Interview with John C. Leary

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

JOHN C. LEARY

Interviewed by: Raymond Ewing

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[Note: This interview was not edited by Mr. Leary.]

Q: John, it's nice to be doing this with you and catching up on your career.

LEARY: Thank you, Ray. It's nice to be here.

Q: It looks to me like you came into the Foreign Service in about 1950. Tell me how you got interested in the Service and sort of what brought you to that point.

LEARY: Well, I suppose I became originally interested in serving abroad through my service in World War II. I spent several months in Europe and that kind of whetted my appetite for seeing distant places. I returned, after the War, to complete my undergraduate education at Yale and majored in International Relations during that time. Thereafter I worked in the Foreign Department of a bank in New York for about a year and then went to graduate school at the University of Pennsylvania where I was studying foreign trade. While I was there I took the Foreign Service Exam, and passed, and was eventually employed by the Department of State in the Fall of 1949. I began my career as a Diplomatic Courier because at the time there was a considerable wait for those who passed the Foreign Service Exam to obtain their Foreign Service appointments. The

Department was offering temporary positions to people who were in this situation. I was a courier for almost a year and eventually received my Foreign Service appointment, Foreign Service Officer, in November of 1950.

Q: You were a fighter pilot with the Air Force in Europe during the later stages of the War.

LEARY: Yes.

Q: So you stayed in Europe a little bit after the end of the War?

LEARY: Well, I arrived in Europe in August of 1944 and was assigned to an operational unit of the 9th Air Force in September of that year. We were based initially in Belgium. The 9th Air Force was a tactical Air Force which gave close support to the troops. We moved forward as the troops did. I joined my group in Fleming, Belgium and we then moved to Passau, Belgium and then to Germany. I stayed on for a few months after the War. The War ended, of course, in May of 1945 and I finally returned to the States in November of 1945.

[Editor's Note: During World War II, Mr. Leary served in the ArmyAir Corps as a fighter pilot and flight instructor. He rose to the rank of Captain and received the Distinguished Flying Cross. He is briefly mentioned in the book, The 370th Fighter Group in World War II in action over Europe with the P-38 and P-51, Jay Jones, 1992. The 370th Fighter Group was part of the 71st Fighter Wing of the 9th Fighter Command of the Ninth Air Force. The Ninth U.S. Air Force was established for the sole purpose of providing tactical air support for the D-Day invasion (Operation Overlord, 6 June 1944) and beyond. The 370th was deployed to Aldermaston, England in February 1944 and moved to bases in France on 31 July 1944, and later Belgium. At first 370th FG pilots, like Leary, flew P-38 aircraft. The 370th FG converted to P-51s after February 1945, [see www.9thaf.com or www.usaaf.com/9thaf or www.publicenquiry.co.uk/force/af9th]. Mr. Leary is buried at Arlington National Cemetery.]

Q: Let me ask you about the Foreign Service Examination that you took in 1949. That was a three day exam at that time?

LEARY: That's correct. A rather grueling three days.

Q: And that included an oral exam, too?

LEARY: No, the oral exam took place later. When one passed the written portion of the exam you were then scheduled for the oral portion of the interview. I took the exam in Philadelphia. That was in the Fall and in June of the following year I was invited to Washington for the oral exam with the State Department.

Q: And you passed that and they gave you a job as a diplomatic courier.

LEARY: Right. I passed that and they informed me that I passed, but it would be a considerable wait. They said that they were looking for part time or interim employment from people and asked if I would like to be a courier. I agreed and spent about a year traveling around, mostly around South America and Central America, seeing all the airports and not a great deal else. It was interesting.

Q: And you got paid for it.

LEARY: Exactly. I think my pay was something like $2,400.00 per year.

Q: Plus travel. Well, a lot of airplane tickets. Okay, so you came into the Foreign Service then in 1950. Your actual Foreign Service Office appointment was in November, you said in 1950. Did you have the usual orientation training program at the Foreign Service Institute?

LEARY: No, I did not. Because I was already on the rolls and my wife and I had decided to be married, I asked for a job that would keep me more at home than the courier job did, so the Department searched the files and on June 29, 1950 assigned me to the job

of vice consul in Cherbourg, France. Nancy and I were married on July 8, 1950 and about three weeks later took off for Europe on the Queen Elizabeth. Officers traveled first class in those days.

Q: That was your honeymoon trip?

LEARY: That was our honeymoon trip. In those days the Queen Mary and Queen Elizabeth traveled between New York and South Hampton by way of Cherbourg. So we spent four days on the Atlantic and arrived in Cherbourg at our new post.

Q: Cherbourg is a post that doesn't exist any more.

LEARY: That's correct. It was a small consulate post and it existed then because Cherbourg was quite an important port. In particular, we were shipping most of our military cargo that was going to Europe through the port of Cherbourg. The French had a military unit there acting as the receiving depot and we had daily two or three merchant ships coming in unloading tanks and different types of equipment.

Q: This was the period not long after the Korean War had began and the Cold war was very much a reality in Europe.

LEARY: In fact, the Korean War actually began shortly after I had arrived in Cherbourg.

Q: And France was a very important and loyal member of NATO. The headquarters was in Paris.

LEARY: That's correct. One of my more interesting experiences in Cherbourg was the arrival of General Eisenhower to take over command of NATO that had been established with its headquarters in Paris. Many American officials traveled on the Queen Mary and Queen Elizabeth in those days and they would arrive in Cherbourg and get on a boat train to Paris. At 7:30 one morning, my wife and I and the consul and his wife and the

Mayor and the Super and all the local officials went down to the docks to meet General Eisenhower. So we drank champagne with him at 7:30 in the morning.

Q: That's some return to Europe. This was in the days also before there were flights and the people would routinely take the ships.

LEARY: Right. Later on I became very much involved in HICOG policy matters and I used to read the reports of the negotiations for our delegations, the GATT negotiations for example, who traveled by ship to Europe.

Q: So you were the number two. There were two officers at the post.

LEARY: Yes, the post had been a one man post before I had arrived. Actually, a young woman had been assigned as vice consul about three months before my assignment and she found the small provincial town of Cherbourg rather difficult and requested a transfer and was sent to Paris. So I was appointed as the next vice consul and for the first time we had two officers at the post.

Q: And I suppose that on occasion you were in charge while the consul was away?

LEARY: Yes, somewhat to my surprise, the day we arrived happened to be a Sunday and the consul met me at the dock and informed me that the next day he was starting a long delayed leave. So, I would be in charge. And I didn't have any orientation training at FSI so I was kind of perplexed, but fortunately we had a very good local staff, including one gentleman that I recall very fondly, named Paul Barbet, who was the senior local. He knew the consular work backwards and forwards and he held my hand and got me through that rather nervous period.

Q: Had we had a post in Cherbourg for awhile?

LEARY: My impression was that it was a post-War thing and it actually closed in 1956. At that time we shipped most of our NATO supplies to the West coast of France, through

Bordeaux and the amount of American shipping coming in to Cherbourg was declining drastically. So, as an economy measure, the post was closed.

Q: But while you were there it was a busy post.

LEARY: Yes, it was quite busy. It was busy in some ways. I must say that having joined the Foreign Service expecting to be involved in matters of high policy, being assigned to a small provincial town was something of a come down. We enjoyed our life there but the work was mostly involved with shipping and seamen, and dealing with ships that came into port.

Q: Both American flag vessels and foreign flag?

LEARY: Well, the only foreign flag vessels that we really became involved with were those that were carrying American official travelers. The Queen Mary and Queen Elizabeth principally and in addition a few others that had occasion to come to port. It's my recollection that we did have on the books legislation, as far as typical travel was concerned, the requirement to travel on American vessels. This being a post-war period, there were waivers which enabled most of our World War II allies to carry passengers as well.

Q: Later on, I guess it was the United States that was on a kind of North Atlantic run.

LEARY: Yes, in fact when we came home from Cherbourg we traveled on the United States from The Hague. And then they were beginning to reinforce the requirement that American travelers travel on American ships.

Q: Did we have a consulate there in The Hague?

LEARY: Yes. That was a much bigger and more active post. Cherbourg was a small town with about a 35,000 population. A very good big deep water port which was why the Queens came in there. And they could come in at any time of the day or night. Whereas

in the home port of South Hampton they had to arrive at particular tides, so they had to time their arrival at South Hampton. But they didn't have a specific time to drop off their passengers in Cherbourg. Furthermore there was a regular boat-train service between Cherbourg and Paris. It in fact met the ships at the dock and passengers left directly from the ships to the train. Of course, the process worked in the opposite direction as well. Our little consulate was there to facilitate the travelers and occasionally deal with any visa problems or lost passport problems and so forth and then make sure that official travelers made the proper connections.

Q: Did the consulate in Cherbourg have a consular district as well in the town itself?

LEARY: Oh, yes. It covered most of Normandy and Brittany. It was of course very much involved in the D-Day Landing on June 6, 1944.

Q: The commemoration of those Landings.

LEARY: And the Cherbourg was at one end of those landings. It was quite a battle before we were able to secure the port of Cherbourg after the landings. During that period, there were a number of commemorations of the D-Day landing and dedication of monuments, etcetera. We usually had American VIPs, including General Eisenhower and General Ridgeway, come down for those. In a small post the consul and the vice consul were usually included in those events. One in particular, a very moving experience, was to attend the dedication of the U.S. military cemetery on Omaha Beach, at St. Laurent sur Mer. It was beautiful and moving experience.

Q: The period that you were there was less than ten years after the landing at Normandy, so they were still getting organized in terms of the cemeteries and...

LEARY: That's right. We still had the wooden crosses in the cemetery at the time. Now there are stone crosses. I was back there in 1979 and saw the large monument with dioramas of the landings and descriptions of the battles that took place.

Q: Besides the two of you at the American consulate, were there other American officials or facilities in your consular district?

LEARY: We had about, ten miles outside of Cherbourg, a small U.S. Army detachment, a signal corps detachment manning what was known as the cable head. During World War II the Trans-Atlantic cables had been cut and one of them, which had run from New York and ended in Germany was picked up after the War and the end of the cable was brought into Cherbourg where it connected with land lines. We had a signal corps detachment of about four officers and 40 enlisted people who were in the service there to make sure that the cable was operating properly. That became one of the principal communication lines for U.S. federal government communications with Europe, including State Department. So that gave us the opportunity to associate with the members of the military. That was the only Americans presence that we had, except for some American Battle Monuments, people who were at the cemeteries. We had cemeteries at Omaha Beach and another one in Brittany.

Q: They were basically responsible for the graves and were beginning to organize memorial installations.

LEARY: Right. The maintenance of the property.

Q: Okay. Anything else that we should say about your first post at Cherbourg?

LEARY: One thing that might be interesting although it's not about me, it's about the consul who was in charge at the time that I arrived. His history was interesting and perhaps typical of some of our long-time, what we called staff corps employees. His name was Leslie Weisenberg and he had gone to Europe in World War I with the Army. At the end of the War, he, and I suppose the General, had the opportunity to take their discharge in France and he decided to do so. He had been there for several months and had never seen Paris or any other sights. He went to Paris and he told me that he enjoyed himself

for a few weeks, then he ran out of money. At that time the Versailles Peace Commission was beginning to work and he applied for and obtained a job as a clerk with the American delegation. After that ended, he managed to sign on with the embassy in Paris and worked in the embassy in Paris until World War II. In the meantime, he had become a Foreign Service Staff officer. First a vice consul and then a consul. When France fell, he was interned with other staff members of the American embassy in Paris and was eventually returned to the United States. In 1944, when we liberated Paris, he was one of the first people to go back to work in the embassy. In about 1948 he was assigned to Cherbourg as the officer in charge of the consulate.

