communist China and the Soviet Union.

Q. *And wasn't China's support of the North much greater than we thought at the time?*

A. Yes, indeed. Long after the Vietnam War, we learned from intelligence sources that China had several hundred thousand -- I have seen a figure as high as 600,000 --military personnel in the North focused primarily on logistics, rebuilding highways, bridges and port facilities damaged by bombing. This was more than our entire expeditionary force. Of course, there was historical distrust between China and Vietnam, which escaped from Chinese suzerainty over 1,000 years ago, but they were close allies throughout the Vietnam War.

You know, many Americans believe to this day that the conflict was seen by most Vietnamese as a "war of liberation." This is nonsense. It doesn't correspond in any way to the realities I observed on the ground in South Vietnam. Liberation from whom? The French were long gone, and the vast majority of South Vietnamese knew very well that

the US had no intention of staying in Vietnam any longer than was necessary to prevent the country from being invaded and overrun by the armed forces of the North.

Q. *That was certainly true in the South.*

A. Yes. Anybody who served in Vietnam knows full well that the South Vietnamese did not want to be forcibly taken over by the North. Even the communists failed to understand this -- I suppose they believed their own propaganda about "liberating" the South. In their 1968 Tet offensive, the communists believed the South would "rise up" against the "puppet" government and the Americans. Of course, nothing of the sort happened -- quite the contrary. The offensive was a huge military defeat for the communists -- though a propaganda success in the US -- and the Viet Cong infrastructure in the South, such as it was, was decimated and never recovered. After that, the war was fought by main force North Vietnamese units infiltrated down the Ho Chi Minh Trail.

Q *Can you describe the situation as you saw it, say, from 1970 on?*

A. Well, by 1970 South Vietnam and the Americans were beginning to prevail in the conflict. As I said before, the Southern economy was gaining strength, US assistance was increasingly effective, the rice trade was restored, and commerce was starting to flourish as more and more areas were pacified and communist control eliminated. I remember that the rate of inflation in 1970 was one per cent, which is quite extraordinary for an underdeveloped country at war. Militarily, the tide had turned. The South Vietnamese armed forces were increasingly effective and won some major battles in 1972 and again in the spring of 1973, in the latter case without US assistance. Remember that by then US armed forces had been withdrawn following the agreement signed with the North in January of that year.

General Creighton Abrams, who replaced Westmoreland as Commander of US forces, said in his memoirs that the South Vietnamese General Ngo Quang Truong was the ablest tactical commander he had ever encountered. Abrams was a tank commander in World War Two. Unfortunately, it was too late. The US Congress had turned irrevocably against the war in spite of all the evidence that the conflict was turning in our favor.

The agreement signed with the North allowed us to replace war materiel lost by the South on a one for one basis and to respond with air strikes if the North violated the agreement, which they promptly did by continuing to infiltrate troops and artillery across the 17th parallel. But we were unable to live up to this agreement because Congress cut off all funding for the war while the Soviets and Chinese continued their massive assistance to the North.

Q. All this is very poorly understood.

A. Absolutely right. Too many Americans forget or never realized that after the US withdrawal in early 1973, the war continued for two more years. As I said, the South won same major engagements but in the end was unable to sustain the conflict without US

assistance. In that respect, I think it's not unfair to say that we snatched defeat from the jaws of victory.

Q. What do you think would have happened if we had been able to continue our assistance?

A. Of course, that's a matter of conjecture. At the very least, the war would have been prolonged -- perhaps with a better outcome for the South even in a unified Vietnam. I realize that's hindsight, but I think we could have exploited the growing Sino-Soviet conflict more skillfully. We know now that both the Soviets and the Chinese were fed up with the war -- they had more important issues at stake with the US. They were actually pressing the North to reach agreement with us. I also wonder if we could have found a way to take advantage of the historical enmity between the Chinese and Vietnamese. In any event, I do believe that, left alone, South Vietnam could have become another Southeast Asian tiger. But that was not to be. And note that the communists turned a potentially rich country into a poor country. Remember, we fought the war to prevent that from happening and, of course, to prevent the South from being forcibly overrun by the North.

Q: I also feel that, though it may seem peripheral, if Vietnam had gone down the tubes earlier on, Indonesia certainly would not have gone the way it did, and other things would have turned out worse. It's on the margins, but it's a matter of will, and we stopped a hemorrhage from hemorrhaging.

WENDT: I think that's absolutely right -- we bought time. The Vietnam War -- I mean the American part of the war -- went on from 1965, when the big buildup of American forces began, until 1973. So, eight years -- and don't forget the war continued two more years without us. Actually, you could say the war started earlier. Under the Kennedy Administration, we had 16,000 armed military advisers. In the end we bought time for other countries in Southeast Asia to secure their future -- at least to a takeoff point. People forget all this.

Q. *What about Vietnam today?*

A. The economy is ostensibly booming following the decision of the ruling Communist party to open it up as the Chinese did. The US has become one of the country's major trading partners. Foreign investment in Vietnam is growing. And the Communist leadership wants good relations with the US -- if only as a hedge against China. There are growing examples of cooperation between the two countries -- even in the military area. And yet the country remains a police state that tolerates no political dissent and routinely jails even Catholic priests who dare to speak out. Corruption is rampant and affects the everyday life of those without connections to the Communist Party. Bribes are a way of life -- far more pervasive than in the Republic of Vietnam. Those who prosper are those who cooperate with the regime and reward their collaborators in the Communist hierarchy.

Q. You certainly see signs of prosperity today.

A. True, but the bulk of the population remains poor and faces real hardship with a high rate of inflation. Tourists don't see this. I think the Vietnamese have been clever to develop the tourist industry in Vietnam. Tourists generally get a quite favorable impression of the country, which has a lot to offer. They don't see the political oppression behind the scenes -- and they are largely immune from the bribery and corruption that most Vietnamese face in their daily lives. Real economic reform has stagnated. One hears constantly of scandals, bad management, inefficient state-owned enterprises, the very slow pace of privatization -- it's a long list.

Q. Do you think the US should have entered the conflict in the first place?

A. Of course, that is a key question for historians. Americans have little patience for indecisiveness and stalemate. The US fought the war with serious limitations such as not invading the North -- in contrast to what we did in Korea -- and we refrained from strategic bombing of Hanoi and Haiphong until December, 1972, just a few months before we withdrew our troops. Of course, this restraint stemmed from our fear of escalation -- bringing in China and the Soviet Union, whose intentions we misread.

Yet there are historians who contend today that fighting the war in South Vietnam bought time for other countries in the region to achieve a degree of stability and prosperity that is evident today -- I'm sure you've heard this notion. In any event, I do believe that, left alone, South Vietnam could have become another Southeast Asian tiger or something close to that.

Was it worth 58,000 thousand American lives? Given the outcome, I think one would have to say no. But that's hindsight, which doesn't really get us anywhere. What I do believe -- and I think many historians would agree -- is that we could have gotten a better outcome. The war was lost at home, not on the battlefield in Vietnam.

Q: Oh, yes. So, Tet is over. Did you go back about your business on the economic front?

WENDT: Yes, I did. I went back to the joint State-AID Economic Section. I did that for about two years. And then I became Commercial Attaché and also a kind of informal troubleshooter for Ellsworth Bunker and Deputy Ambassador Samuel Berger, who, as you may recall, was the first person to occupy the position of deputy ambassador, a position that had never existed until then and I don't think has existed since. He prevailed upon me to stay a fourth year. One advantage I had was my fluent knowledge of French. So, I would sometimes be sent on special missions -- dealing with high ranking Vietnamese whose English was limited or non-existent -- on specific, sensitive problems, for example, corruption in the port of Da Nang.

Q: Let's talk about this time. It's not just the excitement of Tet. Talk about how you saw things moving during this time. We're talking about, what, '68 to '72?

WENDT: Actually, I left Vietnam in July of ‘71. In a few days, it will be the 25th anniversary of my departure from Vietnam, even though I went back briefly in January of 1973. I would say this period -- from 1968 to 1971 -- this was a period of consolidation and recovery from the devastation of the Tet Offensive. I thought things were moving along quite nicely, in particular in the economic area, which was the area I was working in. I thought a lot of progress was being made. As I said earlier, I think that had we not abandoned South Vietnam, had the country not been taken over forcibly by the communists from the North, the South would have done quite well. It’s basically a rich country. You drop something in the soil and it grows. It has a benign climate. It has a rich agriculture. The seas and the coast are rich in marine life. And the country has a natural vocation for tourism.

Q: Were there other commodities besides rice that you worked on?

WENDT: Yes. One particularly interesting example was natural rubber. There were at least three major French-owned rubber plantations not too far from Saigon -- Michelin (like the tire company), Terres Rouges, and SIPH, which stands for Société Indochinoise de Plantations d’Hévéas – Rubber Planters Company of Indochina. All the plantations were within a relative short drive into the countryside around Saigon. I had met some of the planters socially in the French community in Saigon, and they told me a tale of woe. It seemed that the American military was destroying their rubber trees on a large scale on the grounds that the Vietcong were hiding among them and then springing surprise attacks on American military convoys. So, the military cut down large numbers of trees along the roads to get rid of this alleged sanctuary.

The French told me they understood the need to deprive the VC of shelter but that far more trees were being cut down than necessary for that purpose. We looked into the matter and concluded that this was indeed true, and that it wasn’t necessary to cut down huge swaths of trees. We then went to our own military and persuaded them to limit their tree-cutting operations to what was strictly necessary to protect our troops. Happily, they cooperated, and the French planters were pleased with the outcome, which seemed to everybody to be a reasonable compromise. We also sought to persuade the Vietnamese Ministry of Economy that they should support the plantations or at least not interfere with them. We argued that, with a war for survival going on, natural rubber was one of the very few commodities South Vietnam could export for foreign exchange. Of course, as a matter of policy, it was in the US interest for Vietnam to be able to earn foreign exchange on its own.

The very able Vietnamese Minister of Economy, Pham Kim Ngoc, who had studied in London and spoke quite good English, bought these arguments. The result was that the plantations got a new lease on life. The only problem was that the foreign exchange they earned from exports was based on the official exchange rate of 116 piasters to the US dollar, whereas on the free market, the dollar was worth over 400. Still, the plantations were back in business up to a point, despite the war.

One of the French planters I got to know was Denis Brochard at the Michelin plantation. He told me he had been a French prisoner of war after the fall of France in 1940. He was sent to a POW camp in the western part of Germany and while there he was allowed to import law books from France and managed to put himself through law school while a POW. I never got around to asking him how and why he went from the law to managing the Michelin rubber plantation in South Vietnam.

As we got to know the French planters, they often invited us to visit them on Sundays. They were very hospitable and somehow were able to produce a bountiful lunch for their guests, with cheese flown in from Paris. We tried to reciprocate by bringing them wine we bought either at the Commissary or through diplomatic supply companies.

Q. With a war going on, you were fortunate to find this form of recreation.

WENDT: Yes, indeed. I should mention that these were only day long excursions and that we had to get back to Saigon well before dark because there were Vietcong in the area at night. Somehow, the plantations had managed to persuade the VC to leave them alone. We wondered how this accommodation was reached but decided it was best not to ask too many questions and leave well enough alone.

I should mention an unfortunate incident that occurred on the way back to Saigon from a visit to, I believe it was SIPH. Bob Starr, Robert Starr, was the Legal Adviser at the Embassy, and he and I invited two young Vietnamese women to accompany us on the day long excursion. Both were junior diplomats -- Third Secretaries -- at the Vietnamese Foreign Ministry being groomed for service at South Vietnamese diplomatic missions abroad. One of them had a part time job with a Hong Kong company providing wine and spirits to the diplomatic corps in Saigon. That's how I met her -- I had to send back a case of wine that had evidently sat too long in the sun on a dock somewhere.

On the way back from the plantation -- I was driving my small Toyota sedan -- we were rammed by a US Army truck careening out of control back forth on the road. I swerved as far as I could off to the side of the road, but the truck still hit us on my side at about a 45 degree angle. I looked pretty bad -- my face was covered with blood -- but the wounds were just superficial face wounds that bled a lot but quickly healed. The two others who were on the right side of the care were unhurt. The young Vietnamese seated in the back seat behind me bore the brunt of the collision. The car was badly smashed up. She was hauled out of the car by Vietnamese from a nearby village who quickly gathered around the scene, saying "chet roi, chet roi," she's dead, she's dead. Well, as turned out, she was badly injured but very definitely alive. Miraculously -- and I think maybe it really was a miracle -- before long we saw a US Army red cross vehicle coming down the road. We flagged it down, and they took us all to the U.S. 24th Evacuation Hospital, where they operated on war wounded. She was operated on by a US Army neurosurgeon, who saved her life. She was later sent as a diplomat to the Vietnamese Embassy in Manila and was stuck there when Saigon fell to the communists in 1975. Happily, she got a job with the Asian Development Bank in Manila and a number of years later immigrated to the US --

Orange County, California, to be precise, where as you know there is a large Vietnamese community.

Q. What a tale – only in a war zone like Vietnam could one imagine such a sequence of events. Now, let's go back to the main narrative.

WENDT: OK -- sorry for the digression, but I thought you would find it interesting. Oh, I just remembered another activity I got involved in, the herbicide program. I'm sure you have heard of Agent Orange. Well, one of my responsibilities in the Economic Section was to adjudicate US military proposals for herbicide missions -- basically, large scale defoliation of areas judged to be under Vietcong control. The military brought proposed herbicide missions to us for analysis of whether or not the missions would adversely affect friendly Vietnamese as distinct from Vietcong. I had a very able assistant in my office named Elliot Rothenberg, who was in fact a lawyer by profession. He was careful but zealous in analyzing the missions, and in fact we stopped a number of them where we had evidence that friendly Vietnamese would be affected.

The military often asked me if I wanted to go up on one of the missions. I must say I was tempted, but something -- and to this day I am not sure what -- always held me back. Needless to say, after all the news about the medical problems that arose after exposure to Agent Orange, my instincts served me well in this instance. Unofficial visitors from Washington would sometimes complain about the program. I always told them that the existence of the program was above my pay grade but that we did study the proposed missions carefully to ensure they were only carried out in Vietcong-held areas.

Q. Fascinating -- your office was really a jack of all trades.

Yes indeed. Anyway -- back to the main narrative, towards the end of my tour, I noted that American businessmen were expressing interest in South Vietnam as a place for investment. This might sound silly to a lot of people looking back at that period, but it's true -- I know. I dealt with a lot of American companies that were looking seriously at Vietnam, even with the war still going on -- though by that time the southern part of the country was largely pacified. I think one can say that South Vietnam was doing well, that we were making progress, particularly in the economic area, and we were achieving our objectives.

Of course, the North was still building up its armed forces and they were still getting aid and comfort from China and the Soviet Union, although there was already tension between China and the Soviet Union, even to the point where the Chinese were holding up war materiel that was being shipped from the Soviet Union to North Vietnam via China. But setting aside for a moment what was going on in the North, I think in the South, we were making real progress. The Tet Offensive in 1968 had rendered the Viet Cong ineffectual as a separate fighting force. They were no longer a significant military threat. They were not much more than a nuisance. Security was coming back. I think had we been allowed to continue in the path we were following then, we would have done reasonably well. We were beginning to get a grip on lots of issues. I remember some of

the areas I worked on involving corrupt practices in Vietnam, for example, as I mentioned earlier, cleaning up the situation at the Port of Da Nang, which was creating problems for us in the logistical area.

One such problem was the illegal export of brass scrap. The Vietnamese in their entrepreneurial spirit were scavenging and collecting brass scrap from the battlefields and exporting it illegally. The scrap belonged to the United States. We surmised it was going to Hong Kong and then into communist China, where it was being manufactured into shell casings or bullets that came back to Vietnam and killed our soldiers. So, we wanted to prevent the illegal export of brass scrap and we wanted to collect it for our own purposes.

First, we had to convince the American military that it was not sufficient just to lay claim to the scrap and assert that it was ours. You could do that and you could be right, but that wouldn't prevent the brass scrap from being collected by entrepreneurial Vietnamese and then illegally exported. What you had to do was create economic incentives for the Vietnamese to collect the brass scrap and bring it back to the American military, and that would mean spending some money. At first, the military didn't want to do that. They said, "It's ours. Why should we spend money on it?" I said, "Well, it may be yours, but it's out on the battlefield. If you want it back, you may need to pay somebody to go out and collect it." Eventually, that's what our military did. A system was set up whereby some reliable Vietnamese were paid to go out and collect the scrap and return it to our military. I just cite that as an example of one of the many problems I worked on. But it all came to naught because of the political situation back in the United States.

I know that the political leadership in Vietnam may have left much to be desired and was certainly not all that we had hoped for. But even so, progress was being made -- I note particularly in the economic area. That's very important. That determines whether or not people are going to live decently, whether or not they're going to be able to feed, clothe, and house their families. If you can get a grip on basic economic conditions and improve them, then you can create a powerful economic incentive to support the political system that prevails at the time. Yes, I know, there were abuses. Yes, there was corruption. We know all this. But you know, it's much worse in communist Vietnam today.

Q: Oh, undoubtedly. And certainly in China.

WENDT: Remember all the people at home in the US who said "Anything has got to be better than the government of Nguyen van Thieu." I didn't think that was true at the time and in retrospect, of course, we know that it was absolutely false. What Vietnam got under the communist regime was far worse than the South Vietnamese government at its worst. Decades after the Communist takeover, on a per capita basis Vietnam remains a poor country.

Q: In the 18 months I was there, which paralleled yours, my sense was that in the middle of a major civil war, the government worked pretty well. I mean, there were things I didn't go along with and there were certainly problems, but positive things seemed to be

happening, and there was definitely progress. I was a student of the Civil War. I couldn't say that during our Civil War period, we were much more pristine than the Vietnamese were during their civil war.

WENDT: Yes, that's absolutely right. At the time, it was obvious to anybody in Vietnam that some well to do families managed to prevent their sons and brothers and husbands from serving in the military, in combat. These young men, sometimes they were sent abroad to school or they got civilian jobs or something equivalent. No doubt that had a divisive effect. If you have an army where it seems that mostly poor people are being sacrificed, it doesn't work well. That was a problem in South Vietnam, but it shouldn't be exaggerated, as it often was by American commentators on the war. We're talking about a very small number of people. And as you say quite rightly, we conveniently forget the strains that exist when a country is at war. In a relatively poor country, a relatively underdeveloped country, the strains are greater than any we can imagine. The Vietnamese had been at war for many years, and I suppose that many of them had a hard time convincing themselves that further sacrifice of their men folk would make a difference. Remember that during our own Civil War, there were a lot of people with money who bought their way out.

Q: Oh, in fact, it was built into the system.

WENDT: It was built into the system. Not everybody served.

Q: You could buy a substitute.

WENDT: Yes, you could buy a substitute. We conveniently forget such things in our own history.

Q: Lots of shoddy material. Lots of corruption.

WENDT: Sure. We even repealed the writ of habeas corpus during the Civil War. Abraham Lincoln did that because he believed the fate of the Union depended on it. So, I think we need to temper our criticism and at least not apply to the Vietnamese, which we very often did, standards that were unrealistic, that simply couldn't be met and were not met anywhere.

Q: I had problems with some Congressmen who came out from Massachusetts decrying the corruption there at the time. I don't know how it is today, but Massachusetts was a very corrupt state government. Boston? Good God!

WENDT: You're absolutely right. We let the anti-war movement take hold of these issues.

Q: Also, we didn't have our act together. We didn't have an end game. We didn't have a firm grip on where we were going. This was obviously a major problem.

WENDT: I think that's right. When you consider that we started pulling troops out in 1968 and yet the war, our part of it, went on until 1973, ask yourself how you would feel as a soldier going into battle when you know your country is already winding down the war. That's a tough assignment. I think that had a very divisive effect in the United States. I believe we should have done much sooner what we in fact ended up doing, and which brought about the final cease fire -- namely, the mining of the Port of Haiphong and the strategic bombing of the Hanoi area. Nixon finally did that in December of 1972, the famous Christmas bombing, when it looked like the North Vietnamese were reneging on a cease fire deal that the US side thought had already been reached the previous October.

I remember years later when I just happened to have my television set on. I think it was public television, and somebody -- it might have been David Frost, or some other well known TV interviewer -- was asking Nixon about foreign policy. It went something like this: "Mr. President, quite aside from the Watergate affair and all that, you are known as having been very skilled and successful in the area of foreign policy. Is there anything in that area you regret, anything that you wish you had done differently?" He thought for a moment and he said, "Yes, I made one very serious mistake, and that is I waited until December 1972 to do what I should have done as soon as I took office in January of 1969, namely send the B-52 strategic bombers against Hanoi and Haiphong."

I think that's absolutely right. It was a mistake -- if we were ever going to do it, then the sooner the better. That was the whole problem -- incrementalism -- the incremental approach to the war -- gradual escalation. It was fatal politically and it was not effective militarily.

Q: On the economic side, did you get involved in any of the debates or concerns about the use of what were known as TCN's, third country nationals?

WENDT: Not too much, really. I'm well aware that we had a lot of them and we relied on them. I suppose we thought we knew them better and they would, in many instances, meet our requirements better than the Vietnamese would.

Q: Yes. The Vietnamese were obviously unhappy about having this alien group come in who were more likely to stay around. The Americans they knew would leave.

WENDT: That's right. I suppose that's a problem in many countries. Perhaps because of the very rapid buildup, we had to rely on a certain number of third country nationals. I must say, I did feel at the time that the sheer size of the American presence was a liability. I thought we were overly engaged, that there was too much micromanagement of the war effort and that we tended to overwhelm the Vietnamese. We probably could have pursued the war effort more effectively if we had had fewer Americans and relied more on working through the Vietnamese. Of course, that's what we eventually tried to do with the so-called "Vietnamization" program, but that was, I think, although well-intentioned, somewhat misguided and a bit patronizing towards the Vietnamese. We should have been "Vietnamizing" the conflict from the very beginning, but we didn't

want to do that. I never did understand what a lot of the Americans in South Vietnam were actually doing that couldn't have been done by the Vietnamese themselves.

Q: The whole effort was... We just got into everything.

WENDT: We got into everything. I think we could have streamlined our functions a lot more and not relied on so many Americans running around trying to handle everything themselves. Ultimately, you had to work through the Vietnamese. One of the things I really did enjoy about my tenure in Vietnam was the very good relationships we had with so many Vietnamese. I found it both professionally and personally very gratifying -- there was a lot of job satisfaction there, I felt.

Q: You left there in '71, is that it?

WENDT: I almost stayed a fourth year. In fact, Ambassador Ellsworth Bunker did ask me to stay in a very nice way, so that if my response wasn't positive, I wouldn't feel he thought I was being uncooperative, but he did ask if they could persuade me to stay a fifth year. But at that point, I really had more or less burned my bridges, and I thought professionally, even four years was a long time, considering that the official tour of duty was only 18 months, and that in my own interest I probably should move on to something else. But I felt flattered that he even asked. That brief exchange took place at the Fourth of July reception in 1971 at Ambassador Bunker's residence in Saigon. I remember it well because Henry Kissinger was there. Although I didn't know it at the time, he was on his way to China. I think from Saigon, he flew back to Pakistan. There, the story was concocted that he had been taken ill or something like that. In fact, he was on his way to China from Pakistan. All that was brewing as we were standing around sipping drinks on the terrace of Ambassador Bunker's residence in Saigon. It was the first contact I had with Henry Kissinger.

Q: Where did you go in '71?

WENDT: In '71, I went to Brussels.

Q: You were there from when to when and what were you doing?

WENDT: I had originally been assigned to our embassy in Kuala Lumpur. That was in 1970. But when Ambassador Berger persuaded me to stay a fourth year, that assignment was cancelled. Then the system came up with a position in Brussels that looked quite good to me, although I really wanted to go to Paris. I knew French before I entered the Foreign Service and I wanted to be assigned to a post where I could use the language. I did use it to a very large extent in Saigon, actually. Anyway, I was assigned to Brussels -- to the US Mission to the European Community, now the European Union. I was the Financial Officer, and French, though quite useful, was not a requirement for the job.

Q: You were there from when to when?

WENDT: ‘71 to ‘74. Just to come back briefly to Vietnam -- in 1973, I think it was December of 1972 to January of 1973, on my own and at my own expense, I flew from Brussels back to Hong Kong first and then to Saigon. I thought at the time I must be the first American employee of the US government ever to pay his own way to Saigon. I was just visiting friends in Hong Kong and Saigon. Anyway, back to Brussels. I spent three years there, and it was a very interesting tour of duty.

Q: Who was the chief of the mission there and what was your type of work?

WENDT: Robert Schaetzel was the Chief of Mission during the first part of my tour, and then he was replaced by Joe Greenwald. Both, I thought, were very able, and I got along quite well with both of them.

The US Mission to the EC -- the European Community as it was then known --was a lean mission by the usual US embassy standards, and the work was highly substantive. We didn’t have an administrative section -- administration was handled by the embassy, the bilateral embassy responsible for relations between the US and Belgium. My responsibility was to report on financial and monetary developments in the European Community. It was in many respects a technical job, but with a lot of political overtones. I really had to scramble to sharpen my analytical skills on financial and monetary issues. This was during the period of enlargement of the EU with Denmark and the UK joining -- I think Ireland was coming in as well.

It was an interesting period, not only because of enlargement of the EU, but also because there was a big push on towards monetary union, monetary integration, in the European Community. It’s surprising because it’s a big issue now just as it was over 20 years ago when I was there. And they really haven’t made that much progress.

Q: What was our feeling towards it? Were you with a group of true believers? European economic union is great and all…it has been sort of a cornerstone of our policy, but there is a reverse side to this. What was the attitude at the time?

WENDT: The answer to your question is yes, I was surrounded by true believers. That sometimes put me in an awkward position. I was not a true believer then and I am not a true believer now. It was a period of monetary turmoil. It was in August of 1971 that, as I recall, Nixon took the US off the gold exchange standard. Franklin Roosevelt had previously taken us off the pure gold standard.

Q: That was one of the Nixon shocks.

WENDT: That’s right. It caused real turmoil in Europe. It was August, 1971, and I had just arrived in Brussels. There was no one around -- you know how it is in Europe at that time of year. Everybody was on vacation. For us in the US Mission, it was a very difficult period.

Q: Were you quickly thumbing through your Samuelson textbook for what going off the gold standard meant?

WENDT: I had studied economics. I had taken the 26 week course at the Foreign Service Institute designed for people with no advanced knowledge of economics to give them the equivalent of a BA degree in the subject. And recall that after this course, I had a year -- actually, three semesters, of graduate work in economics at Harvard. From there, I went directly to Vietnam. So, I was prepared. I knew enough about the substance of the issues to deal with them. I should note that I was functioning not just for the State Department but also for the US Treasury, which was obviously paying a lot of attention to these matters at the time. I was under a lot of pressure because the Europeans were somewhat frantic in trying to resolve how to deal with the dollar being taken off the gold exchange standard and effectively devalued -- and I had to analyze and report on these developments.

In any event, monetary markets were constantly in turmoil, and the Europeans were trying to figure out how to react. There would be a run on a European currency, for example the Italian lira, and currency markets would be closed. The dollar lost a lot of value during this period, and this became a strain not only in currency markets but also on individuals because the value of the dollar had gone down so much. So, it was an exciting if somewhat trying time.

The challenge was to find out what was going on in the European Community, what the EC Council was doing, what the EC Commission was doing, and then report back to Washington on monetary developments, on what the Europeans planned to do, and on decisions taken at EC Council meetings. Sometimes these meetings would take place late at night and I would be up there at the Berlaymont building waiting for somebody to come out of the meeting who might be able to tip us off. I felt to some extent like a reporter, quickly phoning in the information to Washington if it wasn't too late at night. Of course, the six hour time difference helped in this respect.

It was an exciting time. We were always trying to pick up documents that friendly European officials would occasionally give to us on a not for attribution basis. I sent in a lot of analytical reports. I met a lot of people. I learned a great deal about the European Community and made quite a number of friends. Knowing French helped a lot. I enjoyed Brussels. It's a sleeper. It's a much more interesting city than it's given credit for. So, all in all it was a very fruitful stay.

Also, I should say that although we were under a certain amount of pressure from the U.S. Treasury, which wanted to put its own person there -- an actual Treasury Attaché -- they were satisfied with the work we were doing in their area. So, that was not really an issue the whole time I was there.

Q: What was the feeling on our side with Britain, Ireland, Denmark coming into the EC?

WENDT: We supported enlargement. We thought the idea of Britain joining was a healthy development and that with Britain in, maybe it would be easier for the US to deal with the European Community. You know, the lingua franca of the EC Commission in Brussels was French, even though informally a lot of people spoke English. Even the Germans who worked at the Commission had been brought up on French professionally. This suited me fine because I knew French. But with enlargement, the English language became more and more important within the EC. Anyway, we favored enlargement.

I want to come back to your earlier question about being a true believer or not.

Q: I'd better explain for the record what a true believer is in our context. As I see it, a true believer comes from the notion that since the earliest days after the Second World War, we believed that, in a way, our policy was based on the idea that if we get Europe unified (we're talking about Western Europe), it really boils down to: We won't have the French and the Germans going at each other again. Going from there, everything leading towards union is just tremendous. We have to be absolutely for it without regard to what might be legitimate American concerns about trade wars, trade barriers, this type of thing. Maybe there's more to it than that, but I think that's the basic idea.

WENDT: I think you make a very important point. You recall I said that I was not a true believer -- so, sometimes it was a bit awkward for me. I didn't believe in monetary integration then. I don't really believe in it now, although I must say, it's entirely up to the Europeans. If they want to do it, if they find it in their interest and are able to do it, that's fine. The US should just cheerfully go along. It's the Europeans' sovereign decision. What I don't think we should be doing is going out and beating the drum all the time for European integration, a kind of supranational Europe. We've done that ever since the Second World War for the very reasons you cite. I think it was certainly quite legitimate for us to want a regime, an economic community, to arise in Europe that would put an end to Europe's civil wars. There's no question about that. That was an objective devoutly to be wished. But I think that objective was achieved. The question is not whether you have some kind of a community tight enough and having relinquished sufficient attributes of sovereignty to have passed beyond the point of no return as far as internal conflict in Europe is concerned. I think that's wonderful. We can all rejoice that that has happened. Whether the Europeans have to go the extra mile and really give up all their sovereignty in the monetary area is another matter.

I happen to think a monolith in Europe is not necessarily going to function in the US interest and is not going to be an easy partner for us to deal with. You can make a case that real integration would make it even harder for us to defend our trading interests and possibly even our political interests. So, why we go around pushing this concept I do not know. I don't even understand why the Europeans themselves want it, and I'm not sure they actually do. The single market is one thing. I think that's fine. That's 85 or 90 per cent of what is needed. It's that last 10 or 15 per cent which requires the real great leap forward to monetary integration. When you give up control over your currency, you really have given up one of the final, fundamental attributes of sovereignty, and that's a very tall order. It requires the wealthier parts of Europe to be willing to transfer massive

real resources to the poorer parts in order to sustain the system, just as we do in the United States, except that here, people don't realize what real monetary integration entails.

The wealthier parts of the United States transfer huge amounts of resources to the poorer parts in order to sustain a monetary union that we achieved 200 years ago. I doubt that the people in Connecticut, which has, I think, the highest per capita income in the United States, realize how much of what they create and produce gets transferred to the poorer parts of the United States through taxation. If they did, they just might not want to be part of this economic and monetary union. Obviously, I'm not calling into question monetary integration in the United States. We achieved it over 200 years ago. But if we had to do it today and you left it up to the states, do you think they would all agree? I am not so sure. As for Europe, why would Germany be willing to continue to support Greece, for example, in the European Union? There are tremendous costs when you look at the problems the Germans already have sustaining their social welfare system and their social safety net. But the real point is, I don't think it's necessary from a European point of view. If they achieve the benefits of the single market as was agreed at Maastricht, they'll be doing very well. From an economic point of view, they will have achieved a degree of prosperity that I think is highly commendable. They'll gain the benefits of a rather high degree of economic association.

Q: Try to focus on the time you were there. Did you find yourself odd man out? Did anybody want to hear somebody saying, "Well, yes, what are American interests in European monetary integration?"

WENDT: We never actually had that kind of a debate. I don't think I ever got beyond the point of maybe working a note of skepticism into my reports as to whether this was really going to be achieved or not. I don't think I could have gotten away with suggesting that it wasn't necessarily in the US interest.

Interestingly, later on, after the end of my tour of duty in Brussels in 1974, I was assigned to the Council on Foreign Relations in New York as the first State Department Fellow there. This was, in effect, a substitute for a formal senior training program either at the State Department's Senior Seminar in Foreign Policy or the National War College. I decided that at the Council, I would focus on the issue of European economic and monetary union, which had been a major focus of my work in Brussels. During the last few weeks of my tour of duty in Brussels, the US Mission kindly relieved me of my regular duties so that I could gather research for the paper I planned to write while at the Council. So, I was able to travel around Europe interviewing various personalities at ministries of finance and central banks. I even managed to meet with Raymond Barre at his apartment in Paris. He had been the EC Commissioner for Economy and Finance in Brussels and was between jobs, so to speak. He later became Prime Minister of France.

During this senior training sabbatical year at the Council in New York, I attended innumerable meetings at the Council, including a session on Vietnam chaired by William Bundy, who had been Assistant Secretary of State for East Asian Affairs. At the same

time, I prepared a research paper entitled "The Failure of European Economic and Monetary Union." Although I think people appreciated the effort that went into my paper -- and even thought it was a commendable job in terms of analysis -- they did not accept its admittedly negative conclusions, which I thought on the other hand were quite defensible. So, the paper was generally viewed as an act of lèse majesté. I was waving a red flag in front of the true believers, and I caught a bit of flak as a result. I think the Council on Foreign Relations may have contemplated publishing my paper, but in the end, they didn't. I suppose they didn't really like the message.

The paper did get sent back to the people at our mission to the EC in Brussels. They, of course, took issue with my conclusions. Again, they were true believers. I respect them. People can disagree. But I want to underscore one thing. It's fine if the Europeans want to do this. But I do not see why the United States should press it as something that's in our interest, because I don't think it is at all evident that it is.

Q: How did you find the principal member states? I'm thinking particularly of France at that time. Again, I'm not an economist and I haven't served in that area. But France always seems to be the odd country out in almost anything from the American perspective. How did you find the role of France in the time you were in Brussels and how it was dealing with the main issues?

WENDT: The French were always very influential in EC circles, both in the Commission and in the staff that supported the EC Council. I think one reason they were influential was because from the very beginning, they made it a point to send top notch civil servants to staff these positions, and it showed. To some extent, they were the odd man out on many issues, but that was not quite so evident when I was there. De Gaulle died in 1969, as I recall, and I didn't get to Brussels until 1971. So, the most militant forms of Gaullism, the empty seat -- when in a fit of pique the French boycotted the proceedings of Brussels -- all that was behind us.

One of the two French commissioners was Raymond Barre, who as I said previously later became Prime Minister of France, and in the interim, was a professor. But when I first encountered him in 1971, he was the EC commissioner responsible for the economic and monetary area, and we used to see him frequently. Jean Claude Paye, who is now the Secretary General of the OECD, was his Chief of Cabinet. These very senior people were always very constructive and, I thought, on the whole, quite helpful in our contacts with them. We had very good relations with the individual French civil servants who were at the Commission and the Council. Maybe they weren't always quite as good a source of information as some of the others -- the Dutch and the Germans were particularly forthcoming. But on the whole we got along well with the French. It was not a period when the French were deliberately creating problems in order to secure certain objectives, as they are often accused of doing. They were not playing the role of the odd man out at that time.

I think it's fair to say we got along well with just about everybody at the Commission as well as the Permanent Representatives of the member states. When I say "we," I'm

talking about the whole American staff at our mission to the EC. We had very good relations and very good contacts with a tremendous variety of people.

I also thought our mission to the EC in Brussels was a first-class example of American professionalism. It was very well staffed -- and not just from the State Department but from other US government agencies as well. I believe that's still the case. It was a first class operation, and I am very glad I served there.

Q: I was thinking this might be a good place to stop at this point. You've already mentioned your Senior Training activity and your research paper. So, we'll pick it up again in '74. You started in '74. Where did you go?

WENDT: From Brussels, I went to New York. As I said previously, I did a sabbatical year with the Council on Foreign Relations in lieu of the more traditional senior training assignment such as the Senior Seminar in Foreign Policy.

Q: And then from New York, you went where?

WENDT: I went to Washington to the Economic Bureau at the State Department. That was in 1975.

Q: And you were there from '75 to when?

WENDT: From '75 to '79 I was in the Economic Bureau. I was Director of the Office of International Commodities.

Q: All right. We'll pick it up at that point.

-- -Today is the 6th of September, 1996. Rather than move right to the Economic Bureau, I'd like to talk a bit more about your time at the Council on Foreign Relations. This was a prestigious organization looking at foreign policy. You were a serving Foreign Service Officer. What was your impression of the issues you knew about and how the Council dealt with them? Was this sort of a dilettante's organization or was it a more solid one, at least with regard to the issues you were working on?

WENDT: The Council was an interesting combination of, on the one hand, scholarship with people on the Council's staff directing studies programs who were, in my view, well qualified in their field and doing serious work. And on the other hand, there was involvement with and exposure to a lot of very well placed, well established people who were either Members of the Council or guest speakers or scholars. I don't want to say the foreign policy elite because the Council brings in quite a cross-section of people from all different fields of endeavor. There was a lot of participation from the private sector, government, think tanks etc. But of course, in New York, one also has quite an exposure to foreign visitors who are there on UN-related matters, particularly during the fall session of the General Assembly, and who would come and address the Council on issues

of current interest. These were often political figures, bankers, CEO's, and prominent scholars.

As a relatively young Foreign Service officer, I found this broad exposure quite stimulating. I met people who were very well established in the American foreign policy scene. I attended meetings, lectures, study groups, informal luncheons, and even the occasional formal dinner. I was fortunate enough to have found an apartment on East 70th Street, only three blocks from the Council. So, I was quite well set up. I have to say I really enjoyed it. The State Department considered this assignment kind of an experiment, as I was the first State Department Fellow at the Council. They had had people at a slightly lower level from the State Department there as International Affairs Fellows, and that program continued. I was, you might say, more senior. It was the first time they had had anybody in this position.

Normally, from Brussels I would have gone into some kind of established senior training program, but the State Department thought this new slot at the Council was a good opportunity, and Ambassador Samuel Berger in particular took an interest in it and pushed it. He phoned me in Brussels, and even though I had my heart set on the Senior Seminar in Washington, I could not say no to Ambassador Berger, whom I had served under in Vietnam and whom I regarded very highly.

The Council does give you work to do. I gave an informal luncheon talk on Vietnam for the staff of the Council. You also have to write something serious, which I did. I wrote a research paper on economic and monetary integration in the European Community. As I said previously, I had just spent three years in Brussels; so, this was an extension of my work in Brussels. Indeed, I actually started interviewing people in Europe in preparation for what I wanted to write while I was at the Council. I spent my last few months in Brussels basically freed from official responsibilities. I traveled around Europe. I interviewed people in finance ministries and central banks as I said previously -- people like Raymond Barre based on his days as the EC commissioner for financial and monetary issues. He later became Prime Minister of France. At the same time, I had gotten to know Jean-Claude Paye, who, as I said, later became Secretary General of the OECD -- in fact, he still is. But at that time, he was the chief of cabinet of Raymond Barre in Brussels. So, while still in Europe, I started doing research for my paper.

In New York, the Council gave me free rein to attend any and all meetings, luncheons, and dinners. I was made a member of the family. I think it was a rewarding experience. Whether I got more out of it than I would have gotten from the Senior Seminar on Foreign Policy, which I think is also, from everything I've heard, a very good program, is hard to say. It was an entirely different kind of experience.

Q: Allan, I wonder if you might like to comment about this time on how you see the foreign affairs establishment. You've got scholars, businessmen, and sundry other people. We're talking about the '70s. It may have changed since then, but let's comment on the period you were at the Council. On the other side, you have career Foreign Service Officers who are dealing with foreign affairs. It seems like there isn't an awful lot of

linkage there and it's rather expensive for the State Department to put somebody up there for a year. The Council on Foreign Relations produces papers and everything else. Is there a link that you saw between the Council's activities and the work of Foreign Service officers either in the US or in the field?

WENDT: I think there is a connection. As I said, I gave a luncheon presentation while I was at the Council on my experiences in Vietnam and my views about the Vietnam War, which was still going on at the time. There were other people there who had also been involved one way or another in Vietnam. The Council is quite a cross-section of people, despite the popular mythology that it's kind of a left of center, liberal establishment. There is certainly plenty of that, but there are also a lot of people at the Council who have quite conservative views. The membership, particularly now -- maybe even more than during the time I was in New York -- is quite varied. It runs the gamut from people like Jeanne Kirkpatrick and Bill Buckley to the liberal end of the spectrum.

Q: Jeanne Kirkpatrick and Bill Buckley are known as rather strong conservatives.

WENDT: Exactly. Then there were quite a few academics involved, as well as -- as I said, people from think tanks, and a lot of people from the business world. I remember there was a fellow there named Ed Morse, who later became for a while Deputy Assistant Secretary of State in charge of energy. I followed him in that job several years later. He's now editor of "Petroleum Intelligence Weekly." So, at the Council you got exposed to people who were very active on matters that were genuine foreign policy issues, like energy, for example. This was at a time of serious oil shortages. You remember back in the early 1970s when we were faced with an energy crisis?

Q: Following the October '73 war.

WENDT: Yes, following the October '73 war in the Middle East. I was at the Council from '74 to '75. So, there was a lot of emphasis on energy. There were people there like John Lichtblau, whom I saw on television just last night, for example, being interviewed about America's dependence on foreign oil. There was exposure to a lot of other economic issues, as well. I think there was a genuine connection between the Council and the State Department. I suppose the Department thought so as well, or they wouldn't have bothered to send somebody there. As I said, the Department had been sending people at the intermediate level as international affairs fellows to the Council for some time. I was just the first one to participate in a new program, which we have continued to participate in off and on -- I gather somewhat inconsistently owing to budgetary constraints.

Sometimes there has been disagreement between the Department and the Council over the selection of people for the position. I heard that the State Department thought, well, the Department will simply on their own select somebody for the Council. The Council's attitude was, "Well, we ought to be able to interview people. This is a prestigious, well-connected institution and we want to be able to decide ourselves among several candidates as to who we think will best fit into the Council." I believe the program is

continuing, although with the State Department's budget being perennially stretched, I'm not entirely sure.

Q: My question about the connection is really more the other way. Do you think the work of the Council, the written studies, for example, get plugged into the work of the Foreign Service or the State Department? How does this work get transmitted into the State Department?

WENDT: Probably not directly -- no more from the Council than from any other think tank or foundation that devotes itself to foreign policy. They put out a lot of papers. How widely these get read is a real question. People in government tend to be hard-pressed -- I'm not sure they have time to wade through so much written material. But I think the connection may be not quite so direct. People in the State Department are probably not spending time reading policy papers put out by foundations or groups like the Council, but there are a number of people in the Department who themselves are members and who are exposed to views and opinions at Council meetings, which have traditionally been not for attribution.

On or off the record, both speakers and members are encouraged to speak frankly. I have actually heard senior administration officials be very forthcoming at Council meetings. If it's really a bombshell, of course, there's an obvious risk that it will be reported even if the person is not quoted directly. Every once in a while, there might even be an indiscretion. But on the whole, I think, people adhere to the not for attribution policy in order to encourage frank discussion. You might say there's a kind of osmosis. You're exposed to this give and take. Presumably, some of it rubs off. Maybe you will get an idea. Maybe the idea will influence your own thinking, you in the State Department, when you're writing an action memorandum. You may incorporate an idea you heard at a discussion. Then there are journalists who are members. I forgot to mention that. That's very important. Of course, they don't write articles saying "So and so said such and such at a Council meeting last night" unless the meeting is on the record. But their own involvement in the Council can inform their approach and their attitudes. What they hear can creep into what they write indirectly.

At Council meetings there is often also a congressional element. There are people from the Congress -- I think it may often be Congressional staff -- who come to meetings and generally speak frankly and openly. So, it's a kind of give and take, kind of an osmotic process. I would say that's the linkage -- not just with the Council, but with a number of foreign policy groups and think tanks. So, I definitely consider it a worthwhile activity.

I should add that in recent years, a growing number of Council meetings have been on the record, and Administration officials may use a Council meeting to make views and positions known officially. Quite a few Council members regret this development -- they say it inhibits frank discussion.

I'm glad I spent the year in New York. That in itself was interesting for me. New York is always a fascinating place to be. I enjoyed the year there. I can't say that the Council

received my research paper with great enthusiasm -- I suppose because it was a bit iconoclastic. As I said in one of our previous sessions, I wrote a paper saying that I didn't think that real monetary integration in the European Community was realistic or necessarily even in the interest of the member states themselves. I'm talking about complete monetary integration. I also questioned the professed US commitment to European unity and integration, not by way of saying that I didn't think it was a good idea. I just said that the US should think through whether or not it's really in our interest that Europe be completely integrated.

We tend to recite our commitment to European integration ritualistically, as we've done since 1945, which is fine if you mean we don't want any more European civil wars. But to go from there to complete monetary integration with the consequent loss of sovereignty is another matter. Why are we constantly encouraging Europe to federate? I raised these issues at the Council. Well, that was a bit much for some people there, notably the more senior staff, who believed strongly in European integration.

Q: I can see why, particularly then. Now probably not as much, but then there were the true believers. There was George Ball and all. I think almost everybody subscribed to it, but as you say, the overriding concern was to do whatever we could to get these people all together, particularly France and Germany, who have fought three major wars against each other within only 75 years.

WENDT: Of course, that's entirely understood and not questioned, but I would say that does not require monetary integration.

Q: One leads to another. As a true believer, all of a sudden, you find yourself opposing the conventional wisdom. I agree with you that it's a question that certainly deserves thought and analysis.

WENDT: I think the Council, or some people in it, was a bit surprised that somebody -- particularly from the State Department -- would come up with a paper like the one I wrote. I looked at my paper again recently and I must say it's really rather prophetic for something written in 1975. A lot of the problems that I cited in the paper, the problems of monetary integration, are very real today. Maybe so many years later, Europe is ready to try to do this, but I think everybody who follows these issues now realizes the tremendous stresses and strains that the quest for monetary integration is leading to. I'm still not convinced it's really going to happen.

UPDATE AS OF NOVEMBER, 2013:

WENDT: As we have seen from the latest turmoil in the EU in the last several months, notably with regard to Cyprus and the southern tier of the EU, the stresses and strains of monetary integration through a common currency, the euro, are being felt acutely. My paper on the subject written at the Council on Foreign Relations in New York in 1975 was wrong in predicting that monetary union in Europe had already failed -- the enlarged EU did proceed to establish the euro among a majority of the member states. But the

stresses and strains of maintaining a common currency in the absence of a common budget and central fiscal authority among states with wide disparities of income and economic conditions have clearly called into question the viability of the euro – at least for some states in the southern tier of the EU. Thus, although I didn't get the timing right, I believe my basic reservations about the sustainability of a common European currency are well founded. END UPDATE.

Q: Let's move on. You then went to the Bureau of Economic Affairs.

WENDT: That's right.

Q: That was from when to when and what were you doing?

WENDT: From 1975 to 1979, I was in charge of the Office of International Commodities. We dealt with raw materials, industrial raw materials like metals and minerals, tropical products, and agricultural raw materials like natural rubber. We had to respond, as you may recall, to something called "The Integrated Program for Commodities" which was an initiative of UNCTAD in Geneva designed to prop up and maintain commodity prices at so called "remunerative" levels – that is, remunerative to producers.

At the same time, we were experiencing an energy crisis, and the developing countries wanted to link these areas. They took the position that in exchange for moderation on the part of oil exporting countries, principally countries from the Middle East, but also others like Venezuela, something should be done to prop up the prices of international commodities in international trade on which developing countries were so dependent. So, all kinds of ill-conceived schemes were spawned then about how commodity prices should be increased in order to provide more remunerative returns to the producing countries. This was supposed to be kind of a quid pro quo with the West -- higher commodity prices in exchange for moderation on oil prices.

There were efforts to negotiate agreements on products like tin, coffee, cocoa, a whole range of internationally traded commodities, and also schemes to create buffer stocks and, in particular, a common fund that would finance buffer stocks in international commodity agreements with a view to making the process more financially efficient. The idea was that if you created a common funding mechanism, there could be financial efficiencies as opposed to having separate funding for each one of these commodity agreements. The developing countries pressed this issue very hard in the UN and particularly in UNCTAD, the UN Conference on Trade and Development, which is based in Geneva. I found myself frequently going off to Geneva to negotiate on these schemes, which became a major focus of our foreign policy at the time.

The US was skeptical about the usefulness of commodity agreements because we thought they generally represented an attempt to rig prices artificially. In the US view, markets determined prices, not governments, and you could not arbitrarily set the price of a commodity in international trade because someone had decreed that it was too low and

should be raised. We did participate in some commodity agreements where we thought producers and consumers had common interests or objectives that could be achieved without actually trying to establish artificial prices. Our notion was that it was legitimate to try to smooth out price fluctuations around their long-term trend, for example, rather than to try to interfere with the trend itself. We had participated in the coffee agreement for a long time. No international buffer stock was involved in that particular agreement. There was a buffer stock in the tin agreement, which we actually joined but which has long since become defunct.

Q: Was this part of what was known at one point as the "north-south controversy?"

WENDT: Exactly.

Q: Could you explain what that was?

WENDT: This was the so-called "North-South Dialogue." As I recall, the French were instrumental in promoting this "dialogue." The idea was to bring about a kind of rapprochement between the north, that is, the developed, industrialized countries, and the south, the developing countries who were primarily dependent on the export of raw materials, the most important of which, of course, was oil. The north-south dialogue got underway in Geneva. Then, in late 1975 as I recall, it was formalized and shifted to Paris, where it was sponsored by the French. The official name for the dialogue was the "Conference on International Economic Cooperation", or CIEC for short. The setting was elegant, and the French handled the logistics very well. Four groups were set up, four commissions, one of which dealt with raw materials. I was the US representative at this Commission, supported by officials from other US government agencies such as Treasury and Commerce. There were also three other commissions -- on energy, development, and finance.

There were 19 developing countries at the conference who were supposed to represent the whole developing world, and eight developed countries, one of which was the United States. Another was the European Community as a whole, which then consisted of nine member states. This arrangement was quite interesting historically, because here was an early example of an international forum where the European Community had to speak with one voice. They were represented both by the executive body -- the European Commission -- and the Council of the European Community, as it was then called, which represented the member states. Frequently, the EC member countries could not agree on a single position. Again, going back to raw materials, which as I said was the area I was personally involved in, there were times when the representative of the European Community would simply state, "I can say nothing, nothing whatsoever." This was because there was no agreement within the EC. The Europeans were constantly caucusing, trying to reach a common position. Not infrequently, they failed. So, an EC representative would go to a meeting and remain absolutely silent.

Q: How would that work? Let's say they caucused. If they then had to go back to the Ministries of Trade or Foreign Affairs or what have you, it would be an almost impossible thing to do.

WENDT: At times it was a bit chaotic. All the EC member states had people at this conference. But when it actually came to speaking on behalf of the European Community, there were usually two people, one from the Commission and the other from the EC Council representing the member states. Then it was a question of which country had the presidency of the EC Council, which rotates every six months. A representative from the country that had the presidency of the EC Council would be one of the two European Community representatives, the other being from the Commission. So, the European representatives really had a tough time. Still and all, it was an interesting experiment for them to see to what extent they could agree among themselves.

An inevitable complication was that among all the people the European countries had at the meetings, different ministries were represented, just as in our delegations, there were people from the State Department, the Treasury, the Commerce Department -- people from all over the US Government.

This exercise -- the North-South Dialogue -- dragged on for about a year and a half. We were traveling back and forth regularly between Washington and Paris, spending nights and weekends on airplanes.

Near the end of this period, there was a change in administrations in Washington. The Ford administration left and the Carter administration came in. The Carter administration took a somewhat more benign view of some of the issues at stake at the conference than did the Ford administration. I was from the State Department, but I represented the US government. If the new administration changed the policy, I, of course, had to represent that policy, whatever my own views might have been. Under the Ford administration, we had been opposed to a common fund to finance international commodity buffer stocks, as I was explaining earlier. But the new people from the Carter administration thought, "Well, maybe there's some merit to this scheme." Beyond that, the developing countries really made the Common Fund a political issue, even though we were ostensibly there to consider it on its economic merits. The developing countries considered it an absolute must -- the central feature of the Dialogue.

So, in the end, the Carter administration, I would say, caved in, and said, Okay, "there will be a common fund." That was actually the language of the final communiqué -- "There will be a Common Fund" -- nothing more elaborate because this basic language was the lowest common denominator of agreement. We agreed simply that there should be such a fund. Our reasoning was that, in the actual negotiations to establish such a fund, we would see to it that it's not some hare-brained, giveaway scheme, but that it functions rationally and efficiently in financing commodity buffer stocks. Of course, a lot of us thought, and I was among them, that it would not be possible in the real world actually to devise such a scheme. Anything that would satisfy the developing countries would not meet our criteria of economic rationality and efficiency. But that's another story.

Anyway, after the political decision was taken at the conference that there should be a common fund, a big part of my job became to try to devise such a mechanism and then negotiate it. First of all, we had to develop a proposal along with the other industrialized countries and then present the proposal to the developing countries and try to negotiate something that could be defended on economic and financial grounds.

Q: How were the other developed countries looking at this? Had the developed countries been more sympathetic to the idea of a common fund before?

WENDT: I believe most of them were somewhat more open to the idea than we were, not because they necessarily thought it was a good idea, but because they often were more cynical than we were and thought it didn't really matter if we agreed to a Common Fund as a sop to the developing countries. The other developed countries had also become caught up in this quid pro quo whereby moderate, rational energy policies would be adopted by the oil producing countries in exchange for a more forthcoming approach by the developed countries on issues involving finance, economic development, and raw materials.

Q: But I would have thought that, in a way, some of the major oil producing countries weren't really part of the community of lesser developed countries. I mean, they were earning lots of money and then going out for more money. They weren't really sympathetic to the traditions of poor South American or African countries, were they?

WENDT: I think that's right, but, surprisingly, there was some degree of solidarity at that time among the developing countries. Then there was also a feeling that the oil weapon, as it was thought of at the time, could be used as a means of getting the "North", the developed countries, to be more forthcoming towards the developing world. We know now, and I think we knew then, that this was really kind of a fraud. I mean, there really was no oil weapon because the oil producing countries, as we've seen with OPEC, could never agree among themselves really to use oil as a weapon -- at least not for very long. It's true that the West is dependent on imported oil, but the oil producing countries are also dependent on selling the oil. It does them no good left in the ground. There was nothing they could do with the oil other than sell it. A lot of mythology crept into people's thinking at the time. The issue is still with us. It was featured last night on the MacNeil/Lehrer News Hour. But a lot of crazy ideas were put forward at the time stemming from the notion that there was an "oil weapon" that could be deployed against the developed, oil-consuming countries -- the "North" of the North-South dialogue.

We eventually reached an agreement on a lengthy communiqué at a final meeting in the spring of 1977 at ministerial level, with chapters on each of the issues being covered in the four different commissions. The US was represented by Cyrus Vance, the first Secretary of State in the Carter Administration. Other countries also had their foreign ministers there. Ultimately, very little came of all this. But the more cynical foreign chanceries would say it was important to try to convey a signal to the developing world that we were sympathetic to their problems and were trying to do something about them.

From a US point of view, that was fine as long as it didn't lead to concrete schemes that were completely unrealistic and flew in the face of elementary economic logic. A lot of ill-conceived schemes, as I said, were being pushed at the time. A common fund to finance commodity buffer stocks was one of them.

The North-South dialogue in Paris, which ended as I recall in May or June of 1977, about five or six months after the Carter administration had taken office, more or less faded into history. You don't hear too much about it anymore, but at the time, it was a big thing. I was flying over to Paris practically twice a month to represent the US on the Commission dealing with raw materials. The overall head of our delegation was Steve Bosworth, whom I'm sure you know. He was then Deputy Assistant Secretary for Energy in the Economic Bureau at State.

Q: What was his feeling towards this whole exercise?