Q: What did he do after Cherbourg?

LEARY: Well, he was not anxious to leave France. He was married to a French woman and had property in France and so on. He did do a couple of other posts, as I recall, one was in Switzerland, and if I'm not mistaken he might have been assigned to a French-Canadian post as well. But he used to tell a lot of stories about the inter-war period. Including the time when due to budget problems and the staff was asked to go for a month without pay. That wouldn't happen any more.

Q: Well, when Congress doesn't act when it's supposed to act. So he had something like a 30 year or 30 plus year career almost all of which was in France.

LEARY: That's right. There were several other people at the embassy at that time who had similar experiences. A fellow that I didn't know too well, but decided on our budgets and a lot of the senior consular officers in Paris, some of whom had been there for decades.

Q: And home leave wasn't routinely taken every two years.

LEARY: That's right.

Q: Particularly in the inter-war period.

LEARY: Right.

Q: Okay. Anything else about Cherbourg? Your first child was born there, I believe?

LEARY: Yes. That's correct. That was an interesting experience also.

Q: At a French hospital or U.S. military?

LEARY: No. A small French clinic. I recall that day, the doctor had his office and facilities in a typical rowhouse building, four story high walk-up. Nancy went in one morning and her room was on the second floor and the delivery room was on the fourth floor. She had a very difficult and long labor and was heavily sedated and when it came time for the baby to be delivered, the doctor said to me, “I'm afraid she can't walk up to the delivery room.” He was kind of a small fellow and she was rather large at this time, he asked if I would assist him in getting her up. So I picked up my wife and carried her up two flights of stairs and put her on the delivery table. Thankfully everything came out all right and we had a beautiful daughter.

Q: Okay. Where did you go after Cherbourg? You were there for two years?

LEARY: We were there for two years. And then we had our home leave and went back to Dusseldorf, Germany. We did fly to Dusseldorf. That was the first time we had flown in one of our transfers.

Q: You'd done a lot of flying when you were a courier. I guess I should back up for just a second. Did you have French when you went to Cherbourg? And what about German for Dusseldorf?

LEARY: No. Well I studied French in Junior High School, but had no language training before going there. I knew a little bit and I was able to read it quite well after some time. I picked it up although I could have benefitted with some formal lessons. In the case

of Germany, we had no language training before going to post, but we had a regular language training program in the consulate in Dusseldorf and we were able to have daily language training. We were using the language on a regular basis, so by the time we had completed three years in Dusseldorf we were able to speak the language quite fluently.

Q: What sort of work did you do in Dusseldorf? What kind of post was that at that period?

LEARY: It was a very large post, as all our posts were in Germany at that time. It was the occupation period. By present standards we were over-staffed. I was an economic/ commercial officer. We had four American officers in the Economic and Commercial Section. Three or four political officers and a rather large detachment. While I was in Dusseldorf they were in the process of building a consulate general building which was completed while I was there. A rather large two-story building which was on one of the main streets in Dusseldorf. An impressive building.

Q: Dusseldorf, of course, is not that far from Bonn where the embassy was. I guess it wasn't called an embassy.

LEARY: It was called a High Commission at that time.

Q: Did we have a post also in Cologne?

LEARY: No. We had an information service post there, but not consulate. We were the closest consulate to Bonn.

Q: You say you did Economic Commercial work. Was that largely reporting on economic developments or promoting U.S. exports or a little bit of both?

LEARY: There were two principle facets. One was reporting. Dusseldorf was on the edge of the Ruhr area, sort of the financial capital of the Ruhr, where much of German heavy industry had been located. The consular post had been assigned by the embassy to cover certain industries. We had some of the major ones which were coal and steel

and chemicals, so we did a lot of reporting. It was an interesting time because being the occupation period when I arrived, the consular officers had unusual access to top figures in various industries. I recall, as a vice consul going into call on the president of Bayer Lever Kusen, which was in our district talking to him about the situation of the German chemical industry. So we did a lot of reporting of that kind. We also had a number of routine functions of a commercial officer with Customs evaluations, and projects, and things of that sort. We were to a degree promoting American exports, but a lot of our emphasis went the other way. We were trying to help the Europeans, including Germans, with their exports to the U.S. We had a number of programs in that area.

Q: When you say Customs evaluation programs, what does that mean?

LEARY: In some cases U.S. Customs questions the evaluations that are put on products exported to the United States from foreign countries. In order to assess the duties they have to have proper basis for that. If they question the invoice price, they will ask an American official located abroad to do an investigation. There's a certain form for that and questions that have to be asked. In some cases, Customs have their own people abroad that do these things and in other cases they rely on the embassies and consulates to assist them. That involved going out and visiting many German companies and asking questions and asking to see their books and so on. It was quite helpful in terms of our reporting function as well, because it gave us access to lots of people and information in terms of assessing the state of affairs.

Q: This was the period, I believe, when you were serving in Dusseldorf, when the European coal and steel communities were started.

LEARY: Yes, it was being discussed and eventually established.

Q: And did you, as you went around the coal and iron and steel industries, look for views about labor relations?

LEARY: Yes, that was one of the things we reported on.

Q: And did you see much impact on the German industry while you were there or did that come much later?

LEARY: I think that probably came later. What we saw at this time, even though it was only a few years after the War, the German economy was beginning to pick up dramatically, even though it had its ups and downs.

Q: What did you see as the main factors in the period that you were there in the development and expansion of the German industry?

LEARY: Number one was a stable currency. I think it was 1948, after currency reform which got things on the right track. The Germans had always been afraid of inflation and it was based on hyper-inflation, which they had experienced between the wars and so on. But they had a stable currency. They had an industry, which existed before hand, it was being modernized and because much of what had existed previously had been flattened and they had to start from scratch a strong management along with a very hard working labor force, they were able to recover quite quickly.

Q: How important was the defense build-up that was occurring in Western Europe at that time, would you say? Perhaps not so much in Germany, but elsewhere.

LEARY: As I mentioned, during the occupation period we were actually in the British Zone of occupation in Dusseldorf. It's hard for me to judge that. I think the build-up over all was significant, but I think the demonstration of our intentions to maintain the freedom of Western Europe was important as well as the freedom of Berlin, at least the Western Zone of Berlin.

Q: Did you travel to West Berlin?

LEARY: Unfortunately not at that time. I didn't get to Berlin until the 1980s when I had a chance to visit with a group from Portland there.

Q: So your activity in the Federal Republic, in particular West Germany, was pretty much confined to your consular district.

LEARY: Yes. We did travel around to other parts of Germany on leave, for example.

Q: And to what extent were you directly involved with the embassy, or the High Commission initially? The embassy in the Federal Republic was started in 1955?

LEARY: It was '55 when Germany regained its sovereignty and what had been the High Commission became the embassy.

Q: Were you involved with that very much or not particularly, even though you were fairly close to Bonn?

LEARY: We had semi-annual meetings of the economic/commercial officers in Bonn and we had visitors from Bonn for orientations and consultations with us and so on. We had a fairly regular telephone contact with them.

Q: When Germany Federal Republic gained sovereignty and so on, did that make much difference, this must have been your last year, in terms of your work?

LEARY: Very little change. One thing that did change, we had been licensed to drive by the occupation authorities and now Germany was in charge and we all had to get German drivers licenses. I recall a German policeman came around to the consulate general regarding our licenses and said that they were not going to test us but he wanted to give us a little orientation on the German rules of the road and so forth. Then he commented that he had been to the States on one of our exchange programs and was so impressed with the discipline of American drivers that he knew that we would be very good drivers.

He said “one thing you have to remember is in America you drive according to the situation you see on the road, but in Germany you drive according to your rights.” He said “if you have the right of way and you go, be careful of those people who think they have the right of way,” and he handed out our drivers licences. Then we received also our license plates that said “U.S. Mission,” which was the term used for the embassy and the various consulates in the post-War period. I had a fellow one day at a gas pump that drove up behind me and saw my license plate and he said, “Sir, what denomination are you with?” He thought I was a missionary.

Q: As you said this was the British occupation zone. To what extent were you involved with the British authorities, the British Army?

LEARY: We were involved administratively with the British. They supplied our housing for example, it was requisitioned housing. Because we were a relatively small American group we had, over the years, acquired some very nice housing which after the occupation ended we had to negotiate the lease. In some cases, the original owners took our property back. They provided such things as a British version of a PX, etcetera, for us. We had a lot of interaction with our counterparts at the British consulate general who were, like ourselves, working for the same things and we exchanged ideas with them.

Q: Where there many other consular establishments?

LEARY: Quite a few. The French and I remember the Brazilians had a consulate there. The Brazilians, Chileans and the Argentineans both had consular representation there. It was a big important commercial and international center.

Q: How about in Cherbourg? Were there others?

LEARY: No. The consul and myself were the only career consular people there. There were a lot of honorary consulates, mostly people who dealt with shipping and shipping services. We had a Consular Association in Cherbourg whose main activity was a monthly

luncheon, which we began at noon and lasted until 3:30 or 4:00 in the afternoon, with multiple courses, a typical French lunch.

Q: Okay. Anything else we should say about Dusseldorf?

LEARY: Two more children were born in Dusseldorf.

Q: With easier births?

LEARY: Easier births. Again there was a private clinic, a quite luxurious one.

Q: Where did you go then after Dusseldorf?

LEARY: Then we moved on to Istanbul, Turkey. Where again I was an economic/ commercial officer.

Q: Again, you did not have the Turkish language instruction.

LEARY: No. We began taking Turkish language lessons in the consulate general, but unfortunately, shortly after our arrival the language teacher became ill and lessons ceased. Therefore, I was left struggling with Turkish, but French was widely used in Istanbul and there was a French language newspaper.

Q: You arrived in 1956. What was, as you said you were the economic/commercial officer. Were you the officer doing that?

LEARY: No, by then we had three officers. I was also the labor reporting officer so I spent quite a bit of time dealing with the officers of the Turkish labor unions.

Q: Who was headquartered in Istanbul?

LEARY: That's right. Istanbul was the major economic and commercial center in Turkey at that time. Trade Unions who were relatively lacking in power at that time, but nevertheless were active, so we dealt with them quite a bit.

Q: Why don't you talk a little bit about the political situation there in Turkey while you where there. What sort of government did they have and what was the relationship? Istanbul, as you said was the economic/business center of the country, probably a much larger population than the capital of Ankara.

LEARY: Turkey had a number of economic difficulties. Among other things they began to develop a very high rate of inflation. The government tried to intervene to help the inflationary process. One of the things that they did was to impose drastic price control. This had, I suppose the expected effect of causing a lot of things to disappear from the shelves of the markets. The black market became very active. The system that they were using was to require sellers of everything from food stuff to clothing to put a sign on their goods to show the price at which they were purchased and the selling price and the difference could not be more than 30%. The result was, as I said, things disappeared from the shelves and people went to the black market to buy everything from potatoes and eggs to shirts and shoes.

The Prime Minister at the time was Adnan Menderes and one of his projects was to make Istanbul a more modern city. Having grown topsy-turvy over the years, it was full of narrow streets and small lanes and he began to bulldoze major thoroughfares through the city. He provided very little advanced word with people whose homes were about to be bulldozed. This created tremendous political opposition and to make a long story short, about a couple of years after we left the post, about 1960, he was hung in the public square. But in the meantime he had done what probably was in retrospect a useful service. Making it possible for the city to become a bit more modern and livable place.

Q: Let's talk a little bit about the U.S. role in Istanbul and maybe about the consulate. Was there a USAID program underway then?