WENDT: I think his feeling was very much like mine, that it was an exercise we had to go through, largely for political reasons, but that not much could be expected of it. Mainly, what we were trying to do was bide our time, to wean the oil producers from the notion that oil could really be used as a weapon, and also to avoid making any commitments in other areas that were unrealistic and couldn't be sustained. I think the US handled itself well in this affair. Bosworth was excellent as head of our entire delegation. The tough part really came with the change in administration, where the new administration thought, "Well, we can do better. We can be more forthcoming. Maybe some of these ideas really aren't so bad."

Q: How was that translated bureaucratically? You're in the Economic Bureau and you're doing all these things. Did somebody come on board who was saying "I've got new orders" or were the new people true believers? How did that work?

WENDT: Well, it didn't affect us so much at the working level in terms of our immediate responsibilities, but it necessarily might affect what we could agree to at the end of the day. Dick Cooper, Professor Richard Cooper, became the Under Secretary of State for Economic Affairs in the Carter Administration. He's a renowned professional economist with a mind like a steel trap. He is really a very impressive man. But Dick, somewhat to my surprise, thought, "Well, let's take a look at this common fund. Maybe there is some merit in it. Maybe there are some efficiencies to be derived in financing international commodity buffer stocks through a common fund rather than individually."

I should mention that there was also in this common fund something called "the second window." That was a funding mechanism designed to provide technical assistance to developing countries related to the production and marketing of specific commodities. We were more sympathetic to this proposal than to the Common Fund itself. In any event, Dick Cooper made sure that we took another look the scheme. We were perfectly open in expressing our skepticism to him. But what he was looking for was not a complete about face or turnaround, but rather a shift in emphasis and maybe a greater

willingness to consider some of the proposals coming from the Group of 19, the developing countries represented at the conference.

Personally, I think the common fund was a mistake. It was ill-conceived. Yet by the end of the conference, it was formally agreed to, although the US never ratified the agreement. It was stillborn. Nothing ever came of it. That was the kind of situation we were in. The new Carter Administration was more disposed, I would say, to compromise with the developing countries, more disposed than some of us thought was wise. Anyway, that's the way it was. We served the administration that was in power, regardless of what our own views might have been.

Q: So, you were doing this up until the time you left the Economic Bureau in 1979?

WENDT: Yes, I remained active in this area up until the middle of 1979. I continued to work on the common fund. I was given the responsibility of chairing an informal group in the OECD, an ad hoc group, whose responsibility was to develop an industrialized country proposal for a common fund. You see, CIEC, the Conference on International Economic Cooperation, really didn't go beyond a political agreement, which said "There shall be a common fund." Then it was up to the various participating countries to put flesh on the bones.

We in the United States and our allies thought that the best way to do this was to try to flesh out a proposal that could be rationalized somehow. In our heart of hearts, some of us thought, okay, we'll go through with this exercise, but little if anything will come of it.

As I said, I was put in charge of an informal working group at the OECD in Paris. In practice a few of us from a very small number of allied governments, OECD member country governments, met privately in Paris. We had the British, the French, and the Germans. I think that was it. Did we have the Japanese in that group? I don't think so. Very few people knew that this small group even existed. My counterparts, interestingly, were not from foreign ministries. They all came from finance ministries or, in the case of the UK, the Department of Trade. These people were more tough minded about the whole business. The attitude in foreign ministries was "It's a political thing. Don't worry about it too much. Just do it." But the people in finance ministries, including our own Treasury Department, and the people in the Economic Bureau of the State Department, thought we couldn't just do something to please the developing countries. Whatever we do has to make some kind of economic sense. It has to be economically justified. Given those criteria, I knew it was not going to be an easy task.

So, here I was, meeting more or less in secret with all these people. The German Foreign Ministry didn't even know the meetings were taking place. We had a fellow in the group from their Economics Ministry -- Kipper was his name -- who thought the Common Fund was an absurd idea, and here I was working with him on this scheme. That reminds me, once or twice I issued invitations to the group to meet in the Pershing Room of the US Embassy in Paris -- it's one of the Embassy's elegant conference rooms. When I informed Kipper of the meeting place, he was somewhat taken aback—"what, the

Pershing Room?" He was of course well aware of US General Pershing's role in the First World War. Anyway, on the substance of the issue, even the French were skeptical -- there was a fellow in the group from the French Ministry of Finance, Mingasson was his name as I recall, who thought, "Well, okay, we've got to do this, but frankly, I don't think it makes any sense." So, here I was working with like-minded people. As I recall, although nobody ever said this, the idea among us became, "Well, we'll put together something that we know is never going to be accepted by the developing countries, and if they did accept it, it wouldn't work." And that is more or less what happened.

Q: How did this sub-rosa group develop?

WENDT: We would meet among ourselves, a very small number of people, and then we would bring our work to the larger OECD group that was more in the public eye. Some people knew about the informal sessions, but when the German Foreign Ministry found out about them, they were quite upset that such a thing could be going on without their knowing about it. But it was partly their own fault.

The German Foreign Ministry, I thought at the time, was looking only at the politics of these issues and not at all at the economics. After all, if you are going to put together a scheme like this, it has to make some kind of economic sense.

Q: Yes. Well, this has often been one of the accusations against the State Department, that for foreign policy reasons, we will give away the store. The Department often does this. But you're saying that the Economic Bureau was different, that it was minding the store.

WENDT: Absolutely, we were. Our leader was Julius Katz, the Assistant Secretary of the Bureau. He thought the Common Fund was total nonsense. So, I had a mandate from him to do exactly what I was doing -- without it's ever being said -- namely, to put together some kind of scheme that would never see the light of day. By the way, Jules -- a very able, experienced, highly regarded civil servant -- had a refreshing if somewhat cynical sense of humor. When I was going off to a meeting in Paris or Geneva on some commodity issue, I would ask him if he had any last minute advice, and he would say, yes, "When in doubt, do the right thing." Anything else, Jules, I would ask? "Yes, keep the cat among the pigeons." But of course with regard to the Common Fund, I was also responsible to Under Secretary Dick Cooper. Dick knew about these meetings. We weren't concealing anything from anybody in the US government. So, I also had to explain to him what I was doing. I think he was in fact satisfied that we were trying to put together something that reasonable people would say could be justified on economic grounds. But even that was never enough to satisfy the people in foreign ministries who said, "Get on with it. We've reached an agreement. Let's have a common fund. Don't be so difficult about it."

I could never have worked in this group with people from foreign ministries because they weren't really interested in the economics of the issue, only the politics. In a way, it belies the notion you mention, that the State Department is only concerned with pleasing

foreign countries and is not sufficiently tough minded. In the Economic Bureau, that was not the case -- and at the time, the Economic Bureau was quite influential in the State Department. It had been under Tom Enders, who headed the Bureau as Assistant Secretary when Henry Kissinger was Secretary of State. Although, as everybody knows, Kissinger had always professed not to be very interested in economic issues, he knew that they were important and that they could affect his power base in Washington -- particularly at that time, with the oil weapon being brandished -- and that he needed to cover his flanks and have somebody very able in charge of these issues and managing them for him.

That person was the late Tom Enders, who was Assistant Secretary for Economic Affairs when I came into the bureau in 1975. I think the influence of the bureau has waned considerably since the days of Tom Enders, Jules Katz, and Bob Hormats, which is another subject entirely. But at the time, we had quite a bit of clout within the State Department. Not only that, I think the Economic Bureau was respected around the town among other agencies like the Treasury, the Department of Commerce, and the National Security Council staff. Now, today, I think it's much tougher for us. My impression is that the State Department's role in the international economic area has eroded.

Q: What was the role of Japan in this area? You have the European Economic Union group, which has its own rationale and motivation, but Japan is sort of off to one side. At that time, were they part of this organization, of the "North", in this North-South Dialogue? And what was your impression of how they dealt with the issues at that time?

WENDT: They were very much a part of it. This was an interesting phenomenon because here was an Asian country solidly in the ranks of the industrialized north and really setting itself apart from other Asian countries. It was interesting to watch. The Japanese, I think, in their basic approach, wanted to be tough-minded and work closely with the US on the one hand, but they also wanted very much to be accommodating toward the developing countries on the other. Of course, they were quite focused on their very high degree of dependence on imported oil, particularly oil from the Persian Gulf. So, they were quite active in the dialogue. In fact, the co-chairman of the Raw Materials Commission, where I was the US representative, was Japanese -- Miyazaki was his name. His counterpart -- again, I'm just talking about the Raw Materials Commission, which was just one of four commissions -- was a Peruvian named Arias-Schreiber. The two of them clashed.

It was an interesting spectacle from a human and social point of view to see a Japanese clashing with a completely white, basically European -- I mean, he was a Peruvian but obviously of European origin -- who was pleading poverty with a Japanese. Quite interesting, I thought, from a social point of view. The Japanese were a major player in the Dialogue. They were very active. They sent large delegations from Japan. We worked very closely with them behind the scenes. We would often talk to them privately, trying to enlist their support for our positions. On the whole, they were pretty solid. We worked very well with the Japanese, and I enjoyed the relationship.

All that said, as you might expect, the Japanese were often inclined to be more accommodating then we were, viewing the whole conference essentially as a political exercise in damage limitation. Their rationale was -- give the developing countries enough so that they'll leave us alone. If occasionally we agree to something that's hard to rationalize from an economic point of view, so what? Of course, we couldn't quite do that because we knew that if we did agree to something, particularly if there were financial implications, budgetary implications, we would have to come back home and defend it. We would be called up before a congressional committee and asked to explain what we had done. If we couldn't explain it, we would be in serious difficulty.

There was a lot of turnover in the Japanese delegation, but they sent some very able and high-ranking people. I remember one Japanese, a rather stout fellow named Harunori Kaya, Prince Kaya in fact. He came from a noble family. He later became the Japanese ambassador to Denmark and after that, I think, to Israel. He would sit at meetings of the Raw Materials Commission with his head back and his eyes closed. I always wondered, is he bored and taking a nap, is he deep in some kind of reverie, or is he just quietly contemplating the whole thing and figuring out what he was going to do next? It was fascinating.

The physical setting for the conference was very attractive -- the Kleber Conference Center in Paris. The French did a very good job in that respect. We had access to very good facilities, good food and drink. As I said before, it was all quite civilized and well handled.

Q: It was in 1979, was it that you left there?

WENDT: Yes, in 1979, I had been in the Office of International Commodities four years, and it was time to move on. I was ready to go overseas. One day I was approached by Ambassador Walter Cutler, who had been chosen to be our ambassador to Iran. I had known Walt in Saigon, where he was in the Embassy political section. He remembered me and my work in the economic area. Walt had decided that I would be a good choice for DCM -- Deputy Chief of Mission -- in Tehran. Economic issues were important and he reasoned that he could cover the political side and wanted to have a DCM who was conversant with economic matters, and he chose me. The personnel system was a little resistant because I had not served in the area before and I was one grade below the rank for the position, but since ambassadors are, within reason, allowed to choose their DCM's, the assignment went through. This, you may recall, was at a time, the spring of 1979, when the Khomeini government had already taken power in Iran but before the seizure of the hostages later that year.

Q: But the embassy had already been taken over once by students in February of 1979, and although our people finally got out, it took a while.

WENDT: That's right. The embassy had been besieged by, I think, students and mujaheddin guerrillas, and as a consequence we had removed almost all of our people.

We removed them in a hurry. They abandoned practically everything, including all their cars. The embassy was down to a skeletal staff. There were very, very few people there.

So, I started getting ready for this new assignment. I even started taking lessons in the Persian language, Farsi. And I actually went out to Teheran on a reconnoitering mission. This was in May of 1979. I was with Sheldon Kris, who I believe at the time was the Executive Director for the Near East Bureau at State. I stayed in Teheran nearly a week. We were making an assessment of what kind of shape the embassy was in and what needed to be done to get it back up and running. The compound was still under the control of these thugs, the mujaheddin guerrillas. They were all carrying AK-47 assault rifles, supposedly protecting the embassy.

I phased out of my job in Washington in the Economic Bureau and was getting ready for this new assignment. I was practically moving out of my house when we got word that the Khomeini government, having already granted agrément (official permission) for Walt Cutler, suddenly withdrew the agrément. They said, basically, "We don't want your new ambassador." So, they pulled the plug on Cutler, and my assignment got washed out as well, since I was going as his Deputy Chief of Mission. If he wasn't going to go, I wasn't to go either.

Apparently, the Iranians took this step in response to a congressional resolution sponsored by Senator Javits of New York, a Republican, that condemned the executions taking place in Iran under the new regime. The Khomeini regime took offense at this resolution and that's what sparked their withdrawal of the agrément. So, there I was all of a sudden left high and dry, having devoted a fair amount of time to getting ready for the assignment.

Q: How did you feel about going out there? I mean, look at the embassy and all. Were you married at the time? No matter how you slice it, this was not a very comfortable looking post -- particularly after your Vietnam experience.

WENDT: No, it was not comfortable at all -- and I wasn't looking forward to that aspect of it. On the other hand, for me it was an entirely new and exciting undertaking. Of course, I had been in Vietnam at the height of the war there. I had in the back of my mind the notion that I'd been through difficult situations before and I could handle it. From a professional point of view, to be Deputy Chief of Mission at a major post was quite appealing. So, I was ready to do it. I dare say I was even enthusiastic -- I was looking forward to the assignment. I knew it was not going to be easy or comfortable, but I thought professionally, it would be a very rewarding assignment. So, I was disappointed when the whole thing fell through.

Q: I wonder if you could give me a little of the flavor of what you were getting. I have interviewed some of the people who were in Teheran in this period. There seems to be a split between some of the mid-grade officers, who were saying, "This place is a disaster" and the senior officers, who were saying, "Well, things are kind of looking up. They've

gone through so much, and now we can weather this out. Let's get going." Were you getting any of this as you talked to people in Tehran and in the Department?

WENDT: Yes, I was. I talked to Bill Sullivan, then the ambassador. He was quite interesting to talk to about it. He essentially viewed the whole thing as an enormous can of worms and a very difficult situation to get involved in. He virtually said, "You've got all my sympathies taking that assignment."

One of my tasks was to recruit staff from within the State Department. Well, I can tell you that was not easy. Nobody wanted to have anything to do with Tehran. I had a devil of a time getting people to agree to go there, and I must admit I was not particularly successful. Nobody wanted to touch it. Everybody knew that basically the embassy had been stripped down. There was almost nobody left. We had Charlie Naas, an experienced Near East hand, out there as Chargé. I spent a fair amount of time with him and found him in a state somewhere between bemusement and despair.

You may remember, there was a lot of controversy at very high levels within the US government as to how we should approach the situation in Iran in 1979. I'm thinking of the conflict between Zbig Brzezinski, who was National Security Advisor, and Cyrus Vance, who was Secretary of State. There was a kind of disconnect. The people who were out of Teheran were happy to be out of there. Of course, a lot of them remembered Teheran in the so-called good old days under the Shah, when we had a huge embassy and relations with the government in Teheran were close. But it was an entirely different ballgame when I got out there. Of course, as you know, later in the year, in the fall, the hostages were seized -- I believe in November. By that time, we had sent in Bruce Laingen as the Chargé, and a small staff. We were building up the staff just as I had planned to do when I was going out there with Walt Cutler. So, I thought, "Fate has intervened and prevented me from being a hostage."

In that sense, I was relieved, of course. But I always regretted the loss of the professional opportunity that I think the job in Tehran would have represented.

Anyway, I was then thrown back on the personnel system, and what they came up with for me was an assignment of lesser magnitude, although as it turned out, also quite interesting and rewarding -- Economic and Commercial Counselor in Cairo, the number three position at our largest overseas mission. I was disappointed only in the sense that, whereas in Tehran I was going to be the number two officer at a large embassy, now I was going to be the number three at a different large embassy. At that point in my Foreign Service career, I really wanted to be the deputy chief of mission at a large post.

Q: You were in Cairo from when to when?

WENDT: I was in Cairo for two years from 1979 to 1981. Roy Atherton was the Ambassador.

Q: When you arrived in Cairo, what was the situation there at that time, the political and economic situation as you saw it? What had you been led to expect as you read your way into that post before you arrived?

WENDT: Of course, that was the period of Anwar Sadat, Egypt's President. He had made the famous trip to Jerusalem, and Israel and Egypt were establishing diplomatic relations. The peace process was underway. This followed the Camp David agreements, of course. The Camp David agreements were signed in 1978.

Q: Yes, '78, I think.

WENDT: So, I came into Egypt in the glow of the Camp David agreements and Sadat's famous trip to Jerusalem. Egypt was trying to establish a new relationship with Israel. Politically, it was a very interesting situation. There had been the Sinai disengagement agreement, and the US had a mission in the Sinai, an unclassified civilian mission to police the Sinai.

There was a steady parade of visitors to Egypt, including many US congressional representatives. Egypt was our ally. We had a military mission there. There was also a huge AID program. Cairo was our largest overseas mission. Egypt was key to everything we were trying to do in the Middle East. So, I had a sense that I was involved in something quite important. While I was there, again, there was a change in administrations. The Carter administration went out and the Reagan administration came in.

I think one of the very first, if not the first, trip that Al Haig made as the new Secretary of State was to Cairo. It was a big deal, Egypt. Everybody had to get his or her credentials stamped by going to Egypt. So, we were on the receiving end of a steady stream of visitors. I was in a high enough position in the embassy so that I got involved in just about everything. It was very interesting. Of course, the Egyptian economy was also a big issue because we had a large aid program and a huge AID mission to administer it. We were trying to shore up the Egyptian economy, which was suffering greatly from the legacy of Nasserite socialism, the deadening weight of a socialist regime. The problems were immense. The population was growing out of control. The infrastructure was falling apart. The public sector just drained the energy and financial resources of the state. It was a very tough set of issues that we had to deal with.

Q: Let's take them one at a time. What about the AID program? One looks at aid there - having come from Vietnam, one is accustomed to this -- but it's almost as though the AID program was so immense that it smothered itself by having both too many people in a huge bureaucracy, and so much of the funds and everything else were absorbed in just keeping ourselves going there. Was this your impression?

WENDT: Oh yes, that was very much my impression. I thought the US mission was too big and that our AID program was almost too vast to manage effectively, even though

there were a lot of able and dedicated people involved in it from the AID Mission Director, Don Brown, whom I quite liked, and the Deputy Director Owen Cylke on down. I thought the whole approach was just too top heavy with Americans. Between the AID mission and the American contractors we kept bringing in to carry out the program, a large portion of the program's funds were just absorbed in administration and didn't end up going to the Egyptians. Of course, the purpose of the program was not just to shift money to the Egyptians, but even so, I don't think we ever really achieved the right balance in our AID program between effective control and management of the program on the one hand and real economic efficiency and concrete accomplishments on the other.

I think that may be a problem with a number of our AID programs around the world. Too many Americans, too much direct American involvement, whether people in the mission itself or American contractors based in the US. They saw it as a real gravy train -- consultants, contractors, and what not -- so that too much of the budget just flowed right back to Americans. But I don't mean to be critical of AID, which has a large number of able, dedicated people. It's just that the problems in Egypt were particularly daunting. We were trying to rebuild the country's infrastructure. I do think we made some headway. When I got there, the telephones hardly worked, the electricity was frequently off, the streets were a mess, and there were floods all the time. It was not easy living in Cairo. I must say, though, that the sordidness of the place at first glance in some respects actually grew on you. Many of the Americans assigned there, once they came to grips with Cairo, really liked it, as I did.

The Egyptians are really very nice people and very easy to get along with. To me, they're Egyptians more than they are Arabs. Of course, now, there is a fundamentalist movement that I think has changed a lot of things in Egypt, but there was very little of that when I was there. Egyptian women didn't wear headscarves, and if you saw a woman covered from head to toe in the "niqab", you knew she wasn't Egyptian but most likely the wife of a Gulf Arab visiting Egypt. Visiting Arabs from the Gulf liked the more open and free-wheeling ambience of Cairo, where nightclubs and alcohol were readily available.

We were all kind of mesmerized by Anwar Sadat, who was a very impressive figure. We would frequently go to meetings with Sadat, usually involving a visitor like a US Congressman -- and Sadat received every US Congressman who set foot on Egyptian soil, always waiting until the last minute to schedule the appointment. The Congressmen actually had to be in Egypt and their plane on the ground before a meeting could be scheduled, but it was always scheduled.

Sadat was very impressive. Often, he would come to the meetings with no notes, and sometimes not even a single aide. He had the visitors in the palm of his hand. He was a very, very impressive figure. It was a devastating loss that he was assassinated. I think it was a great tragedy for Egypt. I'll never forget, I left before the assassination, but the last six weeks I was in Cairo from roughly mid May to late June 1981, I was the Chargé d'Affaires. We didn't have a DCM (Deputy Chief of Mission). He had left for another assignment. Roy Atherton, the ambassador, was on home leave, and I was in charge of our largest overseas mission.

This was the time when the Israelis bombed the Iraqi nuclear reactor at Osirak, outside of Baghdad, in a major air operation. I got word of the bombing -- it was on a Saturday -- through intelligence channels. I promptly went out to brief Hosni Mubarak, who was then Vice President, at his official residence in Cairo and informed him what had happened. To my surprise, he didn't really react much at first. I kept waiting for him to explode. I should note that this Israeli action took place just three days after Israeli Prime Minister Menachem Begin and Sadat had held a summit meeting in the Sinai Desert. It was obvious that this news was going to be devastating for Egypt because the Egyptian people, even those favorably disposed towards Sadat, were going to say he was either a dupe and a fool or, if he knew about the raid, he was complicit and had betrayed Egypt. That was the attitude.

I wondered as I was briefing Mubarak if that was the way he saw it. He called for a map. An aide brought in a map and a magnifying glass. We must have spent 20 minutes trying to locate exactly where this reactor was outside of Baghdad. Mubarak finally reacted and said, "Well, this could be serious." I almost breathed a sigh of relief. He then picked up the phone and called Sadat. Sadat was at his summer residence in Alexandria. Sadat was tied up, I think, in some kind of a meeting, and Mubarak couldn't get through right away. But he did a short while later, and I could sense from my limited Arabic that Sadat exploded on the other end of the line. He immediately saw the implications of the raid.

The historians will have to determine -- maybe they already have -- what led the Israelis to undertake the raid at this particular time. Obviously, the mission must have been in the planning for a long time. Did they take into account the proximity of the raid to the Sadat-Begin summit meeting? Or did they carry out the raid when they decided all circumstances were favorable and they thought they had to do it right then and there? I don't know.

Q: In a way, one can ask the same question about the U2 incident in '59, just before a summit meeting between Eisenhower and Khrushchev, and also on May Day. Sometimes the military just does these things. You just don't know. They often don't think in the same terms as the civilian leadership.

WENDT: I suppose the raid on the nuclear reactor outside of Baghdad had been planned for a long time and the Israelis thought, okay, this was it, this was the best time to do it. The people in charge perhaps didn't think of the political implications of staging the raid so close to the summit meeting between Begin and Sadat. Anyway, I think that incident had a lot to do with the undermining of Sadat and hence his assassination just a few months later.

Q: How did Roy Atherton run the embassy? What was his method of operation?

WENDT: He delegated a lot of responsibility. At least, that's what I thought at the time. He certainly delegated a lot of responsibility to me on the economic and commercial side; but he tended to handle the political side himself. That was his forte. He was a very astute

political analyst and observer of the Egyptian scene. He wrote a lot of his own cables and was very good at it. Administratively, though, Cairo was a tough place. There, one might have wished for better results than we got. There was a steady turnover in administrative officers. I was there for two years, and I think we had four administrative officers in the two year period. Administrative issues can have a big impact on the morale of the staff.

I recall hearing about one amusing incident -- maybe apocryphal -- that occurred shortly before Ambassador Atherton's arrival. The previous Ambassador, Herman Eilts, had left and Free Matthews, H. Freeman Matthews, Jr. was the Chargé. Parking had been a big problem for the staff -- the Embassy was in a congested, downtown neighborhood, and there was real shortage of on street parking. There was a big courtyard right in front of the Chancery itself, but Eilts forbade using it for staff parking -- I think for aesthetic reasons. Anyway, as soon as he departed the post, the staff rushed to Free Matthews and asked that the courtyard be paved over for staff parking. Free replied that Eilts would not like that at all, such was Eilts' lingering influence. The staff, of course, replied that Eilts was gone, whereupon Free allegedly replied "yes, but he might come back." I can't verify that Free actually said that, but such was the story that circulated through the Embassy.

Q: In a huge embassy, administrative issues loom large and can generate enormous controversy.

WENDT: Yes, indeed. In Cairo at that time, Administrative Officers just bombed one after another. It's not easy to run an embassy of that size. One decision that Ambassador Atherton agonized over but finally made was to change the work week. But he hesitated quite a while before doing it. He wanted to make sure that people, including the local Egyptian staff, were comfortable with the change. We shifted from a Monday through Friday work week to a Sunday through Thursday week, a little more in keeping with the Egyptian work schedule.

Q: When I was in Saudi Arabia in the '50's, we had that. Actually, we had Friday off and we had Sunday off. There was nowhere to go, so it didn't make any difference.

WENDT: Well, there were lots of places to go in Egypt. We used to travel quite a bit within the country. But a lot of the Americans didn't much like the change. Although the opposition wasn't strong, the Christian Egyptians -- and a large number of the local employees were Christian -- were not at all enthusiastic about the change. They wanted Sunday off. But when the decision was finally taken, everybody adjusted to it with no difficulty at all. There were no complaints. It was a good idea. I was really glad the change was made, if only because it brought our work schedule closer to that of the Egyptians.

I thought Ambassador Atherton was very effective in the circumstances. He was able to operate at the very highest levels on all issues, notably the politics of Egypt in general and the Camp David Accords in particular. He had been Assistant Secretary in the State Department's Near East Bureau in Washington for many years, so that he was very well prepared for an assignment like Cairo. Although the economic side was obviously not his

area, he fully understood its importance and delegated responsibility for it to the rest of us, though he always took a keen interest in it. I always felt I had solid support from him in everything I was trying to do.

Q: What was the in-house attitude towards Anwar Sadat? Here you have a man who is a showman, but friendly towards the US. What was the feeling about how he worked within his own political environment?

WENDT: I think most Americans admired Sadat. They saw him as courageous and willing to run risks and take new initiatives. Everybody, of course, was very impressed by his opening to Israel and his trip to Jerusalem. He was held in high regard by just about everybody. Of course, we knew there was opposition to him. There was ankle biting and criticism on a number of human rights issues.

On the other hand, I would have to say that I thought Sadat didn't do enough to bring about fundamental reforms in the Egyptian economy. He concentrated on political issues, and although feeding, clothing, and housing the Egyptian people was obviously very important, he avoided taking the tough steps that would have changed things in Egypt for the better. The IMF was always pressing the Egyptian government to end the huge subsidies in the budget. The government had subsidized the price of bread to the point where it was cheaper to use bread to feed animals than to buy animal feed. But, no, the idea of the country's leadership was, don't rock the boat, don't raise the price of bread and cause any bread riots -- and there had been some.

There were a lot of measures of rationalization and reform in the economy that were really necessary, but Sadat just didn't want to run the political risk he thought such reforms would entail. If there was an area where I would fault him, I would say that's it. Unfortunately, Egypt still has many of the same economic problems today that it had then. The other day I happened to hear a description of the Egyptian economy. It was very much like the descriptions I used to give when I was briefing visitors on the economic situation in Egypt back in 1979 and 1980. Not much has changed since then.

Q: What was the view from the embassy -- particularly of the country team when the senior officers got together during this time -- regarding the Israeli response to the opening with Egypt? You have Menachem Begin, who came from the right-wing, ultra-national side of the Israeli political spectrum, who really was sort of an oddball to be caught with Anwar Sadat and the opening to Egypt and all that. How did you all view Begin at the time? Not just Begin but the Israeli response to what was happening.

WENDT: Well, I think a lot of us believed that Begin was entirely cynical and that co-opting Egypt away from the Arab fold and signing a separate peace agreement with Egypt at relatively little cost was a shrewd maneuver on Begin's part, but that he really was not going to follow through in a significant way so as to try to persuade other Arab states to conclude "See, it really does pay to make peace with Israel." I think most of us

believed that there wasn't enough follow up by the Israelis after this opening and that it was mostly a cold peace, which it is to this day.

Q: As Economic Counselor, did you see much opening of trade between Egypt and Israel?