LEARY: Yes. There was a large USAID program that was principally administered out of Ankara, the capital. We had numerous visits from these people to Istanbul to observe their project and so on. We had also a missionary presence there and a college called Robert College, which was an established mission of the American missionaries. It was one of the best secondary schools and also colleges in the area. We had a number of American scholars there working on antiquities. I recall in particular one of the old mosques, which had been a mosque and then a Christian church back and forth over the centuries, had been discovered that its last use was as a mosque. Its walls had been white washed and it was no longer a mosque. And they discovered that under the white wash were some beautiful mosaics. We had a group from Harvard, I think it was called the Byzantium Institute that was there with fine brushes and picks taking the paint off and uncovering the beautiful tile mosaics underneath. I had a chance to view their work a few times and it was very interesting. Istanbul is a fascinating city from a historical point.

Q: Was there much American business present at the time?

LEARY: No. Very little. We had a number of Turkish businesses who were representing American firms interests at sales and so on. And there was some interest, which we were trying to encourage, on the part of American investors, but at that time it did not become very significant.

Q: Did you get involved at all in the movement of shipping through the Straits?

LEARY: We used to report on shipping through the Straits, in particular Soviet vessels, Soviet Bloc vessels that were coming through. We had observers watching these things in our section and we used to acquire from a local source a daily recording of the ships that came through, what cargos they were carrying, etc.

Q: In the late '50s when you were there, the consulate was located in an old building.

LEARY: That's correct.

Q: It had once been our embassy or legation when Istanbul was the capital.

LEARY: Yes. I think that's no longer the case, but at that time we were in an old building and next door to the consulate general was a hotel called the Pera Palas. Legend says that the famous spy, Cissero, made his contacts in the hotel. We used to go there for lunch because it was very convenient.

Q: Turkey was quite secular at the time or were you...?

LEARY: Yes, quite secular. Beginning of course with the “”Ataturk”” Regime beginning in 1920, there was an effort to secularize Turkey. I would say certainly, and especially in the city of Istanbul, it was very much Western in that city in terms of dress and so on.

Q: The consular district for the consulate general in Istanbul included European Turkey and what more than that?

LEARY: Yes, parts of the nearby areas of Asian Turkey. In those days we didn't have a bridge across the Bosporus, so in those days we had to cross by ferry. We had responsibility for a fairly wide area in terms of a geographic stretch and the bulk of the population, which was also the population most interested in consular services, was in the immediate Istanbul area. We did have a military base in the Asian portion and occasionally the consular officer would go out there to provide consular services.

Q: Was there a post in Izmir at that time?

LEARY: Yes, there was.

Q: Was there tension between the consulate general and the embassy would you say? From your perspective?

LEARY: No, I don't really recall any problems. In the early days of Istanbul, it was my understanding that the embassies in Ankara had summer embassies in Istanbul. And some of the Europeans still do that. They move their embassies to Istanbul for the summer season. We didn't do that.

Q: But the Ambassador visited?

LEARY: The Ambassador and other officers from the embassy came on a regular basis. We had a good working relationship with them.

Q: And did you have a boat or launch?

LEARY: We did. That was one of the great perks. Some time, I guess it was back in the 1920s or maybe '30s, the consulate general had acquired a rather nice boat that was donated to them by one of the American oil companies. It was manned by a captain and two crew members and it was very well appointed. It was used to take visitors around the court areas and on the Bosporus and so on, CODELS and that sort of thing and take them out on the boat. And when the boat was not otherwise being used, it was made available on the weekends for the staff an a rotational basis. You'd put your name on a list and when your weekend came up you could take the boat out for a day and sail out onto the Sea of Marmora and have a picnic and do some swimming and so on.

Q: Could you go as far as the Black Sea?

LEARY: No, that was a little out of our reach.

Q: What was the name of this? Was that the Hiawatha?

LEARY: It was the Hiawatha. Right.

Q: I think it's gone the way of other such perks now.

LEARY: We had a couple of interesting developments on the water scene during that period. We had the Suez crisis, which caused a tremendous shortage of petroleum products in Turkey. Whether it was entirely due to the crisis, or the crisis was used as an excuse to save foreign exchange, I'm not sure. But I recall we were using, at our home, a kerosene heater for heating and suddenly our supply of kerosene disappeared and there were long lines waiting to fill up on kerosene to take home. We found ourselves standing in line, eventually the administrative officer, the consul general made an arrangement to secure certain limited amounts of kerosene on a more limited basis for us. The other problem was that the Greeks and Turks were arguing then about Cyprus. Nothing really happened, but there were occasional scares. The Turks would move a few tanks into the street to maintain order.

Q: Okay, we were talking about the Greek presence and the problems about Cyprus and Turkish and Greek relations. You were saying that a number of foreign service national employees were Greek and Armenian.

LEARY: That's correct. Yes. When we had inspectors come through they would try and recommend that we employ more Turks, but most of our staff was made up of people who had been there for many, many years and they were very competent employees. It was kind of difficult to do any quick change in that regard.

Q: And they were Turkish citizens?

LEARY: They were Turkish citizens, right.

Q: But they were ethnic minorities. Part of the minority mosaic in Turkey.

LEARY: When some of these tensions arose, they were beginning to get a bit nervous because of the possibility that they would be back in the streets and so on.

Q: The Greek minority in Istanbul, of course was a very long tradition or history and the seat of the Greek Orthodox Church is there as well. Were you much involved with the Greek community as an economic/commercial officer? Probably not.

LEARY: Well, yes to a degree, because so many of the business people were Greek or Armenian. And also we had a large group of Jews who had come to the Middle East from Spain many, many years before and they were very active in business there. In fact, the presence of ethnic church in the business community was quite limited, but their influence was growing. They were still largely controlled by the other ethnic elements, which of course was also a cause for tension in the community.

Q: Let's come back to the tensions over Cyprus for a minute. You were there from 1956 to 1958. This was before the treaties that led to the independence of Cyprus in 1960, but it was a time when the Greek Ohi element was beginning to be active in Cyprus, seeking enosis. The tensions that you felt in Istanbul were not so much directed at the United States...

LEARY: Oh, not at all at the United States. We were just observers there.

Q: Did it actually lead to problems, to actions against the Greek minority in Istanbul? Or more of a fear that it might?

LEARY: A fear that it might and a show of force by the government to make sure that nothing would really happen. As I recall, there were a couple of days towards the end of my tour that they created martial law. And we saw lots of tanks and soldiers in the streets. But again, nothing really became of this.

Q: Okay. Anything else we should say about Istanbul in that late '50s? Any children born there?

LEARY: No. We kind of took a rest there. [laugh] I did have a rather severe case of hepatitis while I was there. The only time in my foreign service career when I really had to use my sick leave. The result of eating something or drinking something that caused this virus to appear and I was knocked out for quite some time.

Q: In contrast to Dusseldorf or Cherbourg, Istanbul was much less developed, poorer... certainly Turkey at the time was far behind Western Europe. Did you really feel that in Istanbul? The poverty?

LEARY: No, I don't think that Istanbul one got a sense of poverty. It was a growing city. It had been that way for centuries. There were obviously poor people, but poverty, per se, was not any special problem.

Q: I know later on there was a tremendous influx from the rural areas, particularly Asia Minor and so on, into this big city of Istanbul and it became a tremendous urban metropolis.

LEARY: That was after my time. I had a report from my eldest daughter, the one who was born in Cherbourg, who went back to Turkey, probably in the 1970's, and reported on the traffic congestions and so on, and the tremendous overpopulation. We didn't really observe that.

Q: Did you have a chance to travel within Turkey that much?

LEARY: Yes, we went to Izmir and to Ankara a few times and north to the Black Sea coast and south as well. We went over to the western part of Turkey near the Greek border.

Q: Who was the consul general?

LEARY: The consul general was Bob Meyers. I know that Bob had been in Turkey many years before as a teacher at Robert College and his wife was a member of the old Levantine family, so he had strong roots in Turkey and spoke the language very fluently. He was a very capable consul.

Q: At that time Turkey, Istanbul, came under the Near East Bureau of the State Department.

LEARY: Right. GTI was the office for Greece, Turkey, and Iran.

Q: But yet Turkey already at this time was a member of NATO, certainly looked toward Europe. Did you have a sense of being right there in the middle of, really the junction of Europe and Asia that you were really in Europe or that you were really in Asia.

LEARY: I think that in Istanbul, we felt we were in Europe, but on the fringe. Yes, you mentioned the military. The American military presence was beginning to build up in Turkey at that time. We had established a number of bases. In fact, during the time I was there we established a fairly large headquarters there in Istanbul, which resulted in the opening of an American dependents school. My oldest daughter went to first grade there. The Turks also, of course had been with us in Korea. A rather small, but active, fighting force in Korea.

Q: Which was probably still there at the time that you were there.

LEARY: I think it was.

Q: And they've done very well.

LEARY: Oh, very much so. I recall during the time I was there General Lawton Collins, one of the senior commanders in Korea, came to Istanbul and was invited to speak to the Propeller Club, which was a club of people involved in shipping and exists in most major

port cities in the world. He talked about the bravery of the Turkish troops in Korea and received a resounding ovation for his comments.

Q: We talked a little bit about Cyprus and the tensions there. Did you have much sense that the Turks were terribly interested in Cyprus? Or they were concerned that Greece might do something to hurt their community there? Or to what extent do you recall that was a subject of much discussion?

LEARY: This was not really in my bailiwick, but my recollection was that they were principally concerned about their community on Cyprus. The fear that the Greeks were going to try and take over and control their community. They were not prepared to accept that.

Q: You were responsible, as you said before, for labor reporting. Why don't you talk a little bit about that. The role of the unions. Was that a major part of your responsibility or just something that you did a little bit on the side.

LEARY: Well, it was sort of a little bit on the side. Not a great deal. We had a Labor Advisor in the AID Mission in Ankara at the time and he made numerous trips to Istanbul, where the two of us would call on the labor leaders. We were attempting to promote, as we were elsewhere in the world, democratic trade unions in Turkey. The Turkish business community was not very enthusiastic about this program but gradually the unions were getting more and more of a say. It was a very, very slow progress but moving in a positive direction.

Q: We sent some labor leaders to the United States.

LEARY: Yes, we had a program of sending people back here to see the United States and also their American counterparts. We had a similar program in Germany. I remember meeting such people as John L. Lewis at the consulate general in Dusseldorf.

Q: Anything else you want to say about Istanbul?

LEARY: I guess that's about it.

Q: Okay, you were there about two years.

LEARY: Yes, two years. I received orders for a direct transfer to Dhaka, in what was then East Pakistan. At the time I was in bed with hepatitis, so I was not able to accept and, in due course, the transfer was canceled and I wound up being assigned to Yale University for a year of academic study in Economics. This was before FSI [the Foreign Service Institute] had developed its economic program and they used to assign Foreign Service officers to a year at various universities to study economics.

Q: And did you choose Yale, where you had done your undergraduate work?

LEARY: My definite first choice was Harvard, but being an undergraduate at Yale I thought I'd see how the other half lived, but I wound up being assigned to Yale anyway. I had a very pleasant year. It was a difficult year initially, getting back in the studying mode. I and my other two State Department colleagues were getting our Masters Degree.

Q: And your first three overseas posts were all doing economic work.

LEARY: Well, Cherbourg was general things, but the other two were.

Q: So you were certainly familiar with the practical side of economic and commercial work.

LEARY: Right.

Q: Okay, I think that maybe we should just skip over that year, unless you think that there is something more that we should say? Where were you assigned after your year at New Haven?