WENDT: Not a lot, no. There began to be a smattering of Israelis coming to Egypt as tourists. But Egyptians almost never went to Israel. That aspect, I think, was rather disappointing. I was, of course, fascinated that I could fly from Cairo to Tel Aviv, which I did once. But on the whole, the aftermath of the agreement was disappointing, both economically and politically. I blame the Israelis primarily for that. I think the Israelis failed to exploit the opportunity the separate peace gave them to say to other Arab countries "You see, you ought to do the same thing that Egypt has done and you will be rewarded if you do." The peace process and the negotiations with the Palestinians never got anywhere.

The Israelis after Camp David stonewalled from day one. They weren't going to give anything away. Take the negotiations over a Palestinian entity -- the Israelis wouldn't even agree to allow this new Palestinian entity to issue postage stamps. They said, "Well, that's an attribute of sovereignty and we can't countenance something like that." I thought that in their own interests, the Israelis should have been more forthcoming after Camp David -- again, trying to show that it pays for Arab countries to make peace with Israel. So, to me, in some ways, it was the Israelis who were the losers because they had a wonderful opportunity which they didn't effectively exploit.

In a geopolitical sense, yes, they achieved their objective of removing this hostile entity on their doorstep. That part of Camp David has been successful. Also, of course, Egypt got back the Sinai, which was important. The Israelis had to give that up. It was a sacrifice, but since no Israeli pretended that the Sinai was part of greater Israel, it was something that they were bound to give up anyway sooner or later. The Sinai was not like the West Bank, where you have some Israelis arguing that that area is part of the historical land of Israel, although I don't think that is an issue anymore, either. I don't think even the current Likud government foresees the entire West Bank being part of greater Israel.

Q: One of the sayings I've heard from Middle East hands is that there are two things you can depend on. One, the Arabs will probably shoot themselves in the foot. The other is that the Israelis will miss the train.

WENDT: I think that's about right. The Arabs are often their own worst enemies, but the Israelis also, I think, have missed a number of opportunities to promote peace in the region. Yet there have been the periodic courageous leaders, like Sadat and Yitzhak Rabin, who were willing to run real risks for peace.

Q: And both got assassinated.

WENDT: Yes, and both got assassinated.

Q: By their own people.

WENDT: Exactly. So, it is risky. But it has to be done. I don't know where we're headed now.

Q: When you left Egypt in 1981, what was your feeling about whither Egypt and whither its innumerable problems?

WENDT: I had kind of a dual attitude. On the one hand, when I looked objectively at Egypt's economic situation, I concluded it was very hard to be optimistic. The population growth alone -- when you projected it out and looked at the implications of the growth of the population for infrastructure, the number of new schools and housing units that had to be built relative to what was being built -- -it was a nightmare. Sadat once admitted precisely that in a private briefing on population growth that was given to him by Ambassador Marshall Green.

Q: When he was dealing with population control?

WENDT: Yes, Marshall Green came out to Cairo and gave a private briefing to Sadat on population control. Afterwards, Sadat said "It's a nightmare" and then did nothing. Actually, there has been some progress on population control since then. To go back to your question, on the one hand, objectively, I thought, "I don't see how Egypt is going to make it." Then I would remind myself how resilient these people were and how inured to hardship and difficulty they had been over the centuries and how the Egyptians had been around since 4,000 BC, and they had always managed to muddle through. Egypt is eternal and I suppose they will always muddle through. So, I had that dichotomy of feelings.

UPDATE as of April, 2013:

About two years after the overthrow of Mubarak and the takeover by the Moslem Brotherhood, the Egyptian economy is in worse shape than ever and highly dependent on continued financial aid from the US and other donors -- aid which may not be forthcoming. All the careful compromises and accommodations orchestrated by Sadat appear to have unraveled. As for talks between the Israelis and the Palestinians, I find scant evidence that the current Israeli Prime Minister, Netanyahu, really believes in a viable Palestinian state on the West Bank and is prepared to make the necessary compromises to that end. Meanwhile, facts on the ground in the form of continued construction of Israeli settlements in the occupied territories make the goal of a two state solution more and more elusive. The absence of effective Palestinian leadership and the uncompromising role of Hamas in Gaza obviously do not help in this regard.
End UPDATE

Q: I thought we might stop at this point. I think it's a good place to stop. Let's just put on the record, we have you leaving Egypt in 1981. Where did you go?

WENDT: I went back to Washington. I became Deputy Assistant Secretary of State for International Energy Policy in the Bureau of Economic Affairs under Robert Hormats. It was Bob Hormats who chose me for the job.

Q: Okay, we'll pick it up there. -- -

Q: This is the 27th of November 1996. Allan, you said there were some things you wanted to talk about before we move back to Washington while you were in Egypt, the PLO or something.

WENDT: I just wanted to make clear what I was talking about earlier. The Palestinian autonomy talks were taking place while I was in Cairo. That was the outgrowth of the Camp David Accords reached during the Carter administration.

I thought at the time that these talks weren't going anywhere because the Israelis were absolutely steadfast in refusing to agree even on a whole series of minor issues like, as I said before, allowing the Palestinian authority to issue postage stamps. Anyway, my conclusion at the time, and I think it was the conclusion of quite a number of people, was that these talks were going nowhere because the Israelis were not ready to grant meaningful autonomy to the Palestinians. I mention this again because these negotiations were taking place back in 1980/1981. We're now at the end of the year 1996 -- fifteen years later. Although some progress was made under Rabin and Shimon Peres, the new Israel government's position reminds me of the Palestinian autonomy talks in the early 1980's, basically going nowhere because the Israelis didn't really want to cede autonomy to the Palestinians. I think historians should look at the parallel between what was happening then and what is happening now.

There is another vignette that I would like to get onto the record. It took place while I was in Cairo and the saga continued afterwards. We were trying to build a new ambassador's residence. There was a long history of efforts to construct a new ambassadorial residence and the efforts usually got nowhere. For years, the ambassador's residence was actually the former Deputy Chief of Mission's residence in a residential part of Cairo called Zamalek. But the US Government also owned a piece of prime land right on the Nile in the Giza area of Cairo. Plans to construct a new Embassy on this site were drawn up in the usual way under FBO, the State Department's Foreign Buildings Office. The big project finally got underway. There was a supervisory architect from FBO on the spot, a fellow by the name of Fred Gulden. This project, which was being overseen by a major architectural firm in Washington, ran into all kinds of problems.

It turned out that the developer, a local construction company, really was incompetent, and there was also some question about their honesty. They didn't fulfill the terms of the contract. Again, I think it was one of these situations where we awarded the business to the lowest bidder without sufficient regard to their qualifications and their ability to do

the work. I knew Gulden pretty well. He became the fall guy for a major white elephant. The project was 90 per cent completed, but there were so many construction flaws in it that Washington finally concluded that it was not worth completing the residence because of the tremendous cost involved in correcting all the mistakes. They virtually would have had to tear the place down and start all over. So, it was finally decided that, rather than face up to the bad publicity that would have ensued from the fiasco, we would sell the property as is, with the embassy residence 90 per cent complete. And that's what we did.

We sold the property, I believe, to a Kuwaiti developer. Because we had owned the property for quite some time and property values had gone way up, we actually made money on the deal. And that enabled Washington to say, "Well, let's not worry about anything. We made money." But then they made Gulden the fall guy. He was accused of everything and anything. Washington needed a scapegoat and the supervisory architect on the spot was the obvious person to target. Well, Gulden defended himself. He had kept detailed records, according to everything I heard. It was all in writing.

He had warned Washington that the project was flawed, that the design was flawed and would run into all kinds of problems, and that the local contracting firm was not up to the job. But because a prominent Washington architectural firm was solidly behind the project and was in very good stead with the FBO leadership at the time, Gulden's objections and warnings were overridden or ignored. Then, when all of his dire predictions came true, the whole system turned on him and made him the villain, the scapegoat. He was accused of not being on the job, of not paying attention, of being out playing golf when he should have been overseeing the project. The fiasco even reached "The New York Times." Gulden's name was mentioned. He had a tough time. The State personnel people tried to drum him out of the Service. He had to hire a lawyer to defend himself.

In fact, he did leave the Service prematurely. That is, he had not reached the mandatory retirement age but was forced to retire. As a result of his defending himself with an attorney, he eventually received a letter from the Department of State exonerating him of any wrongdoing. But by that time, the damage had been done. It was in the records, all the accusations and charges, and the whole episode compromised him professionally.

An amusing sequel to this affair took place years later when I was going out to be Ambassador to Slovenia in 1992. I went into the FBO office to discuss possibilities for an Embassy residence in Ljubljana, the capital. None of the same people were there who had been involved in the Cairo residence fiasco, which was in the early 1980s. In one FBO representative's office, I happened to see a drawing of the Cairo embassy residence project. I innocently said, "That looks interesting -- what's that?" Then the fellow said, "Oh," and he explained the white elephant, the whole fiasco of the Cairo residence. I then asked, "Well, what went wrong?" He said, "Oh, the supervisory architect on the spot turned out to be a disaster. Instead of overseeing the project, he was always out playing golf."

Well, I could barely contain myself because I doubt Gulden ever touched a golf club in his life. He did play tennis, as a lot of people did in Egypt. But the myth had even reached the point where he was off playing golf instead of minding the store. They couldn't even get that right. I think this episode is a sad commentary on what can happen in a large organization. What can one conclude from all this? We go to such great lengths to treat people equitably and fairly, and then a miscarriage of justice like that is allowed to take place with nobody taking a step back and saying, "Hey, wait a minute. What's really going on here? What really happened here and who is responsible?" I thought the entire episode was quite revealing of how the organization sometimes functioned and how it treated its people.

Q: This is one of the things I hope the oral histories will bring out, that government organizations, unfortunately, like the foreign affairs bureaucracy, are no different from any others. One always hopes that one's particular organization, particularly something like the diplomatic service, would be better -- but I fear it isn't.

WENDT: That's right.

Q: So, you're going back to the Economic Bureau.

WENDT: Yes -- I think it was by then already EB, the Bureau of Economic and Business Affairs, though I'm not entirely sure about that. Bob Hormats was Assistant Secretary of State. I had known Bob from the Vietnam War period and also subsequently. He asked me to be Deputy Assistant Secretary for International Energy and Resources Policy.

Q: You were doing this from when to when? I always like to get the dates.

WENDT: I was in the job from 1981 until 1986, five years. For me, it was a very interesting and gratifying assignment. Oil was a big issue in the early 1980s. The original oil crisis went back to the 1973 war in the Middle East and the efforts of OPEC to drive up the price of oil. Of course, it did go way up. At the time of the Iran-Iraq War, you may recall, we had gasoline lines. It was the tail end of the Carter administration, when they tried to allocate gasoline instead of letting the market takes its course. It turned out to be a major mistake. The gasoline lines lingered for quite some time but had essentially disappeared by the time I came into the job in Washington in mid-1981.

Q: Yes. In '79, the lines were still around.

WENDT: Yes, there was still a gasoline problem. But by the time I came back to Washington from Cairo in the summer of 1981, the Reagan Administration had already taken over and had rescinded all these efforts to allocate or ration the supply of gasoline. The situation was returning to normal, even though the security of the supply of oil was still a big issue. Right now, it isn't. We've been lulled into feeling that we'll never have to worry anymore about a shortage of oil. I hope that's right, but I'm not so sure. The world market is still very dependent on Middle East oil.

Q: Could you explain what energy meant during this '81 to '86 period as far as your responsibilities?

WENDT: It was mostly oil, but it also included natural gas, which for a number of uses is a substitute for oil -- for example, in home heating. In the United States we were trying to rely primarily on the market and market-based policies to assure a steady flow of oil at reasonable and stable prices without wide swings. Obviously, the price is going to fluctuate in response to supply and demand. But our efforts were designed to encourage conservation of energy as well as the development of new sources of oil outside the unstable regions of the Middle East.

We also wanted to develop stable relations with the major suppliers that would assure a steady supply of oil at reasonable prices, recognizing the fundamental importance of oil to energy consuming countries. Of course, the United States was not just a consumer. We were also a major producer, but our consumption was so high that we could not satisfy our needs solely from our domestic production. We were importing something like, I think, 40 or 45 per cent of our oil consumption.

Actually, the United States over the years became more reliant on countries outside the Middle East for oil -- countries like Canada, Mexico, and Venezuela, though we do still import a lot of oil from the Middle East. One thing one learns immediately about oil is that markets are fungible and what could be damaging to the United States was not actually a physical shortage of oil, but rather a spike in prices, a sharp run-up in prices because of a supply disruption somewhere -- anywhere. In other words, the damage is economic. It doesn't mean you literally don't have any oil or gasoline. It just means that you have to pay a good deal more for it. That can cause economic damage. That's what we were concerned about.

So, the argument that the United States might not itself be heavily dependent on Middle East oil doesn't lead to the conclusion that we can be indifferent to the issue. If world oil markets are in turmoil, we will be affected. We saw in the Gulf War in the early 1990's that there was a sharp run-up in prices. It didn't last very long. But in response we actually did release some oil from our strategic petroleum reserve, which was one of the projects I worked on -- building up that source of supply in an emergency by adding to the reserve.

Another important part of my job involved the very active US role in the International Energy Agency, an autonomous part of the OECD. The IEA had been set up after the first oil shock in the early 1970s. The membership was largely the same as the OECD, though France was not a member at the time. The French Foreign Minister, Michel Jobert, viewed the IEA with suspicion as a US initiative that might antagonize the oil producing countries.

My job at State, as you would expect, dealt more with the international aspects of oil and gas. I became the US Representative on the Governing Board of the IEA. I was also the Chairman of one of the four standing committees of the International Energy Agency

called the SLT, the Standing Committee on Long Term Cooperation. I spent a lot of time attending and presiding over meetings in Paris, where the IEA was located. I think, on the whole, we got a very good result from our work in the IEA. It was a very gratifying part of my professional experience. I had a lot of responsibility for pursuing US energy policy goals and objectives and cooperating with other countries in our collective interest. We could measure our performance against those goals and objectives. For me, it was one of the high points of my professional career in the Foreign Service.

The first issue I had to deal with stemmed from a crisis, you might say, in US-European relations. This had to do with the Soviet gas pipeline, which was called the Urengoy or Yamal Pipeline, and which was supplying natural gas to Europe. We came to the view that the Europeans were becoming dangerously dependent on Soviet gas and that this dependency had created a serious vulnerability in Europe. We tried very hard to prevent this pipeline from being built. A lot of tension and even bitterness in trans-Atlantic relations were generated over this issue. We finally got it straightened out, but it was not easy.

The Reagan administration was determined to stop the pipeline. We went to the point of imposing sanctions on US firms that were involved in its construction and even on European subsidiaries of US firms, wholly US owned European subsidiaries. We employed financial sanctions, everything we could think of to block the project. The Europeans took the position that they were not in reality becoming dangerously dependent on Soviet gas, and that there were other sources of supply. We countered that they should seek to expand these other sources. One of them we suggested was Algeria. This brought a cynical reaction from the Europeans. I remember the Germans asking us "Do you really think Algeria is likely to be a more reliable supplier than the Soviet Union?" The Germans argued that the Soviet Union badly needed the revenues from gas exports and that they weren't going to be stupid enough to cut off the supply to Europe and forsake these revenues. From an economic point of view, the European argument was that the Soviets would be just as dependent on supplying the gas as the Europeans would be dependent on consuming it.

I heard an anecdote which I should relate here because, although others must be aware of it, it certainly was considered awfully sensitive at the time. I did hear it from reliable sources, and it was subsequently confirmed to me by a high ranking Administration figure who was present at the meeting. Early on in the pipeline affair, President Reagan was at a NATO summit meeting. I think it was in Bonn. Helmut Schmidt was the chancellor of Germany at the time. You know, Schmidt had a reputation not only for being very smart and very astute but also somewhat arrogant.

As the story goes, Schmidt didn't have a very positive view of Ronald Reagan, at least with regard to sharp intellect and quick wittedness and what not. Also, by that time there was a lot of ill will over the pipeline affair on both sides. A meeting was taking place in the German chancellor's office overlooking the Rhine River. President Reagan was speaking and giving the US position on the pipeline. Schmidt was in a swivel chair and kept turning around, looking out over the Rhine and turning his back to the President,

which the President's entourage found rude in the extreme. Indeed, they were so incensed that their attitude was, "Okay, if that's the way you're going to deal with us, wait and see what happens." Allegedly, this kind of contretemps had a real impact on what we did afterwards. It hardened the determination of people in the White House, at least, to pursue this issue to the bitter end. And bitter it was, with endless recriminations on both sides and fruitless, frustrating discussions.

Eventually, we resolved the matter, or at least papered over the dispute at a ministerial meeting of the International Energy Agency in Paris. The US delegation was led by Secretary of State George Shultz, and I was part of it. The agreement entailed a commitment by the Europeans to develop alternative sources of supply and to put a ceiling on their dependence on Soviet natural gas. I recall we even agreed that the Europeans would cap their take of Soviet gas at about 25 or 30 per cent of consumption. This was something that the Europeans and the Germans in particular were very reluctant to do. They would accept a commitment to limit their dependence, but they didn't want to put a numerical figure on it. But in the end, they agreed -- and there was also a commitment to develop as rapidly as feasible supplies of gas from Norway's huge Troll field in the North Sea.

In hindsight, this turned out to be a very wise approach since those gas resources were developed on a priority basis. Because Norway was able to rely so heavily on its exports of petroleum and natural gas resources, it had the luxury, you might say, of being able to stay out of the European Union. The Norwegians voted against going in, you know, when they had a referendum following the enlargement treaty. Or was it a little bit later? I can't remember exactly.

Of the four countries aspiring to join the EU -- Sweden, Norway, Finland, and Austria -- only Norway voted to stay out. Their maritime resources, fish, oil, and natural gas, together with a relatively small population, afforded them the luxury of staying out. Anyway, the pipeline affair was my baptism of fire, let's say, in the energy area.

Q: This, of course, was a major issue. I'm looking at the date. 1981 is the year the Reagan administration came to power.

WENDT: That's right.

Q: They were vehemently anti-communist. Economists are supposed to look at such matters in cold blooded terms. Was this strong reaction coming out of the State Department, or was it almost a visceral reaction to any dealings with the Soviet Union? Was it balanced or was it driven more by politics or what?

WENDT: That's a good question. The real driving force behind the tough US policy was the White House and the NSC staff. The State Department, you might say, was in some respects a reluctant partner. I shouldn't overstate that because I certainly don't want to suggest we didn't support the policy. We did. But the State Department, as so often happens, had to deal with the fallout. We had a lot of other issues at stake with Europe

and we didn't want our entire relationship to be overshadowed by the pipeline affair, even though it was certainly important. There were people in the State Department, I think, I dare say, including Larry Eagleburger, who was Under Secretary for Political Affairs at the time, and Bob Hormats, who was my boss, who more or less let me run with this issue. I was the point man, at least at my level. We were trying to iron matters out to the satisfaction, you might say, of all parties. And this posture sometimes leads to a very common accusation against the State Department, that we were not zealous, not tough enough. Actually, I think we worked very hard -- extra hard to support the US policy. I know I did. And in the end, we did get an acceptable result, actually quite a good result.

If I step back from it all, I would say that the Europeans probably did rush too quickly into this energy relationship with the Soviet Union whereby Europe would risk becoming overly dependent on Soviet natural gas. You can readily imagine that, in extreme circumstances, the Soviets might well have been prepared to close the valve and cut Europe off. There was a history of their doing that sort of thing -- maybe not with Western Europe but with other countries, notably in Eastern Europe.

Who knows what might have happened in extreme circumstances. I think it's fair to say the Europeans didn't really think it through. Also, they should have anticipated that the US would be very concerned. At the same time, I think we waited too long. We got into the issue late in the game. We should have acted earlier. Had we done so, we probably could have reached a satisfactory understanding with the Europeans without all the bitterness engendered by our sanctions, which really were severe. US policymakers just didn't watch closely enough what was happening.

Q: Was this because it was the Carter administration? But the Carter administration towards the end was getting pretty tough on the Soviets because of Afghanistan.

WENDT: Yes, but in the early stages, imports of Soviet gas to Western Europe was not a high profile issue. You know, in my experience, often these economic issues just get shoved aside and the policymakers occupy themselves with more lofty political matters -- and so-called economic issues are relegated to the sidelines. I think that's less true now, but at the time, that's the way the government worked. We didn't focus on what was going on until it was too late -- we weren't paying sufficient attention. By that, I simply mean that we jumped in when contracts had already been let, commitments had been made, and it was really messy to try to undo everything. Penalties were involved, failure to live up to contractual commitments etc. The whole thing got very, very messy.

I was sent on a several missions overseas to try to persuade the Europeans to back down. I'll never forget -- Mike Rashish, who died recently or a year or two ago, was Under Secretary of State for Economic Affairs. I accompanied him on one of these missions. There was a young man with us, a very bright fellow -- I believe a Civil Service employee at State. I don't remember his name. He was doing some of the work on the pipeline at a technical level. When we were in Paris, we met with a high level French delegation headed by a minister, a senior official of cabinet rank. This young man started

to lecture the minister about what the French should be doing. The poor fellow meant well. But I think he didn't realize that in a diplomatic context, it didn't look too good from the French side to have some young American lecturing very senior officials about how they should be conducting their business.

I could see that the minister was about to throw a fit and walk out of the room. I spoke French. So, I jumped in and, in so many words, I said, "Mr. Minister, let me explain the rationale of the US position from a different angle." I tried to smooth it over. I think I succeeded, as we were able to continue the meeting. This minister was turning eight different shades of crimson listening to the young American, who meant well but was inexperienced in the ways of diplomacy. Anyway, we got the matter straightened out, I think, without too much damage.

Q: I don't want to leave that yet. Did you all sit around and figure out, "Okay, we want to enforce this policy. We're getting tough, particularly against the Germans. How are we going to stick it to them?" In other words, did you get into tactics rather than just grand strategy?

WENDT: I don't recall all the details, but again, in failing to come up with a timely, effective diplomatic strategy, we fell back on the time honored US approach of slapping sanctions on the firms involved, both foreign and American firms. The White House was really adamant. They were pulling out all the stops. I think we were even prepared to go so far as to stop grain shipments to the Soviet Union. I can remember reading one letter from the CEO of a major agricultural firm -- I think it was Archer Daniels Midland --

Q: Which is a grain, sugar...

WENDT: Or was it one of the agricultural equipment companies? Maybe that was it. I think it was Navistar, which used to be International Harvester. Anyway, it was a large Middle Western firm that was supplying the Soviet Union with agricultural equipment. We lowered the boom on the firm and it really hurt them. This firm, it turned out, was a major contributor to the Reagan administration during the campaign. So, it really was painful. But the fallout from the affair demonstrated how determined the White House was not to give way on this issue.

Q: Well, also, looking at the political aspect, the Reagan administration had just come in. This was a new administration coming from the pretty far right. This was a test of, in a way, were they tough enough? Or did you get the feeling that there was more to it than that?

WENDT: Of course, there was a real issue of substance, but it had also assumed symbolic importance. I think the administration did view it as a test of its mettle. Remember, at the time, energy issues were still very sensitive. All this was coming on the heels of supply cutoffs, gasoline lines and what not, and the administration was genuinely worried about excessive European dependence on Soviet natural gas creating opportunities for pressure and blackmail.

Q: I think we should mention timing because, for the historian looking at this period -- 1981, '82, '83 -- this was a key factor. Could you describe how we viewed the Soviet Union at that time?

WENDT: Remember, this was the period of the Soviet Union being the evil empire. This was the core message of Ronald Reagan -- that the Soviet Union had to be confronted everywhere and anywhere. It was the beginning of the policy of rollback of the communist empire, of the Soviet empire.

Q: The Soviets had gone into Afghanistan, so this was not a figment of anyone's imagination.

WENDT: No, it was not. There was no question about the Soviets being innocent. You could argue, as the Europeans did, that the Soviet Union, because of their economic interest, would not be an unreliable supplier of Europe, but we always believed that in extreme circumstances, the Soviets would be prepared to really squeeze the Europeans, taking advantage of what we thought was a dangerous dependency.

In the end, I think we stepped back from the brink, but we got basically what we wanted, though at considerable political cost. The Europeans accepted a commitment to limit their dependency on Soviet gas and to work seriously to develop alternative sources of energy that would be more secure than gas from the Western Siberian gas fields. Today, of course, this gas is flowing strong, and Europe really does take a significant percentage of their natural gas from the Soviets -- from Russia now. I don't know what the figure might be, or the degree of dependency today -- probably still around one-third. Anyway, this has ceased to be an issue, though I suppose it could always come back.

UDATE AS OF JULY 2014: Strife between Russia and Ukraine has again raised the spector of Europe's dependence on Russian gas, which remains at about one-third. END UPDATE.

But our other efforts -- our complementary efforts to develop alternative sources of supply -- did pay off, particularly with regard to natural gas from Norway, and I suppose to some extent also from the Middle East, and LNG is still coming out of Nigeria. When I was in Slovenia, the Slovenes were certainly buying a lot of Soviet -- excuse me, Russian gas -- and glad to have it. I have pipelines so much in mind that when I think of gas, I still think of Soviet gas.

Q: Yes, with natural gas, it's almost an instant reaction.
Well then, this consumed the first part of your time, and what were the other issues?

WENDT: The other issues were developing alternative sources of supply of oil and also alternative sources of energy such as biomass and synthetic fuel -- and, of course, energy conservation. There was a big push on synthetic fuel when people realized the price of oil in the mid-1980's just wasn't high enough to make the development of alternative

sources of oil economical. Money was put into research on alternative sources of energy but without significant results, I'm afraid, since the price of oil stabilized -- and in real, inflation-adjusted terms, as you know, the price of gasoline at the pump in the United States today is lower than it was forty years ago, which is astounding, but that simply means at least in part that gasoline in the U.S. isn't taxed nearly as highly as in Europe.

Let me mention another issue that was really important and that I worked hard on -- and that was encouraging the member countries of the IEA to develop emergency stocks of oil. That was a big issue in the IEA. We finally did reach an agreement in 1984 at a Ministerial level meeting of the IEA Governing Board to actually use strategic stocks in a supply disruption in order to prevent price spikes that would be disruptive to the world economy. That agreement was negotiated in 1984, and I must say I was gratified to see that the agreement, which was further refined, I believe, in the late 1980's and early 1990's, was actually invoked during the Gulf War. The IEA countries did indeed act in concert, and some oil was actually released from the US Strategic Petroleum Reserve.

So, the IEA did a lot of good work, I think, and the IEA is still with us, still performing a useful and important role, even though energy is not currently at the forefront of issues that governments must face in the world today. I think a certain complacency has set in. Just recently I was at a seminar on energy at Oxford University in the UK for members and former members of a group called the Oxford Energy Policy Club at St. Antony's College in Oxford. I used to go to meetings there when I was working on energy matters at State, and this was the 20th anniversary of the group. I was invited as a former member, and I was glad to go over there for the session, which was most interesting. I think energy issues are in reasonably good shape at this time, 1996, but I do worry about what I see as an underlying complacency -- the notion that there is nothing to worry about. Particularly in the transportation sector we are still very dependent on oil, notably Middle East oil.

Q: Well, talking about the Middle East, my date may be off by a year, but I'm thinking of 1982; Israel invaded Lebanon and got caught up in a whole -- not quite a fiasco, but it was a pretty messy picture in Lebanon. Was there any concern during this Israeli incursion into Lebanon about another Middle East supply cut-off, and were we nervous at that time from an energy perspective?

WENDT: There was then, and there is still today a concern that virtually any kind of warfare in the Middle East could lead to a supply disruption, as we saw in the case of the Gulf War, where for a while Kuwaiti oil wasn't coming on to the market. And now Iraqi oil is still not coming on to the market. But that's the issue. Because the Middle East is a volatile and still unstable part of the world, because the area contains such a large percentage of the world's known oil reserves -- that is something we have to be concerned about. We do believe that the OPEC countries --

Q: Let's keep it to the period we're talking about…

WENDT: Yes, in any event it was a concern. Again, that is why in the IEA we were always trying to strengthen our preparedness and to develop alternative sources of supply

outside these unstable regions -- and to promote, energy conservation, alternative sources of fuel, that kind of thing.

Q: How did we feel about the period of the Iran/ Iraq War? It sort of went on and on and on. But the oil is coming out.