LEARY: Then I had my first assignment to Washington. I was assigned to the International Finance Division in what was then called the Bureau of Economic Affairs. We were dealing with, as the name implies, international financial issues. That includes relations with the IMF [International Monetary Fund] and specifically in my case, dealing with the GATT on the issue of import restrictions based on the balance of payment considerations. The GATT generally prohibited quantitative restrictions on imports, but we had an exception for countries who had balance of payment difficulties. And if a country took advantage of that exception, they were required to consult periodically with contracting parties on plans for improving the situation and getting rid of these restrictions. At that time, there were a number of countries of real significance in the world that were taking advantage of this article, including several European countries and Japan, as well as quite a number of developing countries. So, we took those consultations quite seriously and sent a delegation out from Washington consisting of a State Department officer as delegation leader and representatives from Treasury, Commerce, and Agriculture. I got pretty much involved in that and was making semi-annual trips to Geneva for these consultations.

Q: I guess it's interesting in light of subsequent history that it was State Department that chaired, that lead the delegation with representatives from Treasury and others. Tell me about, generally, how your relations of the International Finance Division were with Treasury in that period. Treasury was presumably still quite involved.

LEARY: Very much so. What was interesting was at that time we had a number of interagency committees, almost all of which were chaired by the State Department. Subsequently that changed, particularly after the Office of the Special Trade Review was established, they became chairperson for committees dealing with trade issues, including these related balance of payment trade issues. At that time State was the lead agency. It had been very active in the very beginning with the post-war development of the IMF [International Monetary Fund] and the World Bank fund. My two immediate bosses at this time had both participated in the Bretton Woods negotiations.

Q: Who were they?

LEARY: They were John Tarkayama and Mark Goldstein. They were very capable people. Mark was my immediate boss and I learned a tremendous amount from him about precision drafting and also about the GATT. Mark was the kind of guy that when you mentioned an issue, he turned around to a bookshelf behind him to pull out a reference volume and opened it to the exact page where this issue had last been debated three years ago and would instruct you on how to proceed.

Our relationship with all these agencies was quite good. Especially with Treasury. We had more arguments, I would say, with Commerce and Agriculture because their interests were so much different from ours, in terms of immediate trade problems and so on. We were concerned more with the overall approach to maintain free trade and open trade markets. They were obviously concerned with open markets abroad, but sometimes more inclined to be receptive to protectionist arguments on the domestic front, but we generally had a very good relationship.

Q: What about the International Monetary Fund when the U.S. was executive director? Was State Department responsible for guidance and backstopping?

LEARY: Treasury was responsible for guidance, but State became very much involved. There was a committee chaired by Treasury which provided guidance to the executive directors of the Fund. But in my particular work, when there would be a Fund team that would travel to foreign countries and come back and prepare a report, which would involve among other things other country's trade policies and what their balance of payment situation was and what they were doing about it. Frank Southeri, who was on the executive Directors of IMF at that time would convene meetings which I and my colleagues would be invited to discuss this and make recommendations to him on how we should proceed. It was a very informal kind of thing. Formally he took his instruction from, I think the NAC, the National Advisory Council of the International Monetary Fund.

Q: Now you mentioned the U.S. Special Trade Representative. Was that established while you were still in the International Finance Division or was that later?

LEARY: I think that may have been later. I know my second tour in Washington, which was several years later, they were well established at that time. Probably some time in the '60s.

Q: You were in the International Finance Division from 1959 to 1963. Four years. At the time that you went into that office, you were in the Munitions Building or where...

LEARY: No, there were some so called temporary buildings that had been on the Mall for years. Just below the State Department, I think, where the Vietnam Memorial's at now.

Q: Constitution Gardens.

LEARY: Yea. These were temporary buildings and the building that we were in, may have been called Munitions, but I know we had a lot of Navy Department in the building as well. In any event, we were a couple of blocks from the old State Department. During that time they were building the present version of State Department. The original building on the corner of 21st and Virginia had been built, as I understand it for the War Department, but the World War II came along and it was not big enough for the War Department, so State moved from the old State-War-Navy building to this one and then it had a number of temporary buildings scattered around. In fact, the Foreign Service Institute used to be in a brick building on C Street, as I recall. About where the current diplomatic entrance to the State Department is. In any event, they began to fill in the four square block area of the new State Department building and they moved in there about half way through my tour.

Q: I served in the Economic Bureau from 1958 to 1959 and I certainly remember that period as a very active, dynamic period. It was my first assignment so I didn't have much to compare it with but there certainly seemed to be some very good people. The Economic Bureau was involved in everything.

LEARY: Yes, I agree. In my job, in addition to the matters that we mentioned, we also were dealing with stabilization programs in various countries. I recall one of my first jobs, I had only been there a couple of weeks, and I was invited to meet in the Assistant Secretary's office, with the Ambassador of Iceland. Iceland was having some troubles and we were putting together a package of assistance involving a U.S. loan and loans from a couple of international organizations. We got involved in a number of such programs. Another one I recall is Spain. An economic effort in response to a Spanish request when the Spanish had to make a number of reform measures in their economy.

Q: At that time when a situation like that would arise in Iceland or Spain, the countries would come to the United States, they would perhaps go to the International Monetary Fund and the World Bank, but they wouldn't go to other countries. There weren't others who were in the same position that we were.

LEARY: That's correct. Many of these other countries were still recovering from World War II, especially countries in Europe. Another thing that happened, I think it was during this period, the United States, which had been an Associate member of what was called the OEEC, the Organization of European Economic Cooperation, was transformed. I'm trying to remember if it was during this period.

Q: I think that it was during this period.

LEARY: The U.S. and Canada were to become full members and we went through a period of reviewing the rules and regulations and conditions and the various understandings that OEEC had reached over the years in terms of liberalization agreements and that sort of thing. And reviewing them from what the policy from a legal perspective, to see what problems, if any might exist, when the U.S. subscribed to these various commitments. We went through a long series of inner-agency meetings on this issue.

Q: Okay. Anything else that we should say about those four years in the Economic Bureau?

LEARY: I guess that's about it.

Q: Okay. Where did you go from there?

LEARY: Then I was assigned to Tokyo and right before I left for Tokyo, I was assigned to FSI for the mid-career course. I spent three months in that course and it was during that time that President Kennedy was assassinated. At that time I remember precisely what happened when it occurred. It was in one of our sessions, shortly after lunch when our course director came into the back and whispered to someone and he stood up and asked the class to stop for a moment and he reported the events in Dallas and got a very emotional reaction from everybody. We had the rest of the day off and the next three or four days in Washington were the burial ceremonies. But then we arrived in Tokyo, actually the beginning of 1964.

Q: Again you were assigned as an economic/commercial officer?

LEARY: Right. At the time of the Kennedy assassination, there had been scheduled a Cabinet level meeting in Tokyo between our Secretary of State and various other cabinet ministers and their various counterparts of the Japanese side. This is something that had been going on for a couple of years, alternating meetings between Washington and Tokyo. Involving the direct presence of a great number of our cabinet officers. Well our group had been on its way to Tokyo and turned around so the meeting was canceled, but about a week after I arrived in Tokyo, it finally occurred. It was a very interesting introduction to Tokyo. It was something to be observing what was happening and having a chance to meet with the Secretary and other senior officials who were there. Get briefings from them briefings on what was happening in Washington and so on.

Q: As well as to see the Japanese government operating at a high level of interaction with us. When I was assigned to Tokyo in 1959, the first thing I did there was to participate in the U.S. delegation of the annual, the contracting parties meeting of the General Agreement on Tariffs and Trade was taking place in Tokyo. I had a similar experience, although not at the Secretary of State level. Who was the Ambassador when you got to Tokyo?

LEARY: The Ambassador was Edward Reischauer. He was a wonderful man who had been appointed by President Kennedy. He had been a professor at Harvard and there couldn't have been anyone more qualified for the job. He had been born in Japan of missionary parents and lived there most of his youth and had become one of the countries foremost experts in Asia, Japan in particular. His wife was Japanese, the daughter of a distinguished family in Japan. He was always referred to by the Japanese as Professor Reischauer, not Ambassador Reischauer, as a sign he was well respected.

I recall two incidents. One shortly after I arrived, I was asked by our Information Service people to participate in a series of discussions they had arranged with Japanese students, mostly graduate students who had been in the States and spoke some English, but wanted to improve and maintain their English language faculty. They would set up meetings, usually at Tokyo University in a room with usually six or seven Japanese students and a two or three Americans and they would have a topic of the evening. One of the Japanese would present this topic in English and then we would discuss it. The first night I was there the topic was “The Changing Values of Japanese Youth.” During his presentation, the Japanese speaker kept referring to the well renowned expert so and so. Then when we finished, I asked him to tell me who this expert was that he kept referring to and he said, “Oh, that was Professor Reischauer.”

Another time, which was later in my career, involved the Vietnam War. We had begun the bombing of North Vietnam and the Japanese press were very negative about our actions. In fact, most of their reporters on the scene were in Hanoi rather than Saigon. Ambassador

Reischauer was invited to speak at the newspaper publisher's association. During the course of his talk, he was quite critical of their coverage of the Vietnam War. Their very one-sided coverage and he was urging them to take another look at things. The next day, instead of criticizing him for interfering in Japanese affairs, the local newspapers came out with editorials saying, Professor Reischauer said so and so, so we must self-reflect. So he was a very good representative for the United States.

Q: He had tremendous influence as you were saying, and a great expertise and wisdom for the job.

LEARY: Also he used his staff very efficiently. Aside from his representational activities, he didn't do his own work, he turned to his staff to prepare the reports.

Q: How involved, how interested was he, in the economic side of things?

LEARY: I would say very much so. Of course more on the political side, but also in the economic side. He was writing a book, at the time, which came out later. I can't remember the title now, but a part of that involved the economic power positions in Asia. I recall that he asked me one day to develop some tables, population and GNP [Gross National Product], and then he devised two sets of maps in which he drew countries to scale depending on population and GNP. The population of China, for example, covered a large part of the map but when you used the GNP, it was very small. Japan was quite a bit bigger than China. So he was interested in that sort of macro aspect of economics.

Q: Were economic trade issues in our bilateral relationship as they later came to be?

LEARY: I would say, yes they were. We had some of the same issues that you still see today. Japan was not yet as important in our market in terms of Japanese imports, but they were beginning to be. I recall, for example that auto trade became quite an issue. The Japanese had just begun to develop special ships to ship cars into the United States, where the cars could drive on to the ships and when they got to the United States drive

off again. Our industry was concerned that their sales in Japan would, as Japanese auto production increased, that our sales would drop off to practically nothing. Although American cars got to be quite popular in Japan in earlier years. They had delegations come over and debate these things. It proved a number of things. One was that the Japanese were building cars for the American market, while Americans were not building for the Japanese market, where they drive on what we call the wrong side of the road and so on. And that our cars were being shipped in such small quantities. You know, each one was separately boxed where the Japanese had gained some efficiencies from their method of shipment. It cost us probably ten times more to ship a car to Japan than it cost the Japanese to ship to the United States. So those issues were being debated and we had issues about trading oranges and rice.

Q: Textiles?

LEARY: Yes, textiles too. Very much so. I recall we had a delegation headed by Warren Christopher, who later became Secretary of State, but he was the advisor on economic matters that came to talk about trade in textiles and tried to persuade the Japanese to enter into some restraint arrangements. That resulted in a rather difficult situation when one of the Japanese, after some strong presentations from Christopher, was reported to have said, “We are not North Vietnam. You cannot threaten us.” At this point the U.S. delegation decided to leave the room and they came back and talked to Professor Reischauer. He got a hold of the Foreign Ministry who apologized for the man from the Ministry of International Trade who made this comment, pointing out that he was not attuned to political niceties. Eventually things were straightened out. In most cases we worked out at least temporary accommodations.

Also during that time Japan had become a candidate for membership in the OECD and did become a full member in about 1967, during my tour there and we were engaged with the Foreign Ministry in discussions about this.

Q: They were already participating in the work with development assistance of OECD. I don't know if they were a full member of that.

LEARY: Yes, assistance. I'm not sure about full membership.

Q: But they began to have their own aid programs in southeast Asia.

LEARY: Yes. That was also a project that I became involved in. We had phased out our aid program and most of the staff of the aid program in Japan, so it was a small office that was handling residual matters, the sale of surplus equipment and that kind of thing. So, our section became responsible for dealings with the Japanese on aid matters, both involving the development assistance committee and particularly, at this time, aid in Southeast Asia. The United States had a regional AID mission in Bangkok which worked very closely with other countries in trying to get multi-lateral cooperation on a number of issues including dams on the Mekong River and so on. The Japanese were quite active, although not as active as we would have liked. We were continually urging them to look at another project and consider making another contribution.

Q: Why don't you talk a little bit about exactly what your job was in the embassy in Tokyo and how that related to other parts of the embassy.

LEARY: When I first went to Japan, I was assigned as Chief of what was called the External Economic Unit, which dealt with Japan's relations with international organizations and third countries. But rather quickly, as a result of a number of things, including position cut-backs and transfer of individuals and so on, we merged the Internal and External Units, so I became senior officer in that area, reporting to the Economic Counselor and an Economic Minister. We also had a commercial counselor at that time who was from the Department of Commerce, and a separate Commercial Section, and a Trade Center operation. We also had, in the embassy, a number of specialists, such as an Aviation attach#, a Fisheries attach#, and a Treasury representative.

Q: Agriculture?

LEARY: Agriculture. Agriculture had a separate section and they were physically located in another building. In those days the embassy had outgrown its original space, so some of the population were scattered within a few blocks, but separate from the main embassy building. I became something of a liaison, with these people as well. Reporting to the economic counselor. So it was a very busy active job that pretty much cut across the board.

Q: Who was the Economic Minister?

LEARY: The Minister we had...well there were three...when I was first there it was Arthur Gardner. He had considerable background in southeast Asia. He had been, I think, minister in Vietnam at one point. Then came Larry Vass, who was a career Foreign Service officer, that spent important parts of his career dealing with aviation matters. He was head of Aviation Division of BD at one point. And finally at the end of my tour, Herman Barger came in, who also had experience in southeast Asia. He had been Deputy Executive Director of the Asian Development Bank and later became Deputy Assistant Secretary in that department.

Q: So it was a big section. As you say, there was both a minister and two counselors.

LEARY: A minister and two counselors. There was the commercial and economic counselor and then various other specialists.

Q: And you were, in effect, responsible for the State Department Economic section.

LEARY: That's correct. As well as, not directly, but having a hand in the coordinating with other sections.

Q: And your unit was involved both with Japan's external economic relations and reporting on the Japan economy.

LEARY: The bulk of our work was on the external side. We did internal economics reporting in a general way. So much was being written about the economy, to a certain degree additional reporting from us was superfluous.

Q: The Treasury did some of that.

LEARY: That's right. They dealt particularly with the international aspects.

Q: And the commercial counselor was involved in some of the concrete trade issues.

LEARY: Right. The Commercial Section was fairly large, we had several officers there. Some operating trade centers which put on trade shows probably on an average of once a month, maybe more. Which tended to be either sometimes outright trade shows, in the sense of displaying American products, and other times a seminar type thing. One time, I recall, and this involved commercial as well as agricultural assets, but we had a show where we had soy beans. And we had experts describing new uses for soy beans, and so on.

Q: What were some of the other primary issues that you and the embassy were seized with during that period of the mid-1960s?

LEARY: Japan was already becoming a formidable competitor in world markets, not quite to the extent that they did a few years later, but they were beginning to become more active in international areas and we were encouraging them to take a more positive position. One of the areas was assistance to southeast Asia. We had a regional AID office in Bangkok which was largely responsible, together with the AID missions in the various individual countries for a very large economic development program which paralleled our effort to support the South Vietnamese government on the military side. We were

encouraging Japan and other countries to participate with us in these areas. Japan was becoming more active. Much of their aid was directed towards areas which complimented their commercial interests in the area, which was not unusual for countries to do, but we were encouraging them to take a bit broader approach on those issues. They made contributions to a number of the infrastructure projects in the Mekong, for example. I recall one relatively minor issue was a foreign exchange operations fund which we established to assist Laos to finance its imports. Japan, as well as several other countries made a contribution to that fund.

During my time in Tokyo I attended two meetings in Bangkok, or what was then called ECAFE, the U.N. Economic Commission for Asia and the Far East. I think the name has been changed in more recent years, but I was a member of the U.S. delegation for those meetings which dealt largely with trade and commercial issues in that region as well as some aid matters. Because of my position in Tokyo, which involved liaison with the Japanese government on some of these regional aid programs, the aid Mission in Bangkok amended my travel orders to enable me to stop in several of the other southeast Asian countries to take a look at aid projects and to consult with our own aid people and the Japanese aid people in the various places, including Laos and the Philippines.

One specific thing that happened where the Japanese did take a substantial initiative, I believe it was in 1965 that the Sukarno government in Indonesia was overthrown. The Western developed countries undertook to provide assistance to the new government, headed as I recall, by President Suharto, who in recent days has fallen on hard times. But the Japanese agreed to host a meeting of donor countries in Tokyo. The group became known as the Tokyo Club and did put together a package of assistance to Indonesia. We and the western European countries were pleased that the Japanese had taken this initiative and because they had done so they, of course, made a substantial financial contribution to the package.

As a minor note on that, I recall after the first day of the meeting, the Japanese being hosts were responsible for preparing summary records for the next days proceedings. I had gotten back to the embassy after the conclusion of that days session and my phone was ringing. It was the Japanese foreign office saying, “Leary-San, we noticed that you were taking notes. Could you please come and help us prepare our summary records?” They had people taking notes who were perhaps somewhat unfamiliar with the issues and also whose English was not entirely fluent and the records had to be prepared in the English language. I went to the ForeigMinistry and spent until some time after midnight helping them put the records together. Interesting effort.

Q: One of the things that strikes me is that all of this was going on approximately 20 years after the end of the second World War, where Japan, of course, had very different objectives and goals in Asia. As it began to take a more responsible leadership role, with our encouragement, it also had to overcome a lot of history and resistance, I would think on the part of some of the Asian countries that still saw them as the aggressor, not too many years earlier.

LEARY: Quite so. In fact, I recall, in particular on one of my southeast Asia trips, spending a couple of days in Manila and there I found the memories of the Japanese occupation still very much alive and a good deal of resistance to the Japanese. Although, in due course, they did welcome the financial assistance that came. But there was still a great deal of animosity in many of these countries about the Japanese, where memories of World War II were quite fresh.

Q: I guess our objective was to encourage them to do what they could, but we also recognized that these realities existed. That they could go as far as they could, but...One of the other things that was happening in that period were the Kennedy round of trade negotiations conducted under the GATT. Were you involved with that much?

LEARY: To a limited degree. Most of the negotiations were conducted in some areas and were closely held in Geneva, but we did meet with the Japanese periodically in Tokyo to exchange ideas. One of our handicaps was because the negotiations were closely held, some of the lists that were exchanged among countries were not made available by our side to our embassies in those countries, so sometimes we were working in the dark. I recall once mentioning to my Japanese counterpart that I was handicapped if I didn't have the list about which he was talking. He then made a copy which he then gave to me and from then on we were able to communicate on a much better basis. But there was a good deal of exchange on those issues and we were reporting what we heard in Tokyo about the Japanese positions on various aspects of the Kennedy Round negotiations.

Q: On a bilateral level, certainly a lot in the last couple of decades, in terms of the U.S.-Japan relations has been dominated for considerable periods over both Japanese imports... imports from Japan into the United States and the perception that Japan was not giving fair and equal access to the Japanese market for our products. Had that become a significant issue or issues at the time that you were there or was that later?

LEARY: That was becoming a significant issue. Not nearly so much as later, but the Japanese were already exporting a large number of consumer electronics, television sets and tape recorders and this sort of thing. Their automobile trade was beginning to develop as well.

As a matter of fact, I recall one session with a group of negotiators from Washington on automobile trade. It was basically a fact finding affair. They couldn't understand how the Japanese were able to compete so successfully in the United States while our car sales in Japan were extremely limited. This brought out a lot of things. Including the fact that the Japanese had developed very modern trans-oceanic transportation for their vehicles. They had the roll-on and roll-off ships which they were able to use because of the volume of their shipments to the United States. Whereas most American cars were being sent individually on the deck of a freighter. That meant that our costs of shipping a U.S. car

from North America to Japan was about ten times the cost of shipping a car from Japan to the United States.

Another major factor was that Japan was building cars to the specifications of the U.S. market, whereas our sales to Japan were so small that most of the American and Canadian production was not geared towards Japan. The roads, the fact that they drive on what we call the wrong side of the road. We were continually trusting the Japanese to open their markets more to foreign goods. I did in fact attend a meeting in Geneva during my tour in Tokyo, a bilateral meeting with the Japanese where we were going over a list of quantitative restrictions that the Japanese had maintained on certain products, and listening to their explanations on why they must continue to do this and they listened to our demands that they begin to accelerate the removal of these restrictions. So that was a continuing thing. I think the bitterness which seemed to enter into our relationships more recently was not yet present at that time. Japan was still considered to be coming out of the wartime crisis and still developing. Although, as I said earlier, they eventually became a much more competitive supplier of goods to world markets.

Q: Were you in Tokyo at the time of the 1964 Olympic Games?

LEARY: Yes we were. We arrived in Tokyo in January of 1964 and the games took place in October. At the time we arrived, the Japanese were engaged in numerous building projects to prepare for the Olympics: extending subway routes, building highways, building stadiums. Just a tremendous effort. And when the games were ready to begin everything had been completed. They had two weeks of the most marvelous weather you could ever imagine. The games were held in October, rather than in the summer because Tokyo tends to have summers which are somewhat equivalent to Washington's very hot and humid. They decided that October would be the best weather for these games. They went off in fine fashion. Everything went like clockwork. They had organized the populace to assist the foreign visitors. People walking around the streets with labels saying, “I speak

English." and "Je parle fran#ais." So that the visitors could, if they were lost, converse with someone. It was an impressive display.

Q: I left Tokyo in December of 1961 and they were just beginning to gear up and had major plans to be finished by 1964. And they were.

LEARY: After the games many of the facilities that had been built for the games became public and the locations were... For example, the large auditorium which had been built for swimming and diving events was open to the public for swimming during the summer and during the winter they put a floor over the swimming pool and turned it into an ice-skating rink which was open to the public. Other facilities were used in a similar fashion.

Q: I don't think that you had much Japanese language training before you went to Tokyo. Was that a significant handicap for you?

LEARY: I didn't find it so in my job. It was a bit of a handicap for day-to-day living, although over time we picked up enough to order meals in restaurants and tell the taxi driver which way to turn. But I was not getting any Japanese language training. We had some occasional language training in the embassy but not enough to get anywhere near carrying on a professional conversation. Most of our economic officers were in the same situation. On the other hand, most of our political officers had been to the Japanese language school where they spent up to two years in Washington and in Japan, I believe in Yokohama at a language school, where they became reasonably fluent in the language. I found that in my own job I was dealing mostly with the Ministry of International Trade and with the Foreign Ministry where the Japanese I was dealing with spoke English quite well. We had some Japanese English-language newspapers... English language abridged editions which were helpful.