WENDT: Yes, oil is coming out. That suggests that the producing countries themselves were so dependent on the revenues from oil exports that they would move heaven and earth to keep the oil flowing. And that is a compelling argument, though in extreme circumstances, oil supply can still be cut off. We've seen it happen. We're still so dependent on oil that we simply can't afford not to be prepared to deal with an emergency situation. I think we are rather well prepared right now. I know this is not relevant to the time period we're discussing, but I can't help expressing my view that we should have a higher tax on gasoline, not only for fiscal reasons -- it would be a wonderful source of new revenue, particularly for highway construction -- but also because it encourages energy conservation and helps offset the diseconomies that arise from the internal combustion engine, and from our excessive dependency on the automobile as a means of transportation -- I am thinking of pollution, time lost in traffic etc.

Q: How did we view Nigeria at the time? It kept going through various governments, and it is a major supplier of oil, but it was not a very well-run country.

WENDT: That's right. But again, the Nigerians were so dependent on oil exports that they pretty much kept the oil flowing. I forget what happened during the Biafra War when oil supplies from Nigeria were disrupted.

Q: I don't think this was given much notice.

WENDT: Yes. Well, Nigeria was a significant player, and they were very active in OPEC at the time, and we tried to ensure that they were a steady source of supply.

Q: Again, going to the time you were dealing with these issues, did you get involved with OPEC, and what was OPEC's perspective in this 81'-86' period? And did we try to work with OPEC to keep them reasonable?

WENDT: We did. One of the things we did at the Oxford Energy Policy Club which I appreciated was to have informal contacts with OPEC oil producers and meetings where we could freely discuss the issues -- and it was always off the record. That was really useful. Actually, we had interests in common with OPEC, and I think the Saudis always understood this. It was quite obviously not in the interest of Saudi Arabia to see the Western economies disrupted as a result of inadequate oil supplies or supply cut-offs. So they were a conservative force -- a force for stability; they were not a hawk in OPEC.

Saudi Arabia actually resisted efforts within OPEC to artificially drive up the price of oil -- and this for very good reasons. One, it would be disruptive of the world economy, on

which Saudi Arabia was dependent. Remember, all these oil revenues were recycled back into the world economy, mainly in the West. So, the OPEC countries became dependent, actually, on the economic well-being of the West. It was definitely not in their interest to encourage supply disruptions or price spikes that would hurt them as well. Secondly, if they were too hawkish and if they actually succeeded in driving up the price of oil, that would simply constitute an incentive for the West to develop alternative sources of oil, alternative sources of energy -- and to practice conservation. And in the end it would be self-defeating for the oil producing countries. So, the Saudi interest was to keep the price at a remunerative level but not so high as to kill the goose that laid the golden egg. At the time, the Saudis were less dependent on oil revenues than some other members of OPEC who were the real hawks and who simply wanted the highest price of oil they could get, regardless of the consequences in terms of the world economy.

Now, there was always tension within OPEC as to what was desirable. But fortunately, Saudi Arabia, I think, approached these issues quite rationally. In a way they had the trump card because they had such vast reserves that if they wanted to, they could open the spigots and drive the price down. That threat always loomed in the background, and it tended to keep the other OPEC countries in line.

Q: As you dealt with these various international organizations and all, I was wondering if you could talk about the style of other representatives and where they were coming from. I always think of the French no matter what and maybe the Canadians always being in a way the most difficult people to deal with, and then also the Japanese and maybe some others.

WENDT: Well, the first point that has to be made is that the French were not members of the International Energy Agency. They are now, but they weren't then. And the reason they were not was because, as you may recall, the IEA was set up through an initiative of the United States when Henry Kissinger was Secretary of State. The United States called a meeting of the major energy consuming countries in Washington -- this would have been during the Ford administration. The French Foreign Minister was Michel Jobert -- and even though he was married to an American woman, he was one of those French senior figures who seemed to have built his career on keeping United States at a distance and constantly asserting French independence and French prerogatives. The attitude was the French will not be bamboozled by the United States, and France will not just stand up and salute when the United States decides to take some kind of an initiative, and so forth.

And also the French believed, I think wrongly and maybe even a bit arrogantly and unrealistically, that they could cut their own deals with the oil producers, and that joining a group like the IEA might be seen as hostile, as the West "ganging up" on the oil producers. It was a typical French play of independence. But they stuck with it. The French said, "Okay, set up the IEA if you want to, but we won't be a part of it." So, the whole time I was involved with energy issues, France was nowhere to be found.

It was kind of an anomaly. Here was an international organization that was in fact part of the OECD, and that was meeting in Paris at the Chateau de la Muette, where the OECD

was located, and the French were nowhere in sight. Despite all that, every time I went to Paris, I always arranged to have bilateral meetings with the French. These meetings were quite useful and the French were always receptive, accommodating and interested in IEA issues. Occasionally, I asked them what their current perspective was, and for quite some time it was "We don't need to be in the IEA. Whatever they do there we find out about through the EC Commission Representative who attends the meetings. And we just don't need more than that." But as time went on, they modified that stance somewhat by saying, "Well, we at the level of officials, it would seem to us to make sense to be in the IEA, but it's still politically sensitive for France." At the political level, having staked out this position where they'll have nothing to do with this American initiative, it's hard for them to backtrack." Well, they finally did backtrack and the French are now members of the IEA.

Q: So the Canadians -- they are sitting on a lot of oil, and they have their problems with the United States, at least in their perception.

WENDT: That's right -- I'm glad you mentioned that. One of my first tasks in the energy job, along with dealing with Soviet pipeline issue, was to start working with the Canadians. We had a lot of bilateral problems with Canada over energy, mostly natural gas. We import a lot of natural gas from Canada, and I think, with rare exceptions, the Americans thought that we were being taken advantage of by the Canadians, because they were selling gas to us at a really inflated price. So, we took the initiative of setting up a US-Canadian bilateral energy working group, and I headed the group on the U.S. side. We started having meetings with the Canadians, alternately in Washington and Ottawa. I made a number of trips to Canada. At first, the Canadians were very defensive. I can remember going to a meeting and saying, "We really have a problem here," and they would say, "There's a problem? What problem? We're not aware of any problems -- everything seems fine."

They were also quite militant at the outset. In fact, the current Prime Minister of Canada, Jean Chrétien, was then the Minister of Energy. I can remember being seated next to him at a lunch given by the American Ambassador in Ottawa. Chrétien was very defensive. The Canadian attitude was, "We will charge you whatever the traffic will bear." Well, gradually, I think with good will and good sense on both sides, we whittled away at this defensive posture the Canadians were in. We tried to put our natural gas trade on a more even keel, on a market-based arrangement whereby the price wouldn't simply be artificially determined by the Canadian government, but rather would be based on the supply and demand for gas. So, the whole U.S. pitch was that we needed to move to a market-based energy arrangement between United States and Canada, and that is what actually happened. I think both sides realized that it was in their respective interests.

The Canadians concluded that in the end, market-based pricing maximized revenues to Canada, because if they continued to try to gouge us, we would find alternative sources of supply, and it would encourage us to develop more indigenous gas resources. It's always like this in a producer-consumer relationship. Producers want remunerative prices, but consumers want a steady supply at reasonable, market-based prices. And if the

producers drive the price up too high, obviously as in any business relationship, they end up hurting themselves -- the high prices can't be sustained.

In the North-South dialogue -- that was in my previous Washington position that we already talked about -- the focus was on prices that were fair to consumers and remunerative to producers. The US position was always that letting the market determine the price was really the only viable way to try to reach that objective. Governments can't artificially dictate what prices should be in international trade unless they have a monopoly of some sort.

In the end, I think we made a lot of progress with Canada. The issues were complicated, but we got a good result. It was tough in the beginning. The Canadians were really a hard-nosed producer, despite the long history of friendly, cooperative relations with the United States. They were truly tough-minded when it came to energy, which is understandable up to a point, but in the end there has to be balance, and I think we eventually struck that balance.

The Japanese were on the whole cooperative in the International Energy Agency. They were pragmatic for the most part, and they never wanted to offend anybody. They never wanted to take a tough stand on anything; they wanted to accommodate everybody, and sometimes when you try to accommodate everybody, you end up accommodating nobody. We did in fact have some problems with the Japanese. I actually spent a lot of time dealing with Japan. We also had a US-Japan energy working group -- I went to Tokyo for these meetings on a number of occasions. And the Japanese came to the United States for meetings. Sometimes we would meet in Washington and sometimes elsewhere. Once we met in Honolulu and once in Alaska, which by air is halfway between Washington and Tokyo.

We were trying to interest the Japanese in helping us develop natural gas resources in Alaska, such as LNG (liquefied natural gas), that would be exported to Japan, but they were reluctant. They didn't think it would be economical; they had other sources of supply like Indonesia etc. So, it was a tough sell. But I worked hard at it, and I got some credit from our then Under Secretary of State for Economic Affairs, Allen Wallace, at a meeting in Tokyo that wasn't making any progress. So, to break the ice, I took a chance and made a kind of heart-felt pitch -- but couched in rational, economic terms -- that the Japanese were missing a really good opportunity, and that they ought to take it seriously and see if they could accommodate us in their own interest. And it worked. They did respond, and working groups were set up to try to develop that particular gas project.

I'm not sure the project ever came to fruition -- but one thing did happen on my watch. This was one of the small things you remember and that I look back on with some satisfaction. During one of the ministerial meetings in Paris, I visited my Japanese counter-part who was actually a high-ranking official in MITI, the Ministry of Trade and Industry, at his hotel and in the course of a very long meeting, we hammered out an agreement whereby the Japanese agreed to lift restrictions on importation of refined American petroleum products. And that agreement enabled us to start exporting refined

gasoline from the West Coast and I believe Alaska to the Japanese market. The agreement was a real success, a real breakthrough. It was not easy. It was again one of those seemingly obscure trade issues that can have a big impact if you can resolve it.

The Germans were usually friendly and cooperative. They had more of a free-market orientation than most of the other countries in the IEA, some of which were still rather "statist" in their approach to energy. There were exceptions, of course. The Germans subsidized their coal industry, and they were burdened by an excess of regulations, just as we were -- though I think they were somewhat slower in dismantling them than we were. But on the whole, they shared our market-based approach, as did the British, whom we were usually able to work with quite productively. The entire setting was an opportunity for the U.S. to exercise diplomacy, expertise, and judgment -- and it was a good opportunity for people in the State Department to be in positions where they were negotiating at a relatively high level on behalf of their country on serious issues. I didn't think the seventh floor of the State Department always took these issues quite as seriously as they might have. The issues probably seemed rather esoteric at first glance, and therefore didn't always get the high level attention we thought was warranted. Anyway, in my judgment, a lot was accomplished, and the economic side of the State Department that dealt with these issues probably never got all the credit I think it deserved. And I regret that.

When I first entered the Economic Bureau in 1975, Henry Kissinger was Secretary of State and the Bureau was at the peak of its influence. This was rather ironic, because he wasn't much interested in economic issues. But he quickly saw that they affected his power base in Washington, and so he made sure that he was well-represented and well-defended in this area. He had Tom Enders, the late Tom Enders, as Assistant Secretary of State for Economic Affairs, and Tom was first-rate, a really keen intellect and bureaucratic operator. I think that in subsequent years, despite some very able and experienced people at the top like Jules Katz, the bureau didn't have the influence in the State Department that it and the issues it dealt with deserved, which is unfortunate. It should be just the opposite, given the importance of economic issues in international diplomacy.

Our leadership sometimes says the right thing -- you've heard the statement from Warren Christopher that he sits on the "American desk" in the State Department and that he will defend American economic and commercial interests rigorously. But the fact of the matter is, the role of the State Department in economic issues has steadily diminished. It is certainly less than it was when I was first in the Economic Bureau. Issue after issue has been taken over by other agencies, and now I don't think the State Department plays the role it did in previous years. Energy, however, is one area where we have hung on, and I think the State Department is still a major player in international energy issues, along with the Department of Energy, of course.

Q: You left the Economic and Business Bureau in 1986. What happened then?

WENDT: Well, I was -- I would say I was in between jobs. I had been in the energy job five years, which is a long time -- I mean it's longer than most people stay in a job like that. In any event, I finally left the Economic Bureau and was in fact waiting for another assignment. So, in the interim, I started studying Arabic at the Foreign Service Institute. I had acquired a smattering of Arabic when I was in Cairo through language courses at post. So, while waiting for another assignment, I went over to FSI, the Foreign Service Institute, where I spent five or six months studying Arabic. Arabic is not easy. I think I have a basic talent for languages, but I found it hard to bring that talent to bear on Arabic. It's really tough.

And then all of a sudden I got a call from somebody in the European Bureau -- I can't remember his name -- but he said the seventh floor had been looking for somebody to deal with export control issues at a suitably high level, and they had had trouble finding someone who could satisfy then Deputy of Secretary of State John Whitehead. The entire export control issue was a mess. We were having endless problems with our allies. Ambassadors were sending in cables complaining that interagency delegations were going to meetings and quarreling among themselves, and the State Department's role was being usurped by other agencies, notably the Defense Department.

There was an office in the Economic Bureau at State that dealt with export control matters in the context of COCOM -- which means Coordinating Committee for Multilateral Export Controls -- a rather low-profile international organization of mostly Western countries, plus Japan, based in Paris in an annex of the US Embassy there. COCOM was developed in the early days of the Cold War to control exports of strategically sensitive goods and technology and keep them out of the hands of Warsaw Pact countries, notably the Soviet Union. The issue was evidently not being well-handled within the U.S. government, and John Whitehead was determined to get a grip on it. My contact in the Economic Bureau asked me if I would be interested in the job, which carried the rather cumbersome title of Senior Representative for Strategic Technology Policy. Possibly, it might even come with the personal rank of ambassador, since the position would involve a lot of negotiations with foreign governments and the Department wanted to raise the profile of its approach to these issues.

It happened that there had already been someone in the job briefly named Bob Dean, whom I got to know well but who has since left the government. Anyway, Dean had been called over to the White House to deal with these same issues at the NSC (National Security Council) staff, and his departure had left a real vacuum at the State Department. And for some reason -- I don't know why -- they couldn't find anybody who could satisfy John Whitehead as having the right mix of qualifications. In any event, I said yes, I would be interested. So, I was eventually called over to be interviewed by John Whitehead. He asked me a number of questions, all of which I answered as forthrightly as possible, and I eventually got word that I was his man. So, I folded my tent at FSI, forgot about my Arabic and got geared up to deal with this new job, which was a real can of worms in every respect. It was also in something of a crisis mode when I took it on.

Q: So, you did that job from when to when?

WENDT: I did that job for five years -- another five years in the Department -- from 1987 to 1992.

Q: Could you explain what export controls meant at that time?

WENDT: It meant that the United States and its allies needed to make sure that militarily sensitive goods and technology were not exported to our current adversaries. At the time these were the Warsaw Pact countries, but China was also on the list of countries -- we called them proscribed destinations -- and also North Korea and Iran. Remember, this was the Cold War. So, it was mainly the Warsaw Pact and China and maybe Albania, I don't recall -- but not Yugoslavia, and not the pariah countries in the Middle East like Libya, Syria, Iraq or Iran.

So, I moved back over to the State Department, and they told me that I was to get the personal rank of the Ambassador in order to enhance the status and authority of the new position. I filled out all the papers and forms for the title -- and you know what a complicated process that is. It really seemed about the same as being nominated as ambassador to a foreign country, except that unlike the full rank of Ambassador, personal rank of Ambassador does not require Senate confirmation, which makes a big difference. Still, there was quite a lot of paperwork and procedure at the Washington end. It was first necessary to get White House approval, and after we went through jumped through all these hoops -- endless filling-out of forms, background checks and what not -- we got word from the White House that they did not want to give me the personal rank of ambassador, because they thought this was essentially a permanent rather than a temporary job.

Personal rank of ambassador is valid for six months and it's supposed be for a specific mission. Let's say you're going to one of the UN agencies in New York to represent the United States for a certain period of time, like a session of the General Assembly, and while you're there they give you the personal rank of ambassador. Anyway, the White House said, "If you want Wendt to have the rank of ambassador, do it properly. Put in for the full rank of ambassador." Now, this a very different matter, because you then have to be confirmed by the Senate, which requires hearings before the Senate Foreign Relations Committee and all that. So, the Department, of course, said okay and we shifted gears and went for the full rank of ambassador.

I don't think I had to fill out all the forms again, but it did get a bit more complicated, because now there had to be hearings. First, I was nominated by the President. After that, I appeared before Jesse Helms, Chairman of the Senate Foreign Relations Committee. I was gearing up for some tough questions like "What is this job all about? Why does it require the full rank of ambassador?" Well, in the event, it turned out to be a lot easier than I had expected, because somebody on the Senate Foreign Relations Committee staff had given Senator Helms information about my work on the Soviet gas pipeline, which he thought was praiseworthy, and then also my record in Vietnam, which he evidently also thought was a real plus factor. Anyway, the hearing turned into almost a love fest,

and I breezed right through. Shortly thereafter, I was confirmed by the Senate. And then I got a letter signed by President Reagan, a very interesting letter constitutionally. It said, "By and with the advice and consent of the Senate, I hereby accord you the rank of ambassador for the duration of your position as Senior Representative for Strategic Technology Policy," a real mouthful that meant nothing to anyone except the cognoscenti inside the U.S. Government who dealt with these issues.

Anyway, back to the substance. Since the onset of the Cold War, we had maintained with our allies a set of rules limiting exports of militarily sensitive goods and technology to the Warsaw Pact countries in the Soviet bloc. And COCOM, which stands for Coordinating Committee on Multilateral Export Controls, was indeed kind of a shadowy organization located in a building in Paris in the rue de la Boétie with absolutely nothing on the outside. In fact, the building was an annex of the U.S. Embassy in Paris, but from the outside, you couldn't tell what it was -- it looked like just another office building. There was no sign -- nothing. In the early days of COCOM -- long before my involvement with it -- we were reluctant even to admit that the organization existed, but it wasn't quite that spooky by the time I got involved. When you opened the front door of the building, you went through a big courtyard as you often do in these buildings in Paris, and then in the back, the place came alive. There was actually a US Marine Security Guard there, because it was a U.S. facility and people had to have a pass in order to get in. It wasn't the greatest facility, and we were constantly trying to find funds to make it more attractive.

In COCOM there were rules that all member countries were committed to abided by. If one country, a member of COCOM, couldn't export a particular item, then neither could any other member country. Everybody had to play by the same rules. That was COCOM's virtue, and over the years, its staff and the member countries developed a lot of expertise in export licensing. To some extent, the control regime was flexible. There were some items that were proscribed for export altogether, but for others on the list of controlled items, you could get an exception. A member country could take a case to COCOM and say, "We want to export this item. Technically, it's proscribed, but for the following reasons, we think it doesn't really constitute a problem." And then the other countries would examine the case, and if it was judged a militarily sensitive item, they would submit the case to their licensing authorities back home, who would consider how useful the item might really be to a potential adversary and whether or not an exception could be made.

Often, allowing the export license to go forward involved changing the specifications of the item. That is, a particular machine tool could be exported but only if it was reconfigured to work in one axis instead of two. In another words, you downgraded the technology so that its potential military use would be limited. Then the member country could get an exception and export the item. And then other member countries could also export a like or comparable item.

Then there was a whole range of products that could be exported at what we called Administrative Discretion. That is, it was up to the national authorities to decide whether

the item was admissible for export or not. There were guidelines. There were lists of controlled items, long lists of controlled items. And the lists would indicate whether an item could be shipped at national discretion or whether you had to get an exception from COCOM or whether it was absolutely prohibited.

Actually, on the whole, the organization worked rather well, although sometimes we thought that some member countries didn't always play by the rules -- and occasionally, there were problems with illegal shipments. I can come back to that because there were some interesting and even notorious cases of violation of the rules.

Q: Could we in the first place talk about the role of the Department of Defense, because I would assume that the Department of Defense's position would always be, if in doubt, no export, never, never, ever.

WENDT: Well, I used to joke about that. I always liked to think of the Department of State as the lead agency, which we indeed became, I'm pleased to say. We had been earlier, though at some point we more or less lost control of the issue. But I think at least partly as a result of the creation of this new job by John Whitehead, State again took over the issue. We were the lead agency, working closely with the Defense Department, the Commerce Department, National Security Council staff, and the intelligence agencies, of course. A standard joke would always get into my speeches -- I gave a lot of speeches. I would say that the Department of Defense never met a nut or bolt that it didn't endow with some strategic significance and try to control. And the Commerce Department would export anything to anybody if the price was right. And the Department of State struck the right balance. I would say this jokingly, of course. In fact I got along quite well with my colleagues at the Defense and Commerce departments -- amazingly well, considering all the bureaucratic rivalries at the time. We traveled all over the place, almost all over the world -- we were on the road a great deal. And I think we accomplished a lot.

Q: What sort of travel did you do?

WENDT: Well, frequently, we were traveling to countries that were members of COCOM -- namely, the Western allies -- in order to enlist them in support of U.S. positions. And the travel went through phases, depending on the issue at the time. I might want to come back to this question in a later session, because I'm not sure we'll be able to cover it all right now. The travel was aimed more at dealing with countries on a bilateral basis rather than through multilateral COCOM meetings in Paris. We had a standing representative in Paris who was our representative at COCOM meetings. He was technically part of our Mission to the OECD. I would go to Paris maybe a couple of times a year for high level meetings, but I didn't go to the routine meetings. I had two or three people in my own office, working directly for me -- and they traveled quite a bit.

I also worked closely with other parts of the State Department, notably the Economic Bureau, because they had traditionally dealt with COCOM issues, and they handled a good part of the travel and routine business. There was a Deputy Assistant Secretary in

the Economic Bureau who handled COCOM issues, among others. The arrangement was rather awkward bureaucratically, because I was in effect a bureaucratic intrusion. You see, my position was new, and it was inserted over the part of the Economic Bureau that had been responsible for export control issues and COCOM in particular. Nominally, I reported to the Under Secretary of State for Security and Technology Affairs -- the title may not be quite right -- it kept changing. But because I had been personally selected by John Whitehead, who was the Deputy Secretary, the number two person in the State Department, and who wanted to follow these issues himself -- in practice I reported directly to him. It was bureaucratically and substantively useful for me, to say the least, to have ready access to the Deputy Secretary of State -- always facilitated by his very able aide Marc Grossman.

I would have preferred that this arrangement be on paper, that it be de jure and not just de facto. But de jure, I reported to the Under Secretary, who was an ex-Congressman from Illinois, Ed Derwinski. What had actually happened was that the export control issue had been taken away from Derwinski, because I think John Whitehead thought the State Department was losing ground, that other agencies were taking away our basic business, eating our lunch, so to speak, and that beyond the bureaucratic rivalries, the issue was not being well-handled. Reports were coming back from ambassadors about members of U.S. delegations fighting among themselves and the U.S. interest not being well-served. John Whitehead was convinced the State Department needed to take this issue over and run with it. It might also have been the case that he and Derwinski didn't get along so well, but I am not sure about that.

Q: Well, this is interesting because Derwinski was a fine, old Chicago politician -- and not a typical State Department type. He ended up over in Veterans Affairs, which perhaps suited him better than State.

WENDT: Yes, I thought he was an interesting, talented and very agreeable man, but perhaps somewhat miscast in that particular job in the State Department.

Q: Yes, it sounds like a very technical job.

WENDT: That's right. Anyway, I was in a very awkward position. I mean, on paper, Derwinski was my boss -- you know how it is in Foreign Service. He was responsible for my efficiency reports and all that. And so I had to go through the motions of reporting to him. Actually, I did go to see him as often as he was willing to see me. I thought there was no question of just trying to operate completely independently, but it was awkward. My real boss was John Whitehead, and my nominal boss was Ed Derwinski -- and if I didn't handle the arrangement with a certain deftness, Derwinski could have excoriated me in my efficiency report. So, I must say it was an awkward and unsatisfactory arrangement.

Anyway, back to the travel issue -- a lot of travel was involved with the job. Sometimes we would go to Japan, but the travel was usually confined to the developed countries in

Europe that were members of COCOM, plus the European neutrals, who were very important.

Q: So, we're talking about Sweden, Switzerland, Austria and Finland?

WENDT: Yes, and all of them had highly developed, sophisticated manufacturing sectors -- but as neutral countries and not being members of COCOM, they were not bound by any of COCOM's rules. You see, for the neutrals, COCOM was like being in NATO. In fact, the COCOM countries were the NATO member countries minus Iceland plus Australia and Japan. Australia actually joined while I was in the job. Japan was already a member. So, the neutrals became very important, because if not handled right, they could be a source of real leakage of sensitive goods and technologies.

We had to work with closely with the neutrals to try to get them to observe the proscriptions in practice, if not de jure. To facilitate such cooperation, we relied on Section 5-k of the Export Administration Act, the Administrative Discretion clause under which we could export controlled goods and technology to countries on a reciprocal basis in exchange for their having export control regimes comparable in practice, if not in law, to COCOM standards. So, we had a real carrot to use in these talks. In fact, I spent a lot of time negotiating with the Austrians, the Finns, the Swedes, and the Swiss. The Swiss were really tough, because they didn't want it to be known or assumed that they had anything to do with the whole arrangement other than on a totally informal, unofficial basis.

Q: It sounds like this job would be the United States, in a sense, calling all the shots like thou-shall-not, as opposed to other countries like Germany saying -- you know, you have the feeling that it is the US riding herd on everyone else, which is not a collegial arrangement at all. It's like the US being the school teacher.

WENDT: Yes, that's more or less the way it was, and that was really the most difficult part of my position -- to defend really tough positions that the U.S. has staked out here in Washington before we would go out on the road and try to sell them -- but to do it in the way that the other countries would swallow. It was a real challenge to grasp the substance of the issues, which could be quite technical, but the diplomatic part was even tougher. To me, that was the most interesting part of the job. Was I able, with my colleagues, to cross the ocean and persuade the Germans to do something they thought might not be in their interest? And then convince the Japanese and the European neutrals as well, which often presented a still different kind of challenge?

Q: Well, Allan, I don't know how time is working. I was thinking maybe we can put something on the end here. If you could save up your stories of the problems you encountered, because I'm sure that's really the name of the game.

WENDT: Absolutely.

Q: So, we were going to talk about COCOM, the problems you encountered. We really talked about all the background. So, now it will be the COCOM problems that you dealt with in the 1987 to 1992 period.

WENDT: Yes, and in case I forget, if you could remind me that we should kick off our discussion with the Toshiba-Kongsberg Affair. You may remember that.

Q: Weren't there problems with propellers or something like that?

WENDT: That's it. All of this you can read about as it came out subsequently in fictional, literary form in the book "The Hunt for Red October."

Q: That's a great submarine novel.

Today is the 21st of January, 1997, with Allan Wendt. We'll start off by talking about Toshiba.

WENDT: Toshiba-Kongsberg. When I came into the strategic trade and technology position, the newly created position I described in our last session, that's the issue I was faced with. This was a case of a flagrant violation of COCOM rules -- the rules that had been agreed to by all the participating countries in COCOM. In this case, it involved Japan and rather surprisingly, Norway, which was generally a country that we didn't have to worry about, both because they were not themselves producing that much in the way of militarily sensitive goods or technology, but also because Norway was a staunch ally and a member of NATO -- and Norway was not a country so prone to pursuing its commercial interests that it would attach greater priority to them than to the country's commitment to the NATO alliance and in this case to COCOM.

So, what had happened was that over a period of years, the Japanese company Toshiba had sold very complex machine tools to the Soviet Union, multi-dimensional machine tools that were used to manufacture propellers for submarines. These machine tools in turn were outfitted with computer numerical controllers manufactured by a Norwegian firm called Kongsberg. That's why we came to call this episode the Toshiba-Kongsberg affair.

The Soviets had learned through the Walker spy ring that we were tracking their submarines by the noise their propulsion systems were generating. So, the Soviets knew they had to do something about it, and in the end, with the machine tools from Toshiba and the computer numerical controllers from Kongsberg that were used to guide the machine tools, the Soviets were able to retrofit their submarines with new propellers and propulsion systems that enabled the subs to operate far more silently. And this in turn gravely impaired our ability to detect them. So, it was serious -- very serious. And of course, when we found out about the breach, no holds were barred to try to get the situation under control.

Q: Do you know how it was found out?

WENDT: Intelligence sources, as you might expect. Anyway, at that point, we went to both governments at a very high level and seized them with the problem. The Toshiba Company eventually claimed that the offending entity was a branch of Toshiba, and I don't remember the name of that company -- it was like a wholly owned subsidiary of Toshiba. In any event, we ended up invoking our export control legislation to ban the importation of products from this company for a certain period. And this was itself a problem, because some American automobile manufacturers were dependent on parts supplied by Toshiba.