Q: Well, is there anything else that we ought to be covering in regards to your assignment in Tokyo? I realize that it's a... you and I are both having a little bit of trouble remembering exactly what we talked about three weeks ago. We may want to add some things later, but

is there anything else that really stands out about that assignment? It sounds like it was a very interesting and satisfying assignment.

LEARY: Oh, absolutely. It was very nice. We were there for almost five years and it was a very professionally satisfying assignment. One thing that happened near the end of my assignment, which led to my next assignment-indirectly-was a meeting in Tokyo at the ministerial level of ECAFE. It was either late '67 or early '68 and one of the issues that appeared on the agenda, as it did on the agendas of all of the UN Regional Commissions and other international bodies where developing and developed countries came together, was the issue of developing a system of tariff preferences for the benefit of developing countries. At the same time the meeting was taking place in Tokyo, there was a ministerial meeting of the OAS in Punte del Este, Uruguay. We had learned that President Johnson, who was attending that meeting for a day to deliver the principle U.S. address, had decided that we would reverse our long-standing opposition to preferences and agree to study the possibilities of instituting a system of preferential treatment.

Our delegation leader in Tokyo, Tex Goldsmith, as I recall, he had come from the U.S. Mission in New York, wanted to be able to mention this turn-around in our policy at the meeting in Tokyo and was attempting to get through by telephone to Uruguay to find out precisely what the President said because he didn't want to overstep his bounds. Communications had improved greatly from what they had been earlier, but they still were not up to today's standards and we spent many an hour trying to patch through the telephone call. He finally was able to get through and got the language that the President had used which he was able to repeat in our meeting in Tokyo to great applause from developing country representatives who were present.

Q: I guess the key aspect of that was whether the announcement of our change in policy related to only the western hemisphere countries, such as Latin America, or was it going to be applicable world-wide.

LEARY: No, I think the language was quite clear that it applied world-wide, but it was delivered in a Latin American forum because we were attempting to, I understand, improve our relations with the Latin American countries at that time. But this was something that they were interested in as well as the other African nations and developing countries.

Q: You mentioned that had a connection with your next assignment. What was that and where did you go from Tokyo?

LEARY: Well, I returned from Tokyo to Washington for my second assignment in the Department. I was assigned as Chief of what was then called the General Commercial Policy Division. This was in April of 1968. That division had become responsible for the President's commitment on generalized preferences. My assignment, as I said, this was a coincidence that I moved into this job relating to what had happened in Tokyo. But I spent the next four years in that position dealing with a number of interesting issues, but that was perhaps the most time consuming and important issue that we had. The issue was several fold.

First of all, we had long opposed a system of preferences for a variety of reasons. One that it was a deviation from the Most Favored Nation Principle that we considered the keystone of our trade policy. We feared that it would lead to economic distortion, misallocation of resources, and in the long run might be harmful rather than helpful to developing countries. Thirdly, but by no means the least important, was the problem we foresaw in getting Congress to pass legislation which would let us implement such a scheme.

The UNCTAD, which was the principle global forum where this was being discussed, set up a working group to hold discussions between developed and developing countries about the form that the preference system would take. The OECD set up a preference working group as a forum for consultation among the developing countries, all of whom wanted what was known as burden sharing, to be sure that if we were going to be doing

something, our trading partners were going to be doing something at least similar to what we were doing. I became the principle delegate to these two working groups which began to meet quite regularly. The OECD group met once a month or more during a period of about three years and the UNCTAD group met several times a year as well. So I did a lot of commuting back and forth across the Atlantic.

Meanwhile, at home we were negotiating within the U.S. government among the various agencies about the form our proposals might take. It took many, many months to reach agreement on that. As a result, for the first several months, we were attempting to appear positive in the working groups, but were unable to really commit ourselves to anything really specific. In due course, we did come to an agreement. The matter went through the under secretaries committee that was operating at that time and eventually up to the President for a decision on certain of the specific issues. Some of the things that were being discussed were whether the preference system would be open-ended, that is, differential tariffs across the board with appropriate procedures for dealing with specific issues that might arise, or whether it would be more restricted. The European countries tended to favor a tariff quota system in which certain products would be permitted entry at the preferential rates up to a quantitative limit. Within the U.S. government, State and Treasury tended to favor a more open system, whereas Congress and Agriculture preferred the more limited version, being sensitive to concerns that were likely to develop among U.S. industries and farmers about these issues.

A major issue was about what we called reverse preferences. Certain preferences already existed between... within the British Commonwealth, for example... and these were preferences working both ways. The Commonwealth countries had preferential access to the British market and the British in turn had preferential access to their markets. Similarly, for example the French, had bilateral preferences with some of their former colonies in Africa. We were insistent that the reverse preferences, that is the preferences which the developing countries offered to the developed countries should be eliminated and that

became a major bone of contention. Eventually we got an agreement on the principle and then it was a matter of what form it might take.

We dealt with the Congressional problem by, from the beginning, meeting with several Congressman that were considered to be the most immediately concerned. The Chairman of the Ways and Means Committee, for example, and some of the members of the Ways and Means Committee, to inform them of what we were about. I think that somewhat to our surprise that they were not really opposed to this scheme. They seemed to feel that it was appropriate for us to try and do something for the poorest of the poor countries. There were some generalized concerns expressed about what products would be covered. Would we cover textiles or would shoes be subject to preferential entry and what countries would be beneficiaries. It's fine to give preferences to Botswana, but what about Hong Kong or Mexico and so on. But that was the beginning of the process and we then began to periodically send packages of material to their staffs and meet with them, often answer questions.

So over a period of about three years, we kept them abreast of what was going on and this happened after my departure from the job to another assignment, but in the early '70s Congress passed a new trade bill which included the section providing these preferences. It had become a compromise both internally in the U.S. government and in the international forums, but essentially quite a generous preference system.

Q: Which was open-ended in time too, wasn't it? It was not only for five years or for some fixed period?

LEARY: Open-ended at the time as I recall as we met for the final result. Although our policy generally was to reduce tariffs in other trade barriers and we were hoping that by reducing general tariff we would be reducing the preferential aspects. Once the tariff passed its era than there was no question as to preference.

Q: Let me ask you a little bit more about the bureaucratic of negotiating generalized preference, GSP, in terms of the U.S. government. The office of the Special Trade Representative existed at this time, were they quite involved in this? Or not so much?

LEARY: They were involved to a degree. State headed up the negotiating team. We had representatives normally from STR Commerce, Agriculture, and Treasury on our delegation. The under-secretaries committee, under Elliot Richardson, became involved on a number of occasions. Richardson did a fantastic job on bringing people together. He had a quick read, understood the issues, and was able to persuade his colleagues in many cases, so that they had to appear to be more generous than they were originally willing to be in terms of our political aspects of our system in the international forum.

Q: Of course the other interesting thing is that while President Johnson launched the initiative, in a sense of the change in U.S. posture, it was the Nixon Administration carried it through. You started in 1968 before the election, do you remember much problem then in that respect?

LEARY: No, there was a very easy transition I would say. We just continued on about our work. Fairly early on in his Administration President Nixon, I know, made a major policy speech relating to trade relations with Latin America where he indicated our willingness to be open and cooperative and to try to assist them in any way we could within reasonable limits. So we carried on quite well there with quite a positive approach I would say.

Q: The other agency that I don't think you mentioned that I guess I would ask about is AID. The agency responsible for U.S. programs to support international development.

LEARY: I don't recall that they were much involved at all in the trade policy aspect. They clearly would have been supportive of the idea in principle because it tied in with their efforts to develop developing countries in many ways, but they were not directly involved in the policy making on this issue.

Q: Was the State Department getting lots of pressure from domestic industry that thought it would be hurt by the preference scheme? You mentioned textile issues?

LEARY: We received, we had a number of discussions with industry representatives and some of them were very concerned about the possible impact of this on their production, but many were quite ambivalent. For example, I recall one industry that was concerned but wasn't sure what it's position was. It was rubber soled footwear, because many of them had already begun to move production overseas. They saw that in many cases their overseas operations would benefit from preferential treatment even though their domestic direction might be hurt. So they were seeking information rather than taking a strong position. I wouldn't say that they were putting pressure on. But there were clearly some industries that were and I think that principally that pressure landed on the Department of Commerce, which clearly had more direct contact with the industry than State Department would. There was also some concern in the agricultural sector, but that was a bit more diffused as well, with many of our agricultural products had huge foreign markets and it was only in limited areas that they were being faced with competition in those areas.

Q: Certainly as you say in the case of rubber soled footwear, American firms were already investing abroad in assembling operations, it has certainly gone on in other areas as well to take advantage of the preferences. Electronics, certainly some of the things that have gone into Mexico. Was that anticipated that that would be an effect of the scheme?

LEARY: In a sense that was one of the desired effects of the scheme, but at the same time it caused some concerns here. In the case of Mexico, as I recall there was a special regime regarding border industries in any event, where the U.S. was shipping raw materials and parts and so on to Mexico, for assembly and then shipping them back then they came in duty free. So they were not really protected by the preference system, but they were subject to a certain degree of preference. There was concern about such things as diversion of products from one country through another and therefore one of the issues that was discussed was the establishment of an appropriate certificate of origin system

so that you were reasonably sure that the goods were actually produced in a developing country and not simply transited through there from a developed country.

Q: You mentioned that one of our concerns was the preferential terms that already existed with the British Commonwealth, certainly with the French, with the European community. To what extent was that our primary objective? To sort of get rid of that kind of a system or become part of it in a sense, which is what we did.

LEARY: Well, an objective was to get rid, as I said, of the reverse preference aspect, meaning the preferences granted to our developed country competitors. We were not attempting to obtain preferences for ourselves in these markets and felt that the way to insure appropriate burden sharing was for them to give up their preferences and then compete with us equally in these developing country markets.

Q: Is there anything else that we should say about either the GSP negotiation or the... let me just talk a bit more about the international bureaucratics. This is probably the first, or one of the significant international negotiations that took place in UNCTAD with strong developing country participation. There had been some commodity briefs negotiated there earlier, I think. How did all that work? Was there a feeling on the part of GATT that UNCTAD shouldn't be doing this or how did all that work out?

LEARY: I think that there were some concerns in GATT, but they were facing a rising tide of an interest in this sort of thing and in fact, in due course, the GATT was amended to omit certain preferences for developing countries. Initially, as the U.S. itself, in the GATT, speaking as an institutional which is made up of its contracting parties, was quite negative about the whole thing. But as the developing country membership of GATT grew and as the developed countries became more sympathetic to the idea GATT position and GATT diminished. In UNCTAD the negotiation was basically a series of demands from developing countries and a series of measures to delay things on the part of the developed

countries while we hammered out among ourselves what was going to be a satisfactory system.

The eastern bloc also, of course, took part in these meetings. They were not being pressed as we were. Probably because they didn't provide the markets as we did. They took the position that their system already provided sufficient benefits for developing countries. So we found ourselves meeting in OECD trying to come to a common understanding and going periodically to UNCTAD to explain where we stood on certain things that we had discussed. There was always a demand for a date certain for which we would complete our discussions and then there would be a big negotiation about the wording of that final paragraph which always wound up something to the effect, “by December 31st of a certain year, or as soon there after as possible,” GATT left us a little bit of wiggle room on that.

It took, as I mentioned many months and many years of discussion before we finally came to an understanding. A lot of that delay was caused by the U.S. which was having its own internal problems in coming up with a position. Although persuading the other developed countries to adopt a more open scheme than originally they had planned was difficult. In their initial approach they seemed to feel that with a limited system, if they ran into any problems, they could quickly cut off the trade in order to do that. We felt that would not be appropriate. That to stimulate trade and then not allow it to continue, to a reasonable degree was self-defeating.

Q: Yes. Some European countries could mechanically cut trade off more quickly than we could. Or would want to. With our many ports of entry and much larger economy.

LEARY: One reason that some of those in the U.S. government favored a more open system, including Treasury, was that the problem of administering a tariff prototype scheme which required all sorts of statistical monitoring then actions taken could cut off trade at certain points.

Q: When you say that part of the delay in negotiations was caused by the United States trying to get its position together, that was primarily within the Executive Branch?

LEARY: Within the Executive branch, right.

Q: Because you, the United States was not negotiating on the basis of authority that it had previously been granted by the Congress.

LEARY: That's correct. Unlike most of our recent trade negotiations we had no authority for this and that was another reason that we were keeping Congress informed of what we were doing. So we couldn't later be accused of having negotiating something and presenting them with something fait accompli.

Q: You were consulting and getting feedback from them. But certainly they were not committed to anything before presented eventually with the final package for their endorsement and implementation.

LEARY: Absolutely.

Q: And you said that was after your time, but as far as you understand that worked out pretty well and Congress eventually went along.

LEARY: Right. By the time I had left we had pretty much come to an understanding on the major issues. It was a matter of developing legislation. An issue was whether to put in separate legislation relating to GSP or incorporate it in a larger trade package. The later course was eventually taken. Trade Act of 1974... 3 or 4... somewhere in there. But it provided the general trade negotiation authority and in addition had a section devoted to the GSP system.

Another thing that occurred during that time in Washington was the 1971 was it? The Nixon Administration devalued the dollar and adopted a number of other policies to improve our balance of payments and strengthen our economy.

Q: January 1971, as I recall.

LEARY: We became involved in some aspects of that, specifically the import surcharge which was imposed. A 10% import surcharge, I believe.

Q: Across the board.

LEARY: Across the board, right. We had to defend that in the GATT. I was a member of the delegation that went to Geneva for that purpose. We found ourselves in a somewhat difficult position because Secretary Connally, in presenting the program publicly when it first came out, stated that in doing what we were doing we were not violating any obligations. When we got to Geneva some of our colleagues from other countries began to recall times when other countries had imposed surcharges and they reported the U.S. delegation as saying these surcharges violated the GATT. So we had to find language which covered both of these positions and in due course we were able to do that. My delegation then moved on to Panama where we had a previously scheduled meeting of the OAS committee that dealt with trade issues and we had to defend our position there. All the time listening to demands from other countries that they should be exempted from the surcharges for various reasons. Fortunately the surcharges were eliminated in rather short order so the issues went away. It was an interesting time.

Q: Let me ask you sort of more generally, John, I think that this was your last Washington economic experience. You had a very rich one. You were in the Economic Bureau twice in two different areas, and of course your job in Tokyo and the others that you had. It wasn't too many years after you left the Economic Bureau that much of the economic function, or the commercial function certainly, was taken from the State Department and the Foreign

Commercial Service was established, the Office of Special Trade Representative became much larger and capable of handling a much wider range of issues than it did in the period in which you were there. How would you sort of... Do you have any observations about those developments that happened later in light of your experience?

LEARY: USTR, as you mentioned earlier, had been established during my second tour in Washington and was beginning to take more and more responsibility for these issues, including, in particular, the first rounds of the tariff negotiations. That obviously meant some shift of authority from State to STR which I imagine involved some resistance at the time, but I think in practice it has worked out. On the Foreign Commercial side, Congress did take over a good deal of our commercial activities abroad. I don't believe that this impacted very much on the policy-making functions in Washington. I think that the State Department always had kind of a bad rap in this area. Congress was always citing complaints they got from businesses about the lack of assistance received from Foreign Service posts. Because, contrary to my own experience, we always had very good relationships with foreign businessmen and provided good advise and consul to them.

Q: To Americans.

LEARY: Yes, Americans particularly who were traveling abroad. And our files were full of mandatory letters on these subjects but nevertheless, in due course, it was decided that Commerce would take over this function. My experience in the field since then has been that, generally speaking, we have had a very good working relationship among State Department and Foreign Commercial Service officers abroad and it has worked out in a reasonable fashion.

Q: You mentioned that Under Secretary Elliot Richardson in chairing the Under Secretaries Committee was quite important at times in the negotiation of the system of generalized preferences. Would you want to say anything about the Assistant Secretary

for Economic Affairs of other people in the hierarchy that were effective during the period that you were there? Do you think that made a difference also in terms of the politics of...?

LEARY: I mentioned in particular, Ed Cronk, who was the Deputy Assistant Secretary for Economic Affairs, who was in charge of trade policy issues. He was very good and took a very active role in this. When the occasion called for a higher level of representatives to appear at meetings he was very much there. Assistant secretaries also were very good and positive. I don't recall who held the positions at each of the many times.

Q: Okay. I think we pretty much covered the period at the General Commercial Policy Division. The Economic Bureau from 1968 to 1972. Where did you go after that?

LEARY: Well, I spent a year in the Senior Seminar at FSI. A wonderful year. The most wonderful part of it was the chance to see a great deal of our own country. We made a number of trips to various parts of the country and had the opportunity to meet with people from various walks of life and to see everything from Weyerhauser forests in the State of Washington to riding night patrol with the Chicago police. At the end of the year, I said to myself, this made us much better Foreign Service officers and better citizens. I just wish that every American could have the same experience. It was just a tremendous opportunity.

Q: Okay. And from there you went to Ottawa?

LEARY: Then we went to Ottawa as economic counselor. Very interesting assignment. Very pleasant city for family living. Canadians are very pleasant people to deal with although they can be very tough negotiators. We had numerous cross border issues with which we were continuing dealing. Ranging from trading potatoes across the state of Washington and British Columbia border to restrictions on advertising in American magazines and all sorts of things. One of the most interesting aspects of this, which differs from other posts, is that Washington and Ottawa are very close together. We had very good telephone communications between the two. We speak a reasonably common

language and we found that agencies of the Canadian government were in constant communication directly with agencies of the U.S. government. One of the embassy's jobs was trying to keep track of who was saying what to whom.

Q: And probably on the one hand you welcomed that close communication and contact, because it helped resolve problems before they became really major issues.

LEARY: It certainly facilitated business between our two countries.

Q: On the other hand, sometimes common people were talking directly about things that had wider ramifications and aspects that they perhaps didn't recognize themselves and the embassy would have, if they had been in the loop and involved. How could you possibly catch up with all these sort of moving targets?

LEARY: Well, partly keeping your ear to the ground and partly relying upon the Canadian desk in Washington to keep its ear to the ground in Washington, and learning from our Canadian colleagues that certain things were being discussed and trying to pick up and get back in the loop. It was a continuing problem, but I would say not one that adversely affected our relationship with Canada very much. Something of a frustration for the embassy from time to time.

Q: You were the senior economic person in the embassy, the economic counselor. I would think that the economic issues were probably the most important in terms of the relationship. Obviously issues relating to our joint participation in NATO and events of North America and so on. But the economic issues are the ones that really come home.

LEARY: I think that is correct. Yes, on the political side we did have NATO and multi-lateral matters and UN issues and so on. We were also, of course, following things like the demands of Quebec for greater independence and in some areas separatism and so on. But the issues on the economic side were many and very important. One particular aspect of this was that much of Canadian industry is owned by American firms. There was

always a great concern on the part of the Canadians that decisions were being made by their major business firms which were not in Canadian interests. The foreign, meaning U.S., dominance was a big issue. There were continual proposals in the Parliament to take restrictive actions at various times. Most of which didn't get very far because it was recognized that this was a mutual enterprise and that they would hurt themselves to try and rubber stamp and interfere with the business decisions that were being made.

During my time they did pass some legislation which resulted in the establishment of a foreign investment review agency which was designed to review new investment proposals of a certain size in Canada and determine whether they were in Canadian interest and then either grant or withhold approval. I think that did not result in any particular restriction because in most cases if a businessman is going to invest a few million dollars in a country, it's considered almost by definition to be advantageous. But there were always concerns about impacts on local situations. Canadian labor also had an interest in this whole issue. We were developing the U.S.-Canada Automotive Trade Agreement. We had a lot of cross-border trade in energy and when the various energy crises hit, the one in '73 was one that there was a lot of concern about conserving energy on both sides of the border and how much there were going to allow to flow across. For example, large sections of New York State are depending upon hydro-power from Quebec and this happens back and forth in both directions. We had rather substantial trade in oil products across the border. Western Canada being a big producer. There were issues there as to what controls, if any, should be applied in these cases. Also the greatest attempts to develop alternative energy resources, in particular in northern Alberta. There is a resource referred to as the tar sands, which amounts to basically, as it sounds, sandy deposits with tar mixed into then. A large oil company had begin to exploit these resources and had developed a process for heating the tar sands and separating the sand from the tar, which could then be turned into petroleum products. That was not economic at the time and I suspect still is not. But it was an effort to find alternatives in the event there should be further disruptions of imports from the Middle East and so on. All these things

involved us to a degree in discussions with the Canadian government ministries that were dealing with then and with the industries who were back and forth across the border.

Q: You mentioned the U.S.-Canada automotive agreement which actually provided for free trade in automobiles and parts. I think that was negotiated, ten years before you were there. Well, in the mid-'60s. That in turn led to the U.S.-Canada Free Trade Agreement, the North America Free Trade Area. Were those subsequent steps under discussion while you were there, or was it more a question of whether we could even absorb what the auto agreement had led to?

LEARY: The auto agreement was the first step and it was still being absorbed. There was a certain controversy surrounding it. A broader free trade agreement was being discussed, but in a more academic fashion, I would say. We had really not gotten to the point where we were talking seriously, government to government, about such things.

Q: One of the concerns about the automotive agreement, as I recall, was who was really benefitting from it. Was it America or was in Canada or both? The industry clearly was a great winner. The statistics were very difficult to understand because there was so much intra-company trade that went on. Did you get quite involved with all those issues at all while you were there?

LEARY: Yes, and there was concern about... This was where companies decisions came in. In the event that the model was not selling well, there would have to be cut-backs. Where did the cut-backs take place, in Michigan or in Ontario? As the thing developed we, the American and Canadian auto companies, began producing whole lines of vehicles in Canada and in the States. So if a certain amount were being produced in Oshua and demand fell short, workers were being laid off in Oshua, but decisions were avoided in Detroit. This was causing some concerns. The trade unions also were joined as well. The Canadian auto workers and the U.S. auto workers had, I'm not sure what the work

relationship was, they were essentially the same union, but they were two different departments. So these things were continuing.

Interesting sideline about the Canadian concern for foreign investment. At one time there was a poll taken asking people who had expressed concern about foreign investment to identify which companies were foreign investors. They had, for example, General Motors. All Canadians thought that was a Canadian company. When the company had to plant their own vicinity they thought it was a good thing. It was the amorphous foreign company that no one really knew about that was the problem.

Q: In this period, I think, there was a growing concern about some of the environmental issues that spill over across the border. Acid rain and so on. Were you quite involved in that or was that someone else?

LEARY: I wouldn't say quite involved, we were obviously aware of it and from time to time were involved in discussions, but we had a bi-lateral commission that deals with border water problems; the Great Lakes and the North St. Lawrence Seaway and they were much involved in that. And both countries have environmental agencies that were dealing with these things as well. There was a good deal of cooperation in those areas, which resulted in, it's my understanding, a rather substantial clean-up of the Great Lakes.