At first the Japanese reacted defensively, but then they finally came around and realized that they had to do something about the problem, which had become a serious issue in our relations with Japan. I actually had a face to face meeting in Tokyo with the head of the overall corporation, the CEO, of the Toshiba Motor Company, and some of his colleagues. They engaged in a lot of hand wringing and mea culpas and said that they had not realized what the subsidiary was doing -- the usual story. In fact, who knows whether they did or did not know. In any event, we were able to gain solemn assurances from the head of Toshiba in person that nothing like this would happen again. And in the Norwegian case, one of my colleagues who was handling these issues at the National Security Council staff -- I think it was Bob Dean himself, my predecessor in the job at State -- actually met the Prime Minister of Norway to try to make sure the Norwegians understood the seriousness of the problem. I believe they did, because they lowered the boom on the company, Kongsberg, which was actually run by a Brit. I think he went to prison -- though I'm not quite sure about that. In any event, it was clear the company knew what it was doing.

So, that breach in security was a major issue, and it led in 1987 to an effort in COCOM to strengthen the controls and safeguards across the board, and to ensure that sensitive items like those in the Toshiba-Kongsberg case did not end up in the hands of the Soviet Union. This particular incident did a lot of damage. Now, with hindsight, with the Cold War behind us, of course, it looms somewhat less large, given the current state of the Russian submarine fleet and the fact that we're no longer presumed to be enemies. But at the time -- this was 1987, and the fall of the Berlin Wall was still two years away -- nobody could argue this major breach of the rules was not extremely serious. So, we set about making the case for strengthening the controls -- both in our dealings with our allies and in the U.S. government, and in our public relations efforts. Think of the irony here -- the fall of the Berlin Wall was only two years away.

Q: Did you have a feel for how our system works? I mean, here you were trying to both strengthen the controls and at the same time punish those who were responsible for the infraction. What sort of pressures were brought to bear on you by, say, American automobile manufacturers and all that?

WENDT: Well, it became a legal case. As usually happens in such situations, the Japanese hired a high-powered Washington law firm, Mudge Rose I believe, that pulled out all the stops to try to build a legal defense for the company and get it out from under

our punitive export control laws. And they were partially successful in that the sanctions finally imposed on Toshiba were more limited in scope than what we had originally sought. But they were severe enough. There was no question but that the Japanese quickly became aware of the seriousness of the matter. We went all out in pursuing it at all levels of the Japanese government -- the foreign ministry, MITI (Ministry of Trade and Industry), the Japanese defense establishment, and the prime minister's office. We pulled out all the stops. As I said before, I made any number of trips to Tokyo and met frequently with the Japanese here in Washington. We made speeches. We testified before Congressional committees -- it was very, very serious.

With the Norwegians, it was somewhat less of a problem because they immediately did everything within their power to comply with our requests. We got very good cooperation from them, and the Norwegian Government did nothing to try to protect the firm in question. In fact, I think one very senior figure in the company may have gone to prison.

One of our reactions to the affair was to try to persuade other COCOM countries to strengthen enforcement of the controls across the board. I remember making a trip -- I think I wore out all my colleagues because we visited seven countries in six days -- meeting with each country's export control officials to try to persuade them to strengthen their enforcement mechanisms. In any event the Toshiba-Kongsberg affair did finally get settled, though the damage had been done.

I have to jump ahead now to 1992 -- five years later -- because by then the Berlin Wall had come down, and the Soviet Union had collapsed. We were then at the point where the pendulum had swung back the other way. We were easing the controls across borders and agreeing on a pared down list of items to be controlled and working out arrangements so that more and more items could be exported at national discretion. If an item or a technology was sensitive enough, then either it could not be exported at all in any circumstances, or the country that wanted to make the export could request an exception to the rules. Then the country had to submit the case to COCOM, which would adjudicate it. There was a COCOM secretariat in Paris staffed by people who had a great deal of expertise in export-licensing. The case would be brought into COCOM, and individual member country delegations would then send the case back to their capital where the relevant parts of each government would look at it and decide whether or not an exception could be granted.

And frequently, exceptions were granted. It would depend on the country of destination -- whether it had a history of diversion, what the item was going to be used for, whether the item indeed lent itself to the declared use, and what the possibility or likelihood of diversion to an unauthorized use might be. We would take all these factors into account. On that basis, we would make the decision as to whether or not an exception could be granted. And with the easing of tensions and the winding down of the Cold War, of course, more and more exceptions were granted.

At the same time, as the Germans put it, we were working on building "higher fences around fewer items." The Germans, from their Foreign Minister Genscher on down,

pushed hard on this point. The idea was to control more effectively the most sensitive items that clearly did need to be controlled but stop trying to control every widget that came along. And the Germans had a point. Yet on the other hand, they were one of the worst offenders when it came to leakage. That was our view at the time, and that was what our intelligence sources told us. The problem was that there was a different philosophy in Germany and a different legal approach. Germany, having been a pariah state after the Second World War, made it its vocation in the world to thrive on international trade and exports. That was respectable and acceptable. Nobody would criticize Germany for promoting the well-being of its citizens through exports. And that's what they did.

For the Germans, exporting became like a right that could not be taken away unless there were compelling reasons. Their legal system said, "You could export anything you wanted unless it was specifically prohibited." The approach in the United States was just the opposite -- exporting was a privilege and you needed a license to export something. There was almost a presumption that you couldn't export unless you established your legal right to do so. In practice, of course, it wasn't that bad, but even completely innocuous items were exported under what we called a "general license," a kind of blanket authority. But the export still technically required an export license.

In any event, we had constant problems with the Germans, and, of course, the problems were aggravated by the large number of German exports that were so often at the high end of the technology spectrum. A further complication, particularly while Genscher was the German foreign minister, was his so-called Ostpolitik. He was constantly trying to build bridges to the east, and international trade was judged by the Germans to be a way of doing that. And our attitude was, fine, but here are a rather limited number of items that we believed, in our collective Western interest, should not be exported because they would end up strengthening the Soviet military machine. Remember that the purpose of COCOM was to decide what could be exported and what could not be, and to establish rules and categories.

It was certainly true, when I came into this business in 1987, that we needed to prune the lists of controlled items. We were trying to control too much. And there was a valid argument, made not just by the Germans and a number of other allies, but also by a number of our own firms and certain elements of the Congress, that in trying to control too much, you end up not being able to control anything really effectively. So, the debate centered to a large extent around that notion.

Beyond that, there were conflicting pressures within the U.S. government, because you had, on the one hand, the Defense Department and the Intelligence Community, which usually wanted to control more rather than less. And then on the other side of the equation was the Commerce Department, which basically was oriented towards supporting business and promoting trade and exports. So, they would sometimes err in the other direction. And the State Department was in the middle, finding itself being the adjudicator between these two approaches. But then even within the State Department, there were conflicting views. Sometimes the relevant geographic bureau, the country

desk, would lean towards the letting the export go through. The Bureau of Economic and Business Affairs also tended to adopt a fairly liberal stance while at the same time being responsible, bureaucratically, for all the work in the trenches.

As I said previously, it was the Economic Bureau that was handling COCOM issues when I came into the business in1987. They were doing the heavy lifting in support of COCOM. Yet in practice if not on paper, my operation was over them and responsible to the Deputy Secretary of State, John Whitehead, who put me in the job. And as I explained previously, I was given full ambassadorial rank with the job, not personal rank. I had to be nominated by the White House and confirmed by the Senate. So, I had to appear before the Senate Foreign Relations Committee and explain and justify what I was doing, and why I deserved the rank of Ambassador.

It was a new position. We had not had such a position before. And as I said before, the reason it was set up was because the powers that be in the State Department, Deputy Secretary John Whitehead, and also Secretary of State George Shultz who himself paid attention to these issues, thought we didn't have a firm grip on the entire process. Again, as I think I noted in one of our previous sessions, complaints from ambassadors in the field had been coming in that American delegations from Washington were meeting with foreigners with no clear mandate, and were fighting among themselves, with nobody in charge. And other agencies, as often happens, would often try to take advantage of the situation and move in and encroach on what had historically been an issue where the State Department had the lead. And so, John Whitehead thought we needed somebody in a reasonably high profile position to try to get a grip on these issues. It was a difficult job, I must say -- not just because the substance was often arcane, but because there were so many conflicting views and interests within the US government and within the body politic.

Even within the Congress, there were very divergent views. There were some members who tended to think along the lines of the Germans, that we were trying to control too much, that we were hurting US business and that the US enforced the controls much more rigorously than other countries, so that we were in fact shooting ourselves in the foot. But then there were other elements of the Congress that were outraged by the Toshiba-Kongsberg affair and thought we were being too lenient. And then there were firms which, although they certainly didn't ever knowingly want to violate international security precepts, believed they were bearing too great a share of the burden and that other exporting countries were getting a free ride.

I always argued that the one good thing about COCOM was that there was a set of rules that all countries had to abide by. Now, that didn't mean there weren't violations as in the Toshiba-Kongsberg affair, but these were clear violations of the rules. They were not testimony to the rules themselves being inadequate or overly restrictive. But somehow the notion gained credence in Washington that we, the U.S., were not on a level playing field with the other members of COCOM. Yet I believed in COCOM precisely because it was a level playing field in the sense that the rules applied to all the member states, and it was then a matter of making sure that national laws and regulations were adequate to

enforce the rules the member government had adopted through their adherence to COCOM. That was the crux of the issue.

In other control regimes, like the ones dealing with chemical and biological warfare and the missile technology control regime, the rules and precepts were all based on national discretion. In other words, the arrangements were basically voluntary, whereas COCOM had teeth. That, as I always tried to convince people at the time, was why we should retain COCOM. You could say, on the one hand, it was an anachronism, that it was an outgrowth of the Cold War, which it obviously was. It had been set up not long after World War II. But COCOM had the great virtue of being binding on all the countries that were members. It was a regime in place that on the whole worked well and served the interests of its members.

Increasingly, as the Cold War wound down, I disputed those who said we should get rid of COCOM. I said we should adapt it to the new realities and maybe pare down the control lists to a relatively small number of items that were judged really sensitive and that could contribute directly and materially to a country's ability to develop its military sector in a way that would be inimical to our interests. But let us hang on to the licensing expertise, experience and machinery we had labored so long to set up in COCOM.

But I am getting ahead of myself here. As a result of the Toshiba-Kongsberg affair, there was a crash program to strengthen enforcement in all the member countries. Yet at the same time, we were trying to get a grip on the control list, to prune it of items not or no longer considered militarily sensitive. We launched a major effort in the U.S. government to develop a proposal to prune the control list. We had a mandate from the National Security Council to do so, and we got the Pentagon directly involved. The exercise took about a year. Then, of course, once we reached agreement within the U.S. government on what needed to be controlled, we had to negotiate that with our allies. I remember going to any number of marathon meetings in Paris to get agreement on a new shortened control list. Of course, it wasn't easy, because not all countries agreed on what still needed to be controlled. But in the end, we did reach an agreement. In the Bush administration, I believe it was in 1992, we reached agreement on a significantly pared down control list and a new regime in particular for telecommunications equipment.

There was a lot of interest in Western countries in exporting telecommunications equipment to countries that had been proscribed destinations -- Hungary, Poland, and Czechoslovakia, for example. We had a special regime for such countries, which were judged no longer to be a threat to anybody. Remember, this was at the beginning of the end of the Cold War, and the COCOM countries still wanted to hedge their bets so that they could see what kind of regimes emerged in these East bloc countries. The controls remained somewhat tougher for the Soviet Union.

I found the job a real challenge. It was not easy in any respect. It was demanding and frustrating. It was the kind of job where no matter what you did, somebody was unhappy. I can remember Larry Eagleburger, who was then Deputy Secretary of State in the Bush administration, expressing the view that we needed to get the control lists really pared

down, that we were still trying to control too much. That was his approach. I suspect he thought at times that I wasn't doing enough to try to make that happen. One day he called me directly and said in his inimitable fashion – he didn't mince words -- "Allan, what the hell are you doing, can't we stop trying to control everything but the kitchen sink?" I said, Larry, tell that to the Defense Department and the Intelligence Community. Of course, in a way he was right. But I thought I was doing all that the traffic would bear at the time, given the elements of the Congress that were still very sensitive to the issue and given the strong views of the intelligence community and the Defense Department, who wanted to be prudent and not throw the baby out with the bath water. I was stuck in the middle. Also, bureaucratically, my position was always somewhat ambiguous. Nobody was exactly sure where I fit into the hierarchy. I was not working for a geographic bureau. I had under me, or at least supporting me, the machinery in the Economic Bureau and, to a lesser extent, the Political/Military Bureau.

As I explained before, when I started in the job in the second Reagan administration, I had a direct pipeline to the Deputy Secretary of State, John Whitehead, who had chosen me for the job and made it clear that I was to report directly to him whenever I thought it necessary.

When George H. W. Bush became President after Reagan's second term, this arrangement evaporated. With the departure of John Whitehead, I fell completely into the T hierarchy. I had nominally been part of "T", the Office of the Under Secretary of State for International Security Affairs. But even "T" never knew quite what to make of me because I was quasi-independent. I wasn't even physically located with them. I had my own office suite on the seventh floor with three assistants and a secretary -- and from time to time a fourth person on loan, usually from the Pentagon. It was always a challenge to establish my authority. I was supposed to have a rank that was administratively equivalent to Assistant Secretary. That's what was intended when the position was set up. But the powers that be in some respects resisted what they evidently saw as a bureaucratic intrusion, and it was difficult to make it stick. But as I said previously, I did have full ambassadorial rank, and this was very helpful, particularly overseas, where people understood the rank and title of Ambassador even if not the rather cumbersome title of Senior Representative for Strategic Technology Policy. The Ambassadorial rank gave me a necessary degree of clout and opened doors and, to that extent, I think it certainly facilitated my doing my job. I should add before I forget that with the new administration, there was an ad hoc inspection of the entire operation -- T/ST -- ST for Senior Representative for Strategic Technology Policy.

Q: The Bush Administration wanted to take a new look?

WENDT: Yes. The purpose was to determine whether my job needed to be kept at all because it was such a bureaucratic anomaly. I remember this inspection. The Chief Inspector was Paul Boeker, whom I had known for many years, and who had been Ambassador in Latin America, in Bolivia, I believe. I had served with him at my first overseas post in Düsseldorf. Paul's inspection concluded that even though the office was an odd arrangement, in practice it worked well and should be kept in place. That was

their conclusion. So, we survived, but it was always a little ambiguous as to what our status was.

Q: I'm thinking of some countries, Allan, during this time, and wondering how we treated them: Iran, Iraq, Communist China, Libya, North Korea?

WENDT: That's a good question. China was a proscribed destination. In other words, it was one of the countries that COCOM was aimed at. But we had a special regime for China. There were a lot of items on the control lists that could be exported to China -- the operative phrase was, at "national discretion." In other words, an individual country had the authority under COCOM rules to decide whether or not it was acceptable to export a particular item to China. The case would not have to be submitted to COCOM. It was a rather lenient regime. We called it the China Green Line. In fact a lot of controlled items were exported to China. There were sensitive items, like supercomputers, that came up for approval occasionally. The supercomputers were so sensitive that, obviously, they required an exception to the rules. There was one instance, I recall, in which China wanted to buy a supercomputer for weather forecasting. But I don't think we ever approved it. It was too difficult to prevent diversion of the item to some other, proscribed use. Beyond that, the technology was considered too sensitive. It could easily be used for military purposes. So, we didn't license the supercomputer for export to China.

North Korea, of course, was also a proscribed destination. But the other countries you mentioned were not: Iran, Iraq, and Libya. They were simply not part of the COCOM regime. So, in the case of those countries, we had basically a situation where each COCOM exporting country was on its own. They could do what they wanted.

Q: Particularly, we're talking about the situation up to 1990 in Iraq, where Saddam Hussein was allegedly developing chemical and nuclear and biological weapons, and all. It got to a point where eventually the war came. Being the one bureaucratic apparatus, I would think, dealing with this sort of sophisticated technology, somehow or other, at least you could be a whistle blower or something like that, or were you completely out of the loop?

WENDT: Remember that we did have other regimes aimed at controlling certain kinds of sensitive exports. There was the Missile Technology Control Regime. There was another one to control chemical weapons. And then there was the Nuclear Suppliers Group to control nuclear items as well. The difficulty with these regimes was that they were not really binding like COCOM. They were all based on national discretion. A given country at the end of the day could do what it wanted. Unlike COCOM, where the control lists were legally binding on the member states, these other regimes didn't have teeth.

Towards the end of my mandate in 1992, I actually promoted the idea of trying to establish a multilateral arrangement that would control the export of militarily sensitive goods and technologies to Iran. The cold war was winding down. At one of the COCOM meetings in Paris, one of the delegates -- I think from the Netherlands --approached me informally and floated the idea of finding a way to preserve all the licensing expertise we

had developed over the years in Paris and reorienting COCOM, or some successor entity, towards countries of concern -- for example Iran. This struck me as a very sensible and constructive suggestion. So, I started to float it informally in the State Department. I tried hard to generate interest in the idea at State, but in the end I failed. I had endless numbers of meetings at State with individual bureaus, particularly the relevant regional bureaus. They were not only not supportive of what I was trying to do, but they actually opposed it. It's never been clear to me exactly why. I think they thought that a multilateral approach might somehow encroach on their ability to impose bilateral controls -- sanctions aimed at particular countries whose policies or conduct we disapproved of.

The regional bureaus kept saying we needed to maintain the unilateral controls in order to send a signal, for example, to the Iraqi regime on how strongly we felt about their actions. My response generally was that the only signal we were sending through unilateral controls was to foreign competing firms to move in and take the business, since we were unilaterally dealing ourselves out of the game. That meant in turn that we simply weren't achieving our objective, which was to deprive a country of concern, like Iran, for example, of militarily useful goods and technologies. Maybe we couldn't export the items, but if one of our allies could and did, what purpose was served?

Of course, I encountered the point of view that we had other regimes in place that were adequate -- as I said before, a missile technology control regime, a nuclear regime, and then a chemical weapons regime. That was true enough, even though, unlike COCOM, those regimes were not binding. But I argued that what was escaping control was the kinds of items that we controlled in COCOM -- dual use items, goods and technologies that could serve a civilian purpose or a military purpose. I said, "What is the use of insuring that no weapons of any kind can be exported to Iran if we don't have any means of controlling the export of goods and technologies that would enable them to manufacture the weapons on their own?" That was what COCOM was designed to do -- control not only goods but also technologies.

So, I was promoting a multilateral rather than a unilateral approach. In effect, although I never said this, the idea would have been gradually to bring Iran, for example, under the COCOM regime as a proscribed destination. That would have been ideal. But we never got even close to that, although we did go so far as to talk in COCOM about how we might deal with a country like Iran on a basis that maintained a level playing field for exporting countries. Anyway, I had a devil of a time getting any kind of authorization from within the Department of State to pursue this objective. I wrote endless memos on the subject, but I basically got nowhere. It's an interesting commentary, I think, on the Department of State -- namely, that what I was convinced was a fully justified initiative never even made its way far enough in the bureaucratic hierarchy where it might at least have been given serious consideration.

One hesitates to say what I'm about to say, because of course I can't prove it. But I suspected at the time that I was simply viewed as a bureaucratic intruder, that controlling items to Iran was a sovereign prerogative of the Middle East Bureau, and that I was encroaching on their turf. It may well be that I'm not giving them nearly enough credit,

but never, ever was I presented with what I thought was a valid argument against what I was trying to do. I ran smack into all kinds of bureaucratic obfuscation, such as… "Well, this needs to be studied further. We're controlling all these items already." I said, "No, we're not." I presented them with a list of items that I believed should be controlled -- based on what we were controlling in COCOM. But it all just went down a bureaucratic sinkhole. And for some reason, I was not getting that much encouragement from the people I was working for. Why? Again, I don't know. Maybe they thought it was a non-starter that would simply result in inconclusive wrangling with the regional bureaus. I don't know. Anyway, the initiative never got off the ground.

Of course, aside from questions of bureaucratic turf and all that, I think it was clear that the incoming Clinton Administration saw COCOM as a relic of the cold war, and they thought getting rid of it made sense in our developing relationship with Boris Yeltsin and the new Russia. No serious thought was given to getting COCOM out of the Embassy Annex in Paris, renaming it and reorienting it -- too bad. I think a serious opportunity was missed. Later, well after I moved on, we did set up some kind of export control arrangement called Wassenaar -- a town in the Netherlands. But unlike COCOM, it had no teeth.

Interestingly, the current administration -- Warren Christopher is or was Secretary of State. I guess, as of today he may no longer be Secretary.

Q: He is not Secretary of State now, but that's as of yesterday.

WENDT: Well, has Madeleine Albright been confirmed? I don't think she has been confirmed by the full Senate. So, Christopher is gone?

Q: Christopher is gone. And Strobe Talbott is the Acting Secretary.

WENDT: I know that Christopher moved out of his house a few days ago because he was my neighbor.

Q: Broke his wrist. He's off in California now.

WENDT: Just yesterday, I saw him take off in his car. He lives three doors down the street from me.

Q: Apparently, he fell taking out his garbage or something like that and broke his wrist. It was in the paper today.

WENDT: I missed that. But back to Iran, Christopher mounted a major campaign to get more cooperation from our allies in dealing with Iran. He put a lot of muscle into it, much more than we ever did when I was in the Strategic Technology job. His problem, of course, was getting the allies to agree. I don't think he ever really succeeded. Anyway, that's one of my regrets, that I didn't make more progress in trying to develop a multilateral approach to controlling sensitive exports to countries like Iran. I believed

strongly then and I still do today that only a multilateral approach can really achieve the desired objective.

Q: Then, you left in '92 and whither?

WENDT: I left in the summer of 1992. My last big activity was a major negotiation in COCOM in May of that year where we agreed on further cut backs in the controls. We also reached agreement on a special regime to facilitate telecommunications exports while still controlling the most sensitive and militarily useful items in this category, like fiber optics.

In April of 1992, the US recognized the independence of Slovenia, Croatia, and Bosnia-Herzegovina following the breakup of Yugoslavia. I had already been tapped to be the first American ambassador to Slovenia. So, I started reading into that new activity. I actually was able to hang on to a little office up in my old seventh floor T/ST suite -- not the main office because, by that time, I had been replaced by Ambassador Paul Cleveland, who had been ambassador to New Zealand and Malaysia. I started taking Slovene language lessons. I had not been confirmed in the new position -- in fact, I don't think my nomination had even been announced, but I'm not sure. I don't quite recall the sequence of events. But the main problem was that, although we had recognized the independence of Slovenia, we had not established diplomatic relations with the new country. Remember, we were holding back on recognizing the breakup of Yugoslavia, thinking the time was not right. The Europeans moved sooner than we did.

Q: The Germans, I think, jumped the gun on everybody. They recognized Croatia before -

WENDT: Yes, they were the first ones to take the plunge and they brought everybody else along with them -- December of 1991, I think, is when they moved. The rest of the European Community followed shortly thereafter and then we followed in April of 1992. But we held back in establishing formal diplomatic relations. Recognition didn't come until four months later in August of 1992, following the highly publicized atrocities in Bosnia -- you remember the photographs of people in stockades, the emaciated men behind barbed wire. So, the publicizing of war atrocities in Bosnia finally led us to recognize and establish diplomatic relations with independent Bosnia. Of course, in doing that, we also established diplomatic relations with Croatia and Slovenia at the same time. All this was happening under the George H. W. Bush administration. I was then sent rushing out to the capital, Ljubljana, on very short notice to open the new embassy in August of 1992.

Q: How did this appointment come about?

WENDT: Well, I think there was a sentiment among the powers that be in the Department that I had done a good job handling a very tricky and complicated set of issues both technically and bureaucratically -- namely, the whole gambit of export control issues, which had always been considered a can of worms if not a tangle of thorns. I was fortunate to have the solid support of my very able boss, Reginald Bartholomew, who

was then Under Secretary of State for International Security Affairs. I think the powers that be thought I had paid my dues, so to speak -- particularly in my previous five year long assignment dealing with a tough set of issues -- and before that five years as a Deputy Assistant Secretary of State, and so they finally gave me the nod for an overseas Ambassadorial post.

Q: In a way, with a place like Slovenia, I would have thought there would have been some Slovene origin businessman who had been contributing to the Republican cause or something like that and who would have been thirsting to get in there.

WENDT: Well, that's a good question. That could easily have happened, as it did in many other instances. But I think maybe in this instance I was helped by the fact that the Slovene community in the United States -- there is a substantial Slovene diaspora, and a large number in the Cleveland area -- for whatever reason, just didn't lay claim to the position. Yet in the case of Croatia, they did. The Croatian community actually had a candidate who was approved by the Bush administration. I believe her name was Mara Letica or something close to that. She was of Croatian origin. Not only that, her father was an activist and, as I understood it at the time, was an advisor to Franjo Tudjman, the president of Croatia. She was the Bush Administration's nominee for Ambassador to Croatia.

By that time, by the summer of 1992, the nominations were announced. I can't quite recall when, but I was announced along with Mara Letica and a number of others. This was in the waning months of the Bush administration. In the meantime, I was sent out to Ljubljana as Chargé d'Affaires to open the new embassy. I was out there a little more than a week in late August and then I returned to Washington around Labor Day, September, 1992, and waited for the nomination to run its course. Unfortunately, the nomination got bogged down. It had nothing to do with me, and it had nothing to do with Slovenia. There were about 12 or 13 nominations that got bogged down because of infighting within the Senate, which was not unusual.

As I recall, the Bush administration wanted to send a new ambassador to Saudi Arabia. With an election coming up in November, the Senate, or some members of the Senate, thought that to send a new ambassador to a country like Saudi Arabia at that late stage in the Administration's mandate was uncalled for. So, Democrats in the Senate blocked that nomination. Then, Republican members of the Senate Foreign Relations Committee retaliated by blocking other nominations, including mine. Well, in the end, to make a long story short, almost all the nominations died in the Senate. They were not acted upon by the time the Senate adjourned. They were simply sent back to the White House, which meant that they were null and void. It wasn't a question of just resurrecting them later. They were simply down the tubes. So, I was then in limbo. I just hung around the Department of State working on my Slovene language lessons and doing odd jobs until, in December, Larry Eagleburger, as you know a career Foreign Service Officer, was named interim Secretary of State. I shouldn't say "interim." He was simply named Secretary of State, but it was what they called a "recess appointment" because the

Congress was not in session, which meant there could be no Senate confirmation of the appointment.

In any event the State Department decided to send me back out to Slovenia as Chargé d'Affaires. So, in December of 1992, I went back to Ljubljana. I was living in a hotel.

Q: The Toslan?

WENDT: No, the Holiday Inn.

Q: That's a different era.

WENDT: No great shakes, but not too bad. I stayed out there until the Christmas holidays and then came back again for a couple of weeks on personal leave and consultations. I then went back out in January as Chargé d'Affaires again. The crucial question for me was, would I be renominated in the new Clinton administration after they took office in January, 1993? There was no guarantee that I would be. First of all, the new State Department leadership had to decide that I would remain their candidate for the job -- and, fortunately for me, they did make that decision. Then the White House had to approve. Again, fortunately, I was among the very first Ambassadorial candidates that State sent over to the White House. Another was Pamela Harriman to be Ambassador to France. So, I was in good company, and, fortunately, I was approved. I even rode up to the Hill for my Senate confirmation hearings with Mrs. Harriman.

I mention all this because I heard later that subsequent to the list I was on, a number of very deserving career Foreign Service Ambassadorial candidates did not make it -- and that the White House sent back at least one list with the notation "too many white males."

Q: You were ambassador to Slovenia from when to when? You were Chargé during '92 and the early part of '93.

WENDT: I was actually sworn in as ambassador and presented my credentials in May of 1993. So, up until that time, beginning in August, 1992, I was Chargé d'Affaires.

Q: Then, when did you leave there?

WENDT: I left Slovenia in September of 1995. You could say that I held the position from August of 1992 to September of 1995, although for the first several months, I was Chargé rather than Ambassador.

Q: For my purposes, the main thing is to talk about your time there rather than the actual title.

WENDT: Right.

Q: When you started in Slovenia, what were you getting from Washington about the situation there and what were going to be your concerns?

WENDT: Interestingly, what I was getting from Washington was kind of a lukewarm response to the whole business, not aimed at me personally, but rather to the whole notion of our recognizing Slovenia and having an ambassador there. The reason for that is that the Department of State, I think, from Secretary Baker on down, had hoped that Yugoslavia would not collapse. You remember the famous meeting that Baker had in Belgrade with the leaders of the different parts of Yugoslavia -- I believe it was in June of 1991 -- trying to hold it together and failing. As you noted, in December of that year Germany recognized Croatia and Slovenia -- the parts that had broken away. Later, you remember, there was a brief war in Slovenia in June of 1991.

Q: Over the customs posts and the seizing of the garrisons and that sort of thing.

WENDT: Yes. The Slovenes found that they were not able to sell their goods in Serbia. There were internal customs controls that Belgrade had imposed on them. The Slovenes in turn established national customs controls at their borders with outside countries like Austria. It's probably beyond the scope of our discussion here to go into all the background, which I'm sure you're covering with some of the other people you're interviewing. But at any rate, the State Department really didn't want to see Yugoslavia breakup, just as initially we didn't want the Soviet Union to break up. We had become accustomed to, I suppose, the stability we thought these regimes represented, even though we didn't like the communist regimes as such. But it was the devil we knew. Well, we had the same attitude towards Yugoslavia. There was a school of thought according to which it was the Slovenes who had precipitated the country's collapse. They were the first to strike out boldly to get out of the Yugoslav Federation.

Q: If you read Warren Zimmerman's book -- he was the last US ambassador to Yugoslavia -- "Origins of the Catastrophe," he ascribes part of the problem to what he calls the selfishness of the Slovenes going their own way. He doesn't come down heavily on them, but it's there.

WENDT: Yes, he also made that same point in an article in the magazine "Foreign Affairs", which I think was basically his book in embryonic form. He definitely invokes what he saw as the selfishness of the Slovenes. I don't consider it my role here to defend the Slovenes, but I had one advantage, I thought, when I was appointed to this position. At least, I thought it was an advantage then and I still do. And that is that I was not an old Yugoslav hand. I had never served in Yugoslavia. I considered that the lukewarm response I got in Washington when I was going out there was by and large from people who looked at the whole issue through the prism of Belgrade or maybe Zagreb, and never did have a very favorable view of Slovenia.

Q: Slovenia was kind of out there. Speaking now as one who served five years in Belgrade, I can say that Slovenia was a rather pleasant rest stop on your way to Trieste.

WENDT: Right. Slovenia was not even in the Balkans historically or culturally, even though Yugoslavia was considered part of the Balkans. That fault line is drawn somewhere through Croatia. Slovenia was always more alpine and more subject to Austrian influence. In the heyday of the Austro-Hungarian Empire, the predominant influence in Slovenia was Austrian.

Q: Yes.

WENDT: In Croatia, it was rather the Hungarians who played the major role. Slovenia was an alpine country where people had a work ethic. Even though they were Slavs, I think the Slovenes identified with Northern Central Europe as much as they did with their Slavic brethren to the south. At any rate, just to elaborate on why I thought my lack of exposure to Yugoslavia was actually an advantage -- to me, Slovenia was Slovenia. I viewed it as an independent entity and not as an ex-Yugoslav country. Okay, one might say that's fine for historical analysis, but that is in fact the real history. I was dealing with a new, independent country. I tried to assess it and draw conclusions about it on its merits. But, as I say, the State Department and most of the individuals dealing with this area -- and I emphasize again I didn't take it personally -- they considered that I was going to a country that had precipitated the breakup of their beloved Yugoslavia. My attitude was, don't shoot the messenger. I sensed there was limited interest in talking to me. I did not find it easy to see people. There was no question of making calls on anybody at a high level. Nobody was interested.

Now, just a little bit on substance. The more I learned about what happened in Yugoslavia after the death of Tito -- and I think Zimmerman acknowledges this in his book -- the more I saw a naked attempt by Serbia to establish hegemony, which upset the balance that Tito had so carefully nurtured since the Second World War. I was struck by the consequences of the breakup and the impact that it had on Slovenia, particularly economically, which no one ever seemed to want to talk about. Maybe that's covered in Zimmerman's book.

Q: No, he doesn't go into it.

WENDT: It was not in his article in "Foreign Affairs" magazine. There was no mention of the economy. Yet there was runaway inflation in Slovenia. Here is a country which, by dint of hard work and diligence, and a genuine work ethic, with only eight percent of the population of Yugoslavia, accounted for 20 per cent of the GDP, and over 30 per cent of Yugoslavia's foreign exchange earnings. Yet the country was being reduced to an economically difficult if not impossible situation. The foreign exchange the Slovenes were earning was being siphoned off to the south, to Belgrade.

Q: The Serbs had stolen the national treasury.

WENDT: They had stolen the national treasury. So, this is why the Slovenes eventually reacted by saying, "We're going to hang on to the foreign exchange we've earned. We've deposited it in some foreign bank." The situation is much better today, of course, because

of a variety of crash programs, but when I got to Slovenia, there was no road network to speak of. There were two lane highways, but the expressways had all been built in the south. There wasn't even a limited access motorway between Ljubljana and Zagreb. All the money had been spent in the south under the Yugoslav regime. The Slovenes really were shortchanged. Their economy was deteriorating rapidly. You mention the accusation that they're selfish. What does that mean when you're talking about a state? Since when is a state not selfish? Isn't it the responsibility of the leaders of a state to safeguard and promote the welfare and well being of their people?

Q: I'm repeating what was said. A normal question that I ask of everyone, of an ambassador when he goes out is, what were America's interests? Self-interest is selfishness, I suppose.

WENDT: Yes. How do you define selfishness at the nation-state level? What country is not selfish in that respect? Remember, any number of efforts had been made among the leaders of the constituent parts of Yugoslavia to compose their differences. The Slovenes had made proposals to reestablish some degree of autonomy, which the Serbs had taken away from Montenegro, had taken away from Kosovo, and, in effect, from Croatia and Slovenia as well. Efforts were made to put it all back together. All of those efforts floundered on the reluctance of the Serbs and, in particular, Milosevic, to accept any kind of compromise that would have enabled Yugoslavia to survive. So, let's put the blame where it should be. The Slovenes may have taken the first step, which they viewed as essential to safeguard their interests. Somebody is always going to take the first step. But I think it's a singularly narrow perspective that many people in the US government still have to imply that, if somehow the Slovenes hadn't been so selfish and the Croatians hadn't decided that they would follow the Slovenes and go their own way, Yugoslavia could have been kept together. This is nonsense. Yet that's the implication when one hears such loaded words as selfishness.

Q: So, you had sort of great disinterest, an almost dog in the manger attitude, I would say. In the European Bureau, were you sort of lumped together with the rest of Yugoslavia as far as the desk, the country desk, was concerned?

WENDT: Yes, initially I was. That's the way the European Bureau was organized. I'm going to leap ahead here now for a minute. While I was in Ljubljana, when Dick Holbrooke became Assistant Secretary for European Affairs -- actually before that -- I got a cable from him. He was then ambassador to Germany. He asked me what I thought about a reorganization of the European Bureau that would put Slovenia together with the Czech Republic, Hungary, and North Central Europe. I replied that I thought that was an excellent idea that reflected reality. So, Slovenia was broken off when Holbrooke became Assistant Secretary, and that change in the bureaucratic makeup got publicity in the local press in Slovenia. And I actually allowed myself to think it represented a new attitude on the part of Washington.

Q: How about Austria? Did that include Austria?

WENDT: Yes, Austria was part of it, too.

Q: I would imagine it would almost have to be. Could you describe what you found when you went out there as Chargé initially? You were supposed to set up an embassy. How do you set up an embassy?

WENDT: Initially, we actually opened the embassy on a street corner. We didn't have an embassy. But we did have a cultural center. We had a USIS library there directed by a career USIA officer.

Q: Who was that?

WENDT: Eugene Santoro, Gene Santoro. He knew the local scene well, and helped us in every way to get off the ground. We rigged a podium on a street corner out in front of the USIS library. We had the great seal of the United States and a flag. I made a speech. There was a representative from the Foreign Ministry. We even had a band. I unveiled the official seal in front of the podium and declared the embassy open. Then, later, we rented temporary quarters in a not very attractive but well located office building in downtown Ljubljana. I continued to live in a hotel, the Holiday Inn. This was a period of diminishing resources and strained budgets at home. So, we didn't have a lot of room to maneuver, but we were able to acquire decent office space within our limited budget. We looked for an official residence. Unfortunately, we didn't find anything suitable during my tour of duty.

Altogether, I was in the Holiday Inn for 11 months. We found several houses that we could have rented, but it was not easy to find one that would make a suitable embassy residence, even for a small embassy. One of the legacies of socialism was a very inadequate housing stock. The kind of property that would meet even minimum requirements for an embassy residence -- like a reception and dining area, bedrooms and baths, powder rooms, a properly equipped kitchen and what not. It was very hard to find. Also, there were constant problems of ownership -- the legacy of socialism. Frequently, if we did find a place, it would turn out that the ownership was in question and we would get bogged down in endless legal wrangling over titles, ownership etc.

During the Yugoslav period there was something called "social ownership." It wasn't even state ownership. That system, in a way, served the Slovenes well during the communist period because companies, for example, were socially owned, but they had a great deal of independence in terms of how they operated. They were not just run by government bureaucrats. But that system became a disadvantage when it came to privatization in the post-communist era, because nobody was really sure what social ownership meant and who the actual owners were. So, if we found a property that might be suitable, it often turned out that it just wasn't available. In one case the government promised us a property and then later reneged when the former owners, going back I don't know how long, filed a claim to recover the property. So, that prospect fell down the drain.

We did identify and actually purchase a very attractive and well-located property for a new chancery. But by the time I left Slovenia at the end of my tour, FBO, the federal buildings organization at State, hadn't even finished the design stage. We had owned the property for well over a year and we had hardly even begun the design work. These things moved very, very slowly. But we do have, I think, an attractive, well located and highly suitable property for the chancery. I'm not sure where the matter of an Ambassadorial residence stands.

In any event, I thought that Slovenia was a country that deserved somewhat more of Washington's attention than it got. It was strategically located -- right in the heart of Europe. It covered an area that Churchill once referred to as the "Ljubljana Gap," the soft underbelly of Europe. If you look at a map, you can see that the channel from Southeast and Eastern Europe and the Caucasus to Western Europe gets funneled right through that strategic piece of real estate that is now Slovenia. It has a coastline on the Adriatic, though only about 30 miles. It borders Italy to the west, Austria to the north, Hungary to the east and Croatia to the south. Geographically, it was a strategic piece of real estate. It was also a country that had never been in the Warsaw Pact, which meant that it didn't have to undo that particular aspect of the legacy of communism. It was a country whose economy had made remarkable progress since the galloping inflation and collapse of Yugoslavia.

The Slovenes reoriented their foreign trade away from the constituent parts of Yugoslavia -- they really had no choice -- and towards Western Europe, to the point where, today, over two-thirds of their foreign trade is with the European Union, and something over 75 per cent is with OECD countries. They have a substantial amount of foreign exchange for a country with slightly more than two million people, over $3.5 billion dollars. They also have the highest per capita income by far of any ex-communist country, and higher than the countries you always hear are the front runners -- Hungary, the Czech Republic, and Poland. The Slovenes have a real work ethic. They're serious. They want to enter NATO. They want to enter the European Union. They're a solid candidate in both cases if NATO is enlarged. They are also the one ex-communist country the Russians have expressed no concern about whatsoever. The Russians would be delighted if we would enlarge NATO just by admitting Slovenia. It's not a country that Russia has any historic interest in. It's small, and it's not a threat to anybody.

The Slovenes are serious. They're professional. They're easily absorbed into Western institutions. If Hungary comes into NATO, with Italy, of course, already a member, Slovenia is a logical link between those two countries. It makes absolute sense geographically and strategically to bring them in.
(UPDATE in 2014: Slovenia is a full-fledged member of NATO, the OECD, and the EU.)

Economically, the Slovenes have done quite well. They still suffer from very high costs in some sectors. And they face the burden of pensions, social security and social overhead costs that are extremely high, and wages are relatively high for an ex-communist country. They're still lower than in Western Europe but rising fast and

threatening Slovenia's ability to compete unless they find new competitive sectors for exports. Lastly, they still face serious problems in restructuring their banking system. Those are the weak points, but what they have going for them is a well-educated, skilled, hard-working labor force, and a long tradition of trade with the West and the East. They are basically an entrepôt country.

Q: Can you describe your reception there when we were establishing relations and your impression of the government there?

WENDT: I was very well received at all levels. The Slovenes were delighted to have an American embassy there, and delighted to have an American ambassador. I felt I was granted every courtesy. The only thing I might have wished is that they had done a little more to help us find a proper Ambassadorial residence. In any case, I wanted that for my successor because it was clear that that was not going to fall into place while I was there. Anyway, this was a secondary issue.

I dealt with two different foreign ministers during my time there, and happily I got along well with both of them. I also got along quite well with the president of the Republic, Milan Kučan and the prime minister, Janez Drnovšek. I don't want to take any special credit here. All the senior figures in the Slovene government were favorably disposed toward the US. In that respect my job was easy.

All in all, for me it was a very rewarding experience. The Slovenes wanted a close relationship with the United States. They believed it provided balance, given that they were a small country in a rather rough neighborhood, with a war that was still going on to the south. They are heavily dependent on Germany for their foreign trade. To the extent there is foreign investment in Slovenia, much of it comes from Germany. Slovenia, like other countries in Europe, occasionally presents certain signs of nervousness about Germany, not because they believe Germany has any political agenda -- I never met any Slovenes who believed that -- but just because Germany is big and it's close. Its sheer size and its economic weight and its unfortunate history make it something that people might just think twice about, even though there was nothing concrete that underlay this concern.

Then, at the same time, I should add that Slovenia was having a lot of problems with Italy. I got very much involved in that issue. It's rather complicated and has a rather tortured history. Between World War I and World War II, the western quarter of Slovenia was part of Italy, Italy's reward for having switched sides in time in the First World War.

Q: It didn't switch sides; it just hung around and waited until 1916 or something like that.

WENDT: Yes. They came in on the side of the Allies and as a reward recovered certain areas in the west. Of course, the entire area had been part of the Austro-Hungarian Empire, including Trieste, until 1918. I don't know whether you want to go into that. It's an interesting bilateral issue. We might if we have another session.

Q: I'm just wondering, maybe this might be a good time to cut this off. I would like to talk -- I think it's important -- about the whole Italian-Slovenian relationship and our role in it. Also, we want to talk about, during the time you were there, which is '92 to '95, the view from Slovenia of the whole Croatian-Serbian-Bosnian business. We've already alluded to the first part, how, when you went out there, there was a sort of reluctance on the part of the State Department to give any credit to Slovenia, and a certain unhappiness about what happened with the breakup of Yugoslavia. Did this change at all? Did Slovenia play any role in greater Yugoslav affairs?

WENDT: I can talk about all those issues. I want to add here for the record that I would like to say a little more about the Department of State's attitude toward Slovenia and certain symbolic actions or lack of actions on the part of the Department that could be attributed either to the Department's nostalgia for Yugoslavia and, possibly, to what I would characterize generally as a lack of interest on the part of the powers that be -- including notably then Secretary of State Warren Christopher -- in the ambassadorial function.

Q: I would like to talk a bit more about that. Just yesterday, Bill Clinton was inaugurated for a second term. But I have the feeling that the Clinton administration, particularly when it came in, was very weak on the international side. We did not have a very strong Secretary of State at that time. We'll stop at this point. -- -

Q: Today is the 2nd of February 1997. Why don't we talk about your feeling about the Department of State and its attitude towards Slovenia and your feeling about the Secretary's interest in ambassadors and symbolic actions and that sort of thing?

WENDT: Fine. When I first started establishing contact with the people in the Department who were responsible for the new country of Slovenia, I detected a certain standoffish attitude, not aimed at me personally, but a certain feeling that they had been almost dragged along against their better judgment to having to deal with an independent Slovenia that was once part of the Yugoslav Federation. At times I gained the impression that they almost judged Slovenia to be guilty of having precipitated the breakup of Yugoslavia, which was their principal focus. Many or most of them had served in Belgrade or Zagreb. They really had, at best, a lukewarm attitude toward Slovenia. I have to be a bit careful about generalizing because what I'm saying would not apply to everybody I dealt with, but it was a significant number. There were some exceptions who I thought genuinely looked at the situation objectively. But it was palpable, this attitude. It seemed to me that most of the people I dealt with were viewing all of these events through the prism of Belgrade.

Slovenia was seen as an interloper, indeed a troublesome interloper, who had almost destroyed something that all of these people held dear, namely Yugoslavia -- not that they were uncritical of Yugoslavia. I'm not suggesting that at all. But as I was sort of the messenger, you might say, their attitude towards me struck me at times as a bit aloof. "Well, this guy's here. We've got to deal with him. We'll give him the time of day, but

not a great deal more." I was a bit surprised by this because we all pride ourselves on our objectivity. To me, Slovenia was a reality that we should judge on its merits. In a new situation like that, I think you have to try to look beyond your past experience and associations, and that applies as much to people in the Foreign Service as to people in every profession or walk of life. So, I had to cope with this situation as best I could. I tried not to press too hard. I don't think I did, but I suppose some people may have thought that I expected too much in the way of support.

I was a bit stunned when I found out that the staffing pattern that had been agreed upon for Slovenia was so threadbare that I was not even going to have a secretary, and notably an American secretary. When I expressed puzzlement over this, the reaction was, "In a small post, you don't really need a secretary." Well, first of all, even at a small post, you can be very busy -- often even busier than at a large post with a big staff.

Q: Yes. The size of the post has nothing to do with what you're actually doing.

WENDT: Exactly. This was a new country close to a war zone. Even though it was small, it was strategically located. You could not measure the workload by the size of the country or the population. Actually, Slovenia, even with only two million people, is larger than a number of other countries. It's bigger, for example, than Estonia, where we had a much larger embassy. I suppose that difference reflects our longstanding interest in the Baltic states and the fact that we have never recognized their forcible incorporation into the Soviet Union in the early 1940s -- and maybe also their greater ethnic presence in the United States was a factor. In any event, I couldn't imagine an ambassador, even at a small country, not having an American secretary. An office is an office and we were, in fact, quite busy. Also, sometimes, the smaller the staff, of course, the greater the workload because you have fewer people doing a finite amount of work.

Anyway, I was finally able to get permission to employ a Foreign Service spouse as my secretary in a PIT position - part time intermittent and temporary, an acronym used to describe positions that we fill with spouses of American citizen employees. This was not a satisfactory arrangement because it meant, in this instance, that my secretary was the wife of the administrative officer, which I consider an unhealthy and unprofessional arrangement. One's relationship with one's secretary is based on trust and confidentiality and when your secretary is the spouse of one of your immediate subordinates, all of these professional relationships break down. But there was nothing I could do. I made it clear in the beginning that I considered it essential to get a position established that would provide for an American secretary. Well, we finally did get one but not until a year and a half later. In the meantime, I simply had to cope with the situation as best I could.

Q: You mentioned Secretary Christopher's attitude towards the ambassadorial function as you perceived it.

WENDT: I thought, and it was confirmed by others, that Secretary Christopher was so caught up in the responsibilities of his job and the various portfolios he was dealing with personally, like the Middle East, that he really didn't devote much time to the

ambassadorial function. I was told he very rarely met with ambassadors and when he did, they were only from the most important posts or they were well connected political appointees rather than career Foreign Service Officers. I never met Secretary Christopher, not once, even though I was an ambassador -- again, admittedly, to a small post, but still an ambassador. An ambassador is the personal representative of the President, and can be appointed only with the advice and consent of the Senate. It's not a trivial function. It carries a great deal of responsibility, even at a small post. In my case there wasn't even a five minute photo opportunity with the Secretary, which I would have welcomed.

Q: Yes.

WENDT: I think it would have been a useful touch to have had in my office a photograph of me shaking hands with the Secretary of State. I mean, it would have taken, what, five minutes, or even less, of his time? I can't help but contrast that with President Reagan, for example. In my previous job dealing with strategic trade and technology, I had the full rank of ambassador, even though I was based in Washington. As I said before, to get this rank I had to be nominated by the President and confirmed by the Senate. Imagine that I was called over to the White House for a photo session with President Reagan. It actually lasted more than the usual five minutes. He knew from the brief biographic information he was given that I had grown up in Illinois, as he had. So, we talked briefly about Illinois politics. As a result, I have a wonderful collection of photographs taken of me with President Reagan. That was the President and here in this instance I never even once met the Secretary of State. To me, that conveys a lack of interest in the ambassadorial function, not to mention the ceremonial aspect of the job, which in diplomacy can be important.

Anyway, a four or five minute photo session with outgoing chiefs of mission is not a waste of the Secretary of State's time, in my view.

Q: I think this was one of the problems at that time, which has now passed. Now, we don't know how it will be with the new Secretary, Madeleine Albright. Well, let's turn to the Italian-Slovenian relationship during that time. Italy had a hunk of Slovenia at one point.

WENDT: Yes. Immediately upon my assumption of my post in Ljubljana, first as Chargé d'Affaires and then later as ambassador, I had to come to grips with the lingering dispute between Italy and Slovenia, which really goes back to the first world war. It concerns the area of Istria and Trieste, the western part of what is today Slovenia. It also includes the coastal area along the Adriatic. The entire area had been part of the Austro-Hungarian Empire up until 1918, including the Port of Trieste, which was Vienna's outlet on the sea. But in the First World War, this area, which was peopled by both Italians and Slavs, the Italians being mainly in the coastal cities and towns, and the Slavic peoples in the hinterland, this area reverted to Italy after the First World War, Italy having been on the winning side and Austria on the losing side. As you know, the Italians hesitated quite a long time before they finally entered the war on the side of the allies.

Q: They didn't come in until about 1916.

WENDT: That's right. During the period between 1920 and the outbreak of the Second World War, under Mussolini Italy set about Italianizing the whole area from 1920 on. It was a very difficult period for the Slavic peoples and, in this particular case, for the Slovenes, as Mussolini set about trying to make the area Italian. Of course, it got worse after the outbreak of the Second World War, when the southern part of Slovenia was occupied by Italy and the northern part just north of the capital city of Ljubljana by Germany. In fact, it was not just occupied by Germany. It was annexed outright by the Third Reich. Hitler visited the eastern Slovene city of Maribor. I think that was in April of 1941. It was just after the successful German invasion of Yugoslavia. He declared the whole area to be German. He made a statement that every Slovene either remembers if they were old enough at the time or has since learned: "Machen Sie mir dieses Land wieder Deutsch" ("Make this area part of Germany again"). So, this area was just annexed outright to the Reich.

The southern part of Slovenia, including the capital city of Ljubljana, was taken over by the Italians. They set about Italianizing the area with even more vigor than before. It was a rough time for the Slovenes. Some Slovenes even claimed that the Italians were tougher on them than the Germans in various ways. Note that under the Italians, it was a civilian police occupation rather than a purely military occupation.

In any event, as you know, after 1945 and the agreement signed in London in 1947, this area reverted back to Yugoslavia, except for an enclave around Trieste. The allies did not want a communist country presiding over a major port in the Adriatic -- a communist country, moreover, that, at that point, had not yet broken with Stalin.

Q: Yugoslavs were shooting down our planes at that point. It was a very hostile relationship, more than with the other Eastern European countries at that time.

WENDT: That's right. So, the allies insisted on hanging onto Trieste, and they did. The rest of the area reverted back to Yugoslavia. Italians who had been living in the area -- and there were several hundred thousand in Croatia and Slovenia combined -- either fled or were forcibly expelled. They had the option of staying if they had wanted to assume Yugoslav citizenship. How realistic an option that was, I don't know -- probably for most of them not very realistic, and so they left. The Italians say they were expelled. The Yugoslavs say it was a voluntary departure because they could have stayed.

Be that as it may, in 1975, Yugoslavia and Italy finally signed an agreement in November -- November 10, I believe it was -- the Osimo Accord, which settled the boundary definitively between Yugoslavia and Italy and also called for a final settlement to be negotiated on claims of Italians who had forfeited their properties on leaving Yugoslavia after the war. Such a settlement was finally negotiated -- I believe in 1984. It was called the Rome Accord and it provided for material compensation for Italians whose properties had been forfeited when the boundary was definitively established. The sum was $110

million and payments were to begin in 1990. Actually, two payments were made by Yugoslavia in 1990 and 1991.

Then, of course, came the breakup of Yugoslavia. Slovenia assumed its obligations as a successor state of the former Yugoslavia and the Italians accepted this arrangement. There was a whole series of minor agreements that were worked out between the two countries. Italy recognized Slovenia as a successor state, with all attendant rights and obligations.

Q: When they did that, were there any problems with this agreement within the Italian body politic?

WENDT: I suppose there were, even though the agreement was negotiated by the Italian Foreign Ministry. The Italians later claimed that the agreement did not constitute formal recognition of Slovenia as a successor state. They asserted some legal technicality, which our own Legal Advisor's Office later looked into and said really didn't hold up. But the Italians, at least at the time, didn't like to be reminded of their having actually accepted Slovenia formally as a successor state that had taken over its share of all the agreements that had been reached between Italy and Yugoslavia. In fact Slovenia did then start trying to make payments pursuant to the Rome Accord of 1984. Of the original sum, I believe the Slovenes owed about 40 per cent and Croatia 60 per cent. Well, imagine that the Italians refused to accept these payments. They wouldn't even provide the number of a bank account to which the payments were to be sent. They insisted on compensation in kind. In the meantime, a vociferous minority in the Friuli-Venezia Giulia region, the northeastern part of Italy, was agitating to recover what it claimed were its properties. Their cause was taken up to a large extent by the then Berlusconi government, which had come to power in Rome.

Q: Which was sort of a more nationalistic right-wing type, rather peculiar government.

WENDT: Yes, and it was supported by Gianfranco Fini's National Alliance. So, you had a right-wing government in which there were several influential politicians playing prominent roles, including a secretary of state for foreign affairs in the Italian Foreign Ministry by the name of Lizio Caputo. Though he was a senator in the Berlusconi government, Caputo actually had an official function in the Foreign Ministry. Matters became quite difficult between Slovenia and Italy. The Slovenes took the position that the claims of these people had already been recognized and that the issue had been finally adjudicated and settled in the Rome Accord of 1984, and there was thus no legal basis whatsoever for reopening the issue. But the entire matter got caught up in Italian internal politics. Here you had a vociferous minority with some influence in the government of Italy that was beating the drum to have its interests safeguarded.

To be fair, I think the Slovenes also made some mistakes. A lot of effort was made to reach an accommodation without the Slovenes at any time giving up the idea that the issue had been legally settled, first by the Osimo Agreement of 1975 and then the Rome Accord of 1984. At one point, the then Slovene foreign minister had a meeting at which

he reached a compromise agreement with his Italian counterpart. He came back to Ljubljana, and then the agreement he had negotiated was rejected by the Slovene government. Not too long thereafter, he ceased to be Foreign Minister. He had been part of a coalition government. It was all rather painful and embarrassing.

The Slovene government at the time took the position that that the agreement was a sellout of Slovene interests. I don't think an objective person looking at what the Foreign Minister had brought back would have reached that conclusion. How much of all this was domestic politics -- an effort to embarrass a right of center member of the coalition government in power at the time -- and how much of it was a genuine belief that the Foreign Minister had gone too far in making concessions, I really don't know. My point is that a real opportunity to settle the issue was being missed. After all, the agreement had been negotiated by the Slovene foreign minister himself.

The Slovenes -- I thought at the time -- sometimes have a tendency to be a bit inward-looking and maybe to exaggerate the extent to which they were being encroached upon by outside interests. They had reason to be concerned -- no doubt about that -- but in no way were their vital interests really threatened. Perhaps this tendency came from their history of always being part of someone else's empire, so that they had to be tough-minded and tenacious in order to survive as a people.

Q: It's a new country. America is sort of the great-godfather of a lot of countries. Did you find that, as an American ambassador, they would talk to you about this? Or were you as the American representative off to one side?

WENDT: No, I was very much involved in all these issues. The United States often tried to play the role of honest broker behind the scenes. We never actually tried to mediate the dispute with Italy in a formal sense, but we were constantly making suggestions to both sides behind the scenes. At one point, we actually undertook a joint demarche -- one in Ljubljana, one in Rome -- the essence of which was that Italy would stop trying to block Slovenia's progress towards integration into the Western community of nations -- for example, by refusing to endorse an association agreement between Slovenia and the European Union, and by thwarting much that Slovenia was trying to do at every turn. The Slovenes, in turn, would change legislation they had on the books that prevented foreign ownership of property or land. The Slovenes, like some other small nations in Europe, tend to be worried that if they open up to foreigners the right to purchase property and land, their country will simply be bought up lock stock, and barrel by foreigners. The Danes had the same worry when they joined the European Community.

Q: There was the example of Spain back in the '60s and '70s losing their coastline to the Germans.

WENDT: Well, yes, that specter was raised by the Slovenes. At the same time I think the reality wasn't nearly so dire. But it's true that the Danes were very concerned that all of their vacation houses would be bought up by people from Hamburg. The Danes were able to obtain a special dispensation from the EU amounting to a restriction on foreign

acquisition of property. But no country has been able to get anything like that since, no entrant into the European Union. The Austrians got something along these lines when they joined, though not nearly as far reaching as what the Danes got. But I have to reemphasize a point I made earlier -- perhaps in a somewhat disjointed fashion, namely, that the real problem that arose was that Italy was taking steps to block the forward movement of a neighboring country that was following almost precisely the prescriptions the West had laid down for ex-Communist countries about adopting a market economy, democratic institutions, and so forth.

Slovenia had even been accepted into the Council of Europe, a human rights oriented organization based in Strasbourg. When Slovenia was accepted into the Council of Europe, they were singled out for praise for the way they treated their minorities. There are legally recognized Italian and Hungarian minorities in Slovenia. That was another bone of contention between Italy and Slovenia. Italy was constantly accusing Slovenia of mistreating the Italian minority in Slovenia, which numbered about 10,000. And yet they never brought out any specific charges. They simply waved the specter of mistreatment of Italian minorities without ever specifying in what way the Italians were being mistreated. In the absence of any specific accusation, the most you could say was that it was impossible to judge these charges. But the Slovenes were able to point to all the steps they had taken in favor of this minority, such as guaranteed representation in the Parliament, the schools in the Italian areas using Italian as a vehicular language, television and radio stations broadcasting in Italian, all of that.

Q: I was Consul General in Naples. As I recall, the Italians were quite nasty, maybe even up until now, I am not sure, about their Slovenian minority.

WENDT: Yes, I was getting to that. There were something like 80,000 Slovenes, not concentrated in one place, but spread out through the Friuli-Venezia Giulia region of northeastern Italy. The Slovenes documented chapter and verse about how Italy had failed to live up to earlier commitments, which were specified in the Osimo Accords, regarding the treatment of minorities. In fact, the Italian Parliament never passed legislation formally recognizing the Slovene minority, as they had recognized a French minority and the German minority in the Alto Adige region of Northern Italy. So, the irony in all this was that here was the pot calling the kettle black. I mean, it was possible to make a fair case regarding the absence of fair treatment of the Slovene minority in Italy. But if Italy had similar complaints about mistreatment of the Italian minority in Slovenia, it never made the case. Anyway, happily, the issue has gone away, I believe.

Q: How about the role of our embassy in Rome during this period?

WENDT: Well, let me get back to that. You asked me about the involvement of the respective embassies. All this was going on when Dick Holbrooke was Assistant Secretary for European Affairs at the State Department. We did undertake a joint démarche. The State Department sent out instructions to make a joint démarche -- one in Ljubljana and one in Rome. The Slovenes were asked to commit themselves in a reasonable timeframe to doing away with legislation that prevented foreigners from

acquiring property and land in Slovenia -- in other words, adapting their laws and regulations to the norms of the European Union, which they were going to have to do anyway at some point if they intended to join the EU. Italy was asked at the same time to stop blocking Slovenia's accession to the various Western institutions and, most notably, the EU. Then both countries were urged to settle their differences bilaterally and take them out of an international, multilateral context.

Well, our embassy in Rome, I think, had doubts about the wisdom of making this démarche. I think it was the old notion that we've got other problems with Italy, major fish to fry with Italy. So, let's not overload the circuits by getting involved in this bilateral dispute between Italy and Slovenia. Washington's view was that maybe we could do some good behind the scenes by nudging both countries to be more accommodating and to get rid of an irritant that shouldn't have been there in the first place. When you consider all of the really serious problems that all these countries had to deal with, the notion that Italy and Slovenia should be quarreling is really rather odd. In fact, I always thought that Italy had every reason and every interest in becoming Slovenia's patron. I mean, here is a small country right on its doorstep. If Hungary became a member of NATO -- Italy, of course, is already a member of NATO -- here is a country between the two, Slovenia, which for security reasons alone should be also incorporated into this arrangement. We also thought Italy stood to gain economically by becoming in a sense Slovenia's patron. Linking the economies of Austria and Italy more through Slovenia and letting Slovenia become a kind of corridor to Central and Eastern Europe as part of Italy's economic hinterland -- it all made a lot of sense. But the issue with Italy, as I said before, was being driven by domestic politics, by this minority group in Northern Italy, which had real influence in the Berlusconi government.

In any event, I made the démarche in Ljubljana. I made it very quickly. But I faced a dilemma. Here was the embassy in Rome coming in saying, "Wait a minute. Let's rethink this." But I had an opportunity to make the démarche in the most favorable circumstances. I was scheduled to have dinner with the Prime Minister. This was an event that had been scheduled previously, and I thought this was absolutely the best opportunity to make the démarche. But I didn't want to do it without letting Washington know that I was aware that our embassy in Rome had some qualms about the whole idea. I reached John Kornblum, who was then the Senior Deputy Assistant Secretary in the European Bureau. I said, "John, here's the situation. Embassy Rome has, in effect, sent in a reclama in response to the instruction from the Department, but I have a golden opportunity to make the démarche. I hate to miss it. What should I do?" He said, "Well, go ahead and make the démarche."

Q: Quick question for the historian who reads this. How did you get hold of Kornblum?

WENDT: I simply called him by phone.

Q: This is what I'm saying. These were telephone calls.

WENDT: This was a telephone call. But I also pointed out to Kornblum that the sense of the démarche to the Slovenes had to be that we were making a comparable démarche in Rome, that we weren't just singling out the Slovenes for action in this case. He said, "Well, you can fudge that issue as best you can." I could not say with certainty that we were making the same démarche in Rome when I wasn't really sure we were going to do so. So, I had to fudge the issue. I don't remember exactly what I said to the Prime Minister, something to the effect that "It's our intention to make a similar pitch in Rome." Anyway, the démarche was never made in Rome. Embassy Rome wriggled off the hook. I suppose nobody in Washington felt strongly enough to hold their feet to the fire and make the instructions stick. I thought that was a mistake and that it put us potentially in an awkward position vis à vis Slovenia. But I never dwelt on the issue after that. I always tried to avoid any situation in which the Slovenes might ask me point blank "What were the results of your démarche in Rome?" Fortunately, I was never asked. I'm not sure how I would have responded if I had been.

Q: Did the Slovenes follow-through on your démarche?

WENDT: Absolutely, they did. They took it very seriously. It wasn't too long thereafter that the Prime Minister announced his intention to amend the Slovene constitution following the required constitutional processes to do away with the ban on foreign ownership of property. So, the Slovenes did what we asked and the Italians did not. Again, I didn't want to become too much of an advocate on the matter. If you take up the cudgel too often or too vigorously, you lose your credibility. But I did think that, having started on the path of a joint démarche, by not carrying it out, we had gotten ourselves into a bit of an awkward situation.

Q: Did you ever plop down to Italy and talk to anybody in Rome?

WENDT: Yes, I did. Maybe about a year later, I went down to Rome and visited our Embassy there. What I wanted to do was talk to the embassy, our own embassy, to get their perspective on the situation, and also to see some people at the appropriate level in the Italian Foreign Ministry and elsewhere to get a better sense of how the Italians saw the issue. Well, Embassy Rome did not want me to meet with any Italians. What they said was "That would look as if the US is trying to mediate the dispute." Okay. I'm on their turf, and I was happy to go there under whatever conditions they laid down. I would not have reacted that way in Ljubljana. If somebody from our embassy in Rome had come to Ljubljana, I would have been happy to have them meet with Slovene officials. I would not have construed that to be tantamount to the US trying to mediate the dispute. But, so be it -- we all have different approaches. So, I didn't meet any Italians.

Ironically, our Ambassador in Rome, Reginald Bartholomew, as I said before, had been my boss in Washington when I had the strategic trade and technology position. We got along quite well, and Reg had even gone to bat for me when I was being considered for an ambassadorial position abroad. He kindly invited me to stay at the official Embassy residence during my visit to Rome. Anyway, I was on his turf and needless to say, I abided by his wishes as to what people I would meet with.

Be all that as it may, I did have an occasion to meet a very senior and very able Italian diplomat, Ferdinando Salleo, who is now the Italian ambassador in Washington. Salleo came through Ljubljana briefly and met with everybody as I recall, from the Prime Minister on down. That was very useful. I had known him from my previous job in Washington dealing with strategic trade and technology when he was the director of the Italian Foreign Minister for all economic issues. After that, he went to the Soviet Union as Italian ambassador, and then back to Italy, where, I believe, he was the senior career official of the Italian Foreign Ministry. Or was he Secretary General? I can't remember. Anyway, he was in a very senior position. I saw him briefly in Ljubljana. He actually came to our Embassy and I met with him in my office -- a very fine fellow, a top Italian diplomat.

In any event the whole issue dragged on even after I left Slovenia in September, 1995. The Slovenes felt somewhat aggrieved because they had publicly committed themselves to changing their laws and regulations to provide for foreign acquisition of property, and they believed the Italians hadn't done as much. I think the Slovenes had a good case. But it all changed, I would say, around the summer of last year.

Q: You're talking about '96?

WENDT: Yes, the summer of 1996. A new left of center government came to power in Rome. I suppose they thought it was time to put an end to this quarrel. The Slovenes in the meantime had taken certain positive steps. An agreement was negotiated between the two countries that, I think, settled the issue. An association agreement was finally signed between Slovenia and the European Union. It hasn't been ratified yet, but it was signed. As a result, I think Italy has now almost done what I was saying a little while ago they should have done from the beginning, and that is become Slovenia's patron. Now they're pressing for Slovenia to be in both NATO and the EU. It's a remarkable turnaround. Unless something goes wrong, I think that this whole issue has been laid to rest. There are still steps to be accomplished, and there's many a slip betwixt the cup and the lip. But it looks good right now.

In April of last year, 1996, I wrote an article about Slovenia that was published by The Washington Post as an op ed piece. I featured this issue fairly prominently in the article but tried to do it in a balanced way. I said there was fault on the Slovene side as well. But the major responsibility, I suggested, lay with Italy. Well, the Washington Post published the article giving it a title I had certainly not intended: "Slovenia vs. Italy." It was published very prominently. Of course, I said to myself, "Well, maybe my article had something to do with the change in attitude on the part of Italy." I'm just joking, of course.

What I was trying to do was give some publicity to an issue that was reasonably well known in Europe. It did occasionally get into the press in Europe. There had been a piece or two in the Financial Times covering it. But the American press paid no attention to the matter. It was small potatoes. So, the issue was not at all well known in Washington

outside of a small number of people in the government who dealt with such matters and a very small number of Congressmen -- for example, Congressman James Oberstar of Minnesota, who happens to be of Slovene origin. Because of his interest in Slovenia, he's quite familiar with the issue. But I wanted to give the question some publicity and draw attention to it in Washington outside narrow government circles. I suppose I succeeded to the extent that people read the Washington Post. I thought press exposure might indeed have some impact on the Italians if more people realized, particularly in Washington, that the Italians were, in effect, holding a small, newly democratic and successful country in Central Europe hostage to the resolution of a bilateral issue being pushed by a relatively small number of people in northeastern Italy who had previously lived in this area of former Yugoslavia.

Q: It sounds like the Cuban minority in Florida, in the United States, having tremendous impact on our Cuban policy even today.

WENDT: Absolutely. I mean, the vast majority of Italians were probably not even aware of the issue. Who knows, they might even have considered their own government's position unreasonable. It was one of those issues driven by a small number of people who happened to have political influence in the government of Italy at the time.

Q: Turning eastward, again, what were the years you were in Slovenia?

WENDT: 1992 to 1995.

Q: What was the role of Slovenia -- from your end, what was your role in dealing with Slovenia as regards the major events that were happening both in Croatia, Serbia, and in Bosnia-Herzegovina?

WENDT: Having made its break with the region at considerable cost, which included a 10 day war, Slovenia was determined to remain aloof from the quarrels of the area to the south. Slovenia's whole claim to fame was "We're not part of the Balkans. We're looking north and west and not south and east. We are in no way a part of the Yugoslav quarrel." Parenthetically, they said, "The arms embargo was slapped on Yugoslavia hurriedly by the UN in September of 1991 and should not apply to Slovenia because Slovenia was not a part of the quarrel." So, they wanted to remain aloof and they did so. Of course, they couldn't ignore Croatia because Croatia has a long border with Slovenia and there were outstanding bilateral issues, mostly involving the Adriatic maritime boundary. It didn't matter when Yugoslavia was one country and the whole coastline was part of Yugoslavia. But with the breakup, Slovenia and Croatia had to try to resolve differences over the maritime boundary in the Gulf of Tiran.

Q: Who has Rijeka?

WENDT: Well, Rijeka is in Croatia. But if you look at a map, you can see how it might be rather complicated when you start drawing lines seaward from certain points along the coast. The Croatians did not want to recognize the maritime area beyond the coastline in

Slovenia as the sovereign territorial waters of Slovenia. Slovenia thought that anything short of that deprived it of unfettered access to the sea. As of today, this issue, the Gulf of Tiran, the Tiran Strait, Tiran being one of the major Slovene towns along the Adriatic, is still unresolved. There was also a relatively minor dispute involving the land boundary and then a number of secondary issues involving the assets of Ljubljanska Banka, Zagreb -- Ljubljanska Banka having in the meantime become a Slovene bank following the breakup of Yugoslavia. But the only really major issue was the maritime boundary. The land boundary, I think, could be settled relatively easily.

The Slovene government was always very sympathetic to the Bosniaks, that is, the Muslims of Bosnia. The Slovenes thought that Milosevic was completely out of control, that the Serbs in general were out of control. The Slovenes urged us from time to time -- particularly when I first got there -- to get more involved. They said, "The only thing that will stop the Serbs is a strong Western reaction." They even went so far as to help us identify targets in Serbia that they thought we should bomb -- not civilian targets, obviously, but military targets -- munitions factories and what not. So, they were always in favor of a much stronger Western intervention than in fact took place. Eventually, they gave up encouraging us because they knew it wasn't going to happen, although in the end, in August of 1995, we did finally react with major air strikes. But the Slovenes had been urging that from the time I first got to Ljubljana three years earlier.

All that said, I think the Slovenes were always interested in a revival of commercial relations among the various parts of the former Yugoslavia because they had profited greatly from intra-Yugoslav trade. They would have been happy to see those ties restored. And I believe that's the case right now. The Slovenes, of course, did recognize Croatia. They had an embassy in Zagreb from the very beginning -- that is, after the breakup -- and the Croatians have a very active embassy in Slovenia. Similarly, the Slovenes are active in Bosnia and Macedonia. They have also recognized Serbia, and Serbia has recognized Slovenia's independence, though there has been no exchange of diplomatic missions as yet. That has been proposed by the Slovenes but thus far the Serbs have not gone along. I think today Slovenia recognizes the importance of playing a constructive role in the region. They have offered us logistical facilities, for example, in carrying out our mission in Bosnia, Operation Provide Comfort, and helping logistically with -- what's the acronym for the NATO force?

Q: It was IFOR (Implementation Force), or something like that?

WENDT: Right, IFOR.

Q: Now it has a different name. But, anyway, it's basically the NATO units that are engaged in peacekeeping in Bosnia-Herzegovina.

WENDT: The Slovenes offered us at one point the use of an airfield near the Croatian border. It had been a Yugoslav air force field before. I don't think anything ever came of that. Today, I believe the Slovene attitude is, "We want to be a good neighbor. We want to play a constructive role. But we do not want to be drawn back into any kind of

arrangement that has political overtones, that looks like it might be aimed at reintegration of the region. Recently, the US floated something vaguely hinting at this notion. I read about it in the newspapers. I don't want to unfairly characterize it, but it must have sounded to the Slovenes like something that moved in that direction. So, not wanting to appear unresponsive to a US idea, they were merely standoffish. Again, I think, they would be happy to see commercial and economic ties restored in the former Yugoslavia. And they do have a lot of trade with Croatia.

Q: I want to stick to your work while you were in Ljubljana. Were you called upon by the Department of State to, say, go to the Slovene government and urge the Slovene government to go talk to their colleagues in Bosnia or Croatia or anything like that to get more involved in what was happening in the war?

WENDT: No. I think Washington recognized that the Slovenes weren't likely to do anything like that. We did encourage Slovenia and Croatia to settle their differences. They made a number of attempts to do so, and that activity still goes on. There wasn't much we could ask the Slovenes to do vis à vis Bosnia because they were already doing just about everything that could be reasonably expected of them. Relative to the size of Slovenia, they had quite a number of Bosnian refugees in their midst when I first got there. The number dwindled during my stay, as, I suppose, a number of them went home, were integrated to some degree, became permanent residents in Slovenia, or moved to third countries. So, the refugee population dwindled. But in the beginning, I visited several refugee centers the Slovenes had established.

The Slovene record in dealing with Bosnian refugees was a good one. The Slovenes got some international assistance, but they provided a lot of help on their own. I think they were trying to play a constructive role. But there was still a feeling in Washington that the Slovenes were somehow selfish, even though in my judgment there was no objective evidence of that. In fact, the Slovenes believed the US should be doing more to help the Bosnians militarily. The Slovenes were a strong advocate of Western intervention in the quarrel from the very beginning. They believed this was the only way to rein in the Serbs. Now, that said, on an individual basis, almost every time I spoke with the Slovenes, they would say, "You know, we know the Croatians well. They are our neighbors. We have lived with them for years and years and years. But sometimes they can be difficult, maybe a little devious.

The Slovenes would sometimes say they actually got along better with the Serbs on an individual basis than with the Croatians. They blamed the political turmoil on Milosevic and the Serb government, not on the Serbs as individuals. When they were pushing the idea of more vigorous Western intervention, they did make a point of saying the Serbs weren't such formidable adversaries, which I thought was historically quite interesting. The Slovenes said, "You know, you Americans, you've conjured up the notion of how tough the Serbs are, so that if you did get involved, there would be serious risks and, potentially, huge casualties. We don't believe it." They would then go on to say the historical record shows that, with the possible exception of a brief period during the First World War, the Serbs have never acquitted themselves well when faced with a serious

military adversary. Even the Yugoslav partisans during World War Two and everything they did against the Nazis, all that was greatly exaggerated by Tito for propaganda purposes, and even exaggerated by the Allies, who wanted to build up Tito and propagate the image of really fierce Yugoslav resistance to the German occupation.

The Slovenes would stress what they said were verifiable historical facts. For example, contrary to what you read in the Western press -- namely, that the Yugoslav partisans tied down 30 German divisions during the occupation of Yugoslavia -- in fact, the Germans had only six divisions of second echelon occupation troops there -- and when they originally invaded Yugoslavia, they had only about eight divisions. The country was occupied in barely more than a week. All the major population centers and transport areas, supply centers, staging areas, which is all the Germans had been interested in the first place, were occupied and remained occupied throughout the war. Tito was really never more than a nuisance to the Germans. The whole partisan effort was blown out of proportion." This was the Slovene view. By the way, I think this version of those events is largely substantiated by the British military historian John Keegan. The Slovenes also maintained that, to the extent there was real partisan resistance, it was not being carried out principally by Serbs, but rather by Bosnian Croats -- people from Herzegovina, which I think is largely Bosnian Croats -- Montenegrins, and Slovenes in the northern part of what was then Yugoslavia. But in any case the resistance, such as it was, did not come primarily from the Serbs.

Q: The Montenegrins.

WENDT: Yes, the Montenegrins, very good fighters.

Q: Of course, when you look at where the war took place, that's where it took place, not in Serbia per se.

WENDT: That's right. There was nothing happening in Belgrade. That was where the famous book, "The Bridge over the Drina" was written by Ivo Andric. He just sat out the war in Belgrade writing his book. So, the Slovenes made much of that, that the West had allowed itself to believe that the Serbs were so tough. They did appear tough going into a village and rounding up women and children, but, again according to the Slovenes, the issue was, how tough were they when faced with a serious military adversary?

Q: Did you become aware of Slovenia becoming sort of a way station for shipment of arms into Bosnia or anything like that?

WENDT: Yes. There was a famous case of a large shipment of arms that had been seized by the Slovenes in Maribor in the eastern part of Slovenia. As I recall, when I left Slovenia in September, 1995, those arms were still stored there somewhere. There's no question but what Slovenia allowed itself to be a conduit for arms shipments to Bosnia. They never really denied it, and the US just sort of looked the other way.

Q: It became a political issue at one point in the United States, not a big one, but a minor one. Did you ever receive instructions to either report on or do anything about arms to Bosnia?

WENDT: No, I didn't. I took it upon myself to try to find out what was going on. We reported as much as we were able to find out about what was going through Slovenia. But most of that information was developed in intelligence channels. I think Washington was pretty well aware of the extent and magnitude of Slovenia being used as a transit point for shipment of arms. It wasn't heavy stuff; it was small arms -- rifles, grenades, maybe grenade launchers, RPG's, I don't know. No heavy armor or anything like that. But Washington never instructed us to do anything about it, even though they knew about it. In effect, given their rather benign attitude towards the shipment of arms from Iran to Bosnia, Washington would hardly be concerned about war materiel going through Slovenia.

At some point, I think somebody in Washington raised the issue of whether or not Slovenia was sufficiently enforcing the embargo as a reason maybe for questioning how hard we should push for Slovene admission into NATO. I thought that was not a compelling argument. Actually, it wasn't the broad arms embargo as such that was at issue but the embargo specifically on Serbia. I did know something about the Iranian arms shipments that were going to Croatia. It was talked about, not with the Slovenes, but among my US government colleagues in the region. I know, for example, that CIA personnel, who, of course, knew what was going on, were quite upset about it. They believed this was the wrong thing to do and that it would lead to endless problems, like the growth of Iranian influence in the region. But there wasn't anything they could do about it. It was not their job to make judgments about what was considered a policy issue in Washington. But I can tell you, they were quite upset. Frankly, I agreed with them. I thought it was a mistake. I knew what was going on at the time, but I never got directly involved. I never sent any message to Washington on it.

There was a small Iranian presence in Slovenia. They were there legally in the guise of NGOs (Non Governmental Organizations) or charitable organizations. But I am rather confident they were up to no good. The Slovene government kept a close watch on the matter, which, of course, we encouraged them to do.

Q: Was Slovenia concerned at all about the Islamification of Bosnia and bringing with it a religious radicalization?

WENDT: I would have to say, in all honesty, that the Slovenes did not seem to me to be as concerned about that as a lot of Western Europeans, like the French and the Germans, although the Slovenes did point out that the failure of the West to mount a more effective campaign to bring the conflict to an end and to rein in the Serbs was having the effect of radicalizing the Muslim population in Bosnia. They said, like everyone else, that these people -- the Bosnians -- were really all the same in terms of their origins. It was just that, through accidents of history during the Ottoman occupation, some local potentates

converted their people to Islam in order to reach an accommodation with the Turks. Other local leaders did not. These are all facts of history.

The oft forgotten reality is that all these people are basically the same in terms of their origins. Unfortunately, the quarrel has had the impact of exacerbating all the religious differences. But the people themselves, like everyone else, express bewilderment that people who had lived side by side for so long could all of a sudden turn into such bitter enemies and commit such atrocious acts towards each other. The Slovenes were as bewildered as everyone else. But, you know, they didn't blame the people themselves. They didn't blame, for example, all the Serbs. As I said, on an individual basis, the Slovenes rather liked the Serbs. The Slovenes blamed the Yugoslav government and, in particular, Milosevic, whom they obviously had no use for.

The Slovenes were convinced that it was really Milosevic who was responsible for the breakup of Yugoslavia by refusing to accept anything less than complete Serb political and economic hegemony in what was Yugoslavia. The Slovenes didn't really seem to be so concerned about the religious aspect as such. Of course, the Slovenes themselves are about 95 percent Roman Catholic. There are a small number of Protestants left over from the Reformation. Actually, Protestantism made great headway at the time of the Reformation. Some of Slovenia's most revered historical figures -- poets and writers -- were Protestant. But then came the Counter-Reformation, and today the population of Slovenia is mostly Roman Catholic.

Q: Did you have any consultation, backward and forward, with our ambassador in Croatia?

WENDT: Yes, indeed. I went down to Zagreb from time to time…

Q: Peter Galbraith.

WENDT: Yes, Peter Galbraith. I know he came through Slovenia occasionally on his way to Italy, but he never came to Ljubljana. I never met him there. But I went down to Zagreb on a number of occasions and had lunch with him. I also saw him at chiefs of mission -- ambassadorial conferences in the region. We got along well.

Q: I take it that, from all you're saying, Slovenia, for the most part, although major things were happening almost practically on your doorstep to the east, was pretty well dealt out of the game, both by the former Yugoslav parties and by the Western powers, including the United States, and by the Slovenes themselves.

WENDT: I think that's a fair characterization of the situation. The Slovenes were there. They were in the neighborhood. They had to deal with a tough neighborhood. That's one of the reasons why they felt so strongly that the UN arms embargo should not have applied to them. They needed the arms for self-defense, which is a right guaranteed them under Article 51 of the UN Charter. Moreover -- and this is important -- they weren't a party to the conflict. But on the other hand, they did not want to become identified with

the region and its quarrels. In fact, they suffered constantly because of their geographic proximity to a combat zone. I may have covered this earlier, so I risk repeating myself, but I constantly ran into people who said, "Oh, it must be really dangerous there. Do you take a flak jacket with you when you go around?" "What kind of security do you have?" People associated Slovenia with the Balkans -- an historically tough, often violent neighborhood. This notion really worked against the Slovenes. They were thought to be in a war zone. I'll give you an example of this mentality.

The FDA (Food and Drug Administration) used to send out representatives to pharmaceutical plants in Slovenia because there were a few Slovene firms, previously Yugoslav firms, that were exporting to the US market. They could only do that if the firms had passed an FDA inspection. They were exporting the raw ingredients for some generic antibiotics. Actually, one of the firms is now exporting finished products. Anyway, it came time for another FDA inspection. We received an anguished letter from one of the Slovene pharmaceutical companies, saying, "The FDA refuses to send an inspector to Slovenia because they believe it's too dangerous." Well, we got involved immediately. The embassy sent a rather strongly worded message back to Washington saying the FDA's attitude was devoid of reality, that Slovenia and Ljubljana in particular were not only calm but a lot safer than the streets of Washington, DC. I never had any kind of security the whole time I was there. So, we started trying to crack this nut. It's hard to believe, but it was not easy.

The FDA had determined that this was a dangerous area, and they were not going to send an inspector. Well, to make a long story short, I had to send some rather strong telegrams to Washington, but we finally prevailed. The FDA relented, but then we found out they had circulated a notice among their employees requesting volunteers for this mission because of the risks involved. I recite all this parenthetically just to give you an idea of what the Slovenes were up against and why they wanted to disassociate themselves from the embattled regions to the south -- and why to this day, since the conflict is still not definitively settled, they really want to be identified with Central Europe and they want to look north and west rather than south and east.

This attitude does not mean the Slovenes do not want to play a constructive role in the region if the circumstances are right, and it doesn't mean that all they want to do is make money. I think they want to be good neighbors, but it isn't easy to be good neighbors in a situation like that. Yes, they have their problems with Croatia, but they're not major problems. They get along well with the government of Bosnia and with the Bosnians resident in Ljubljana. They get along well with the Macedonians. I think they're playing a constructive role in the region while at the same time safeguarding their major interests, which they see as getting their country fully incorporated into the Western community of nations, NATO, and the European Union. And they are without doubt a prime candidate for integration into these institutions.

Q: You left there in '95.

WENDT: I left there in September of '95.

Q: And into retirement at that point?

WENDT: Shortly thereafter. I left in early September and I retired at the end of October.

Q: Well, I was just thinking that it's been a long trip. We might stop at this point, do you think.

WENDT: Yes.

Q: Great.

End of interview