We did have some issues in the shipping area, through the St. Lawrence Seaway and so on. And some relating to labor matters. Where Canadian port strikes against certain ships sometimes involved U.S. shipping and so on.

Q: Did you spend a lot of your time as economic counselor in dialogue with Canadians about third countries, about international issues, about Europe, about things to do with the European Union, the European community? Was that a substantial part of your portfolio?

LEARY: Yes, we dealt with Canadians on respective positions on trade issues and GATT and UNCTAD and OECD and various new economic matters and so on. Explaining our

position, seeking their position and trying to come to agreement where we could. In many cases our interests were similar.

Q: Another similarity between the two countries is the vast size in terms of area of Canada. Did you travel a lot within the country? To the west and so on?

LEARY: Yes, I was fortunate enough to get from Newfoundland to British Columbia and north to the tar sands that I mentioned in northern Alberta and also I took a trip up the James River in northern Quebec, which was the site of a major hydro project which was still under construction at that time. It's a vast country and acres and acres of open land. The great majority of the population lives within 100 or 75 miles of the U.S. border. There are vast open areas with not much but deer and polar bears.

Another issue relating to that was the Alaska pipeline which was being built and passed through Canada. That was a major issue between the two countries. Working out satisfactory arrangements between the two countries on both the environmental aspects and economic aspects of it.

Q: How about fisheries management issues?

LEARY: Fisheries are also a major issue. We share a lot of fishing grounds and there were continual issues on the amount of fish to be taken and even about who was responsible of the administration of certain jurisdictions. There are still certain areas where the coastal, the off-shore demarcation line is in dispute. If you draw the line one way or another the U.S. has a clear claim to some areas and Canada to others, but there's still a relatively small, but potentially important area that is in dispute. So in most cases we were able to work out arrangements for jurisdiction and satisfactory accommodations for our respective fisherman. But it comes up year after year.

Q: How about Canada's economic trade relations in the period which you were there with other countries in the western hemisphere, other than the United States? Was there a lot of interest in Latin American and the Caribbean?

LEARY: Yes there was. Canada had always refrained from becoming a member of the Organization of American States, although they had become more and more to participate as an observer and they were developing their relationships with Latin America, particularly focusing on trade relationships and investment relationships. A number of their mining companies had operations in South America. And of course they took a different view on relations with Cuba than we did and that also proved to be a bone of contention from time to time. Where we would attempt to restrict American firms from dealing with Cuba and they would in turn try and get their Canadian affiliates to comply with U.S. laws and Canada saying these are Canadian companies and they should abide by our regulations rather than yours.

Q: I'm not sure when it happened, but I guess Canada has now joined the Organization of American States.

LEARY: I believe that's true in fairly recent times.

Q: And I believe the State Department is now treating Canada as part of the Bureau of Inner-American Affairs.

LEARY: Yes, that also, I think, is a recent change.

Q: Which is a recent change as you say. At the time you were there it seemed natural, that Canada, even though it is part of the western hemisphere in North America is treated as an ally as part of the North Atlantic Treaty Organization, and part of the European Bureau of the State Department.

LEARY: For a variety of reasons, including its close ties with Britain, in fact it is a former British colony, that we are allied in World War II, and we had a common defense arrangement for North American, which tied in with our NATO arrangements and so on. We were the two developed countries in the hemisphere, dealing with other developed countries, in the OECD for example. So it was natural for them to be in the European Bureau, but I guess as the world changes it makes sense now for this new arrangement. But clearly many of the issues still relate to European ties.

Q: And the other developed countries in the economic area, including Japan and so on.

LEARY: An interesting sideline on the Cuban matter, the Winnipeg Ballet is one of Canada's great cultural traditions and they were invited to appear and perform in Havana and had accepted the invitation when it turned out that they had a problem when it was realized that several of the lead dancers were American citizens who were not permitted to travel to Cuba. Well, a great negotiation ensued to make it possible for them to get special exceptions so that they could travel with the ballet to Cuba.

Q: Okay. Well, unless there is something else that you would like to say about Ottawa, I would like to finish with one sort of general topic on sports. I know that you and your family did a lot of hockey during this assignment to Ottawa and one of the things from kind of things from an embassy economic/political counselor dimensions, I suppose is that by the time you were there in '73 to '77, not only the National Hockey League, but Major League Baseball, included Canadian teams as well as American teams. Did you get involved in sort of a political level in any issues relating to that or was that just something that you were interested in personally?

LEARY: No, I don't recall that we had any political issues there. I do recall attending a game in Montreal at Jerry Park, which was a place where the Montreal Expos played before they moved into the Olympic Stadium, which was built for the 1976 Olympics. By the way, we did have the '76 Olympics. That was my second time in a country that was

hosting the Olympics and we managed to see one or two sessions of the Olympic games. On the hockey side, again, there were no real political issues. One year I was there, it might have been 1976, the National Hockey League and its European counterparts hosted a, it was called if I recall, a Canada Cup, a tournament before the regular season began. They had the Russians and the Czechs and Germans and various others who were there. And each of the embassies was given a few free tickets to each of these games and our Ambassador was not much interested so I inherited these tickets. I went to Montreal to see the Americans play a couple of times. It was a lot of fun. We enjoyed it very much.

Ottawa is a city that is filled with recreational facilities which makes it ideal for families. There were bicycle paths and parks and lots of skating rinks which are open twelve months a year, and if one likes to ice skate, you can do that all year round. Skating on the Rideau Canal during the winter months was one of my favorite forms of relaxation. I would “brown bag” my lunch and skate during the lunch hour. The children were very involved in playing hockey and Ringette (girl's form of hockey) and I helped coach their teams. My family has often heard me say that my most prized possession was my Canadian Hockey Coach's certificate!

Q: Well, it is almost a tremendously important and fascinating relationship. Two countries that are the biggest trading partners in the world, I think. The economies are so integrated and becoming more so, there are frictions and problems arise, but I guess the amazing thing is how well things work most of the time.

LEARY: Canada is a big country and attitudes vary from one part of Canada to another. I recall being in Newfoundland where their ties with the United States are very strong. Especially New England and their sympathies are very much with the United States on many issues. Similarly in western provinces, their ties are more north and south than they are east and west. You find a lot of resentment there about the Ontarians who through numbers largely control the Parliament and so on.

Q: Did you coordinate the economic efforts of the various American consulates in Canada? Or were those consulates generally primarily involved with consular issues and citizens and didn't really do much economic reporting?

LEARY: They were principally consular posts. We've got a huge volume of visa and citizenship issues, protection of American citizens who ran afoul of Canadian law and so on, that have to be assisted. All of the posts reported from time to time and made contributions to our round-up reports and so on. And occasionally became involved in specific issues, but most of the reporting was done through the central embassy in Ottawa. And of course we had very good phone communication with these people so we could pick up the phone and talk to them about issues and get their report on those issues.

Q: Who was the Ambassador most of the time that you were there? This was the Ford Administration.

LEARY: When I arrived the Ambassador was Adolf Schmidt. He was an appointee of the Nixon Administration, as I recall. He had been there for some time, but left shortly after I arrived, so I did not get to know him very well. Then he was succeeded by Tom Enders, a career officer who did a very good job and took what, compared to the past, had been a very high profile in Canada. Discussing policy issues in a public forum we had pended because of the Canadian sensitivities, to take a rather low posture in the embassy, but Enders, with the approval and encouragement of the Secretary of State, who at that time was Henry Kissinger, began to talk about issues and our view of what Canada should be contributing to some these things and super-sensitive to some of our concerns. In southeast Asia for example. In the economic investment area. In burden sharing and NATO and various things. So it was kind of an interesting time. Tom toured the country and about once a month would make a speech on a major issue which became grist for the editorial writers for a few weeks. Toward the end of my tour we had Bill Porter. Another

career officer. Again, a very short time. It was Enders who was there most of the time that I was there.

Q: I can't imagine Tom Enders taking anything other than a very high profile. It's just his personality.

LEARY: That also greatly improved our ability to follow what was happening outside of regular channels because Tom did not hesitate to pick up the telephone and call the Secretary of Treasury or the Secretary of Commerce and find out what they were thinking or doing about certain things.

Q: He also, of course, at the time, had a very strong economic background.

LEARY: Absolutely.

Q: He had done economic work himself a lot. Was that a problem for you in a sense that he wanted to do it all or...?

LEARY: No, not at all. No, no. He relied very much on the staff, except when it came to writing speeches. There he asked for input but he was his own speech writer.

Q: Okay. Anything else about your assignment to Ottawa? Great job, I think.

LEARY: Yes, we enjoyed it thoroughly.

Q: You can talk more about potatoes or carrots or...

LEARY: My first direct experience with Canadian trade problems was actually before I was assigned there. There was a problem relating to cross-border trading of potatoes on the west coast. The problem which is similar to other problems which arise, related to the differing seasons. One crop matures before another and trade goes across the border and for example, Canadian crop was just coming in and the U.S. crop was plentiful and

we were shipping loads of potatoes into British Columbia and depressing the price. And they were doing the same thing when our crop was not quite ready and it was coming back across the border. Anyway, due to these sorts of things, I was invited to go, this is when I was still in the Department in GCP, up to Ottawa with a Department of Agriculture representative and a man from the Washington State Potato Commission to talk to our Canadian counterparts about this.

Q: I had a similar trip at one point. I don't remember if it was potatoes or turkeys or some seasonal product. And as you say the trade currents ebb and flow and there are lots of these issues.

LEARY: I remember the potato commission guy gave me a little card to carry in my wallet that said “How to Eat Potatoes and Lose Weight” and it had a number of suggestions on it which I never really followed very closely and as a result didn't lose much weight.

Q: Okay. Where did you go after Canada?

LEARY: After Canada I went to Vienna, Austria, where I was the U.S. Representative to UNIDO, United Nations Industrial Development Organization, which was headquartered in Vienna. This was, at the time, a small independent Mission. I had myself, one other officer, a secretary and a local assistant. We had our office in the embassy to Austria, Boltzmanngasse in Vienna, but we had our separate communications series and so on. And our own communications with IO [Bureau of International Organizations] and principle officers of IO in the Department.

Q: What about the IAEA?

LEARY: The IAEA was a separate Mission which was physically located elsewhere and dealt with the International Atomic Energy Agency. There was a history to this. UNIDO was established by a UN resolution in 1968. It was not a specialized agency of the UN the way the World Health Organization or the World International Organization was, but

a unit of the New York Secretariat, physically based in Vienna, but being part of the UN general budget and so on. Its staff were hired by New York and paid by New York and so on. Once the Organization was established, and here again is a case where the United States had opposed establishment of UNIDO for a long, long time, but finally gave into the UN political pressures. We had felt that the industrial area was one where the private sector was much more important than government and we feared that UNIDO would turn into an organization promoting statist solutions to issues, which in fact proved to be correct to some degree. But in any event, the Organization was established and we appointed a representative to UNIDO with a separate small Mission in Vienna.

During my time in Vienna, the Austrian government completed construction of a new complex of office and conference buildings which became known as UN City. These were designed to house the IAEA and UNIDO and had several hundred offices left over and so when the Austrian government completed construction and they delivered the buildings to the UN for a token rent of one Austrian shilling per year, the UN vowed to fill the space with overflow from New York and Geneva. Of course, there was some debate about which particular offices would move. In the end, much of the work of the UN in the areas of social activities, women's issues and children's issues and that sort of thing moved to Vienna. Certain of the functions from Geneva, particularly those relating to drugs and narcotics moved to Vienna. And at the same time UNRWA, the United Nations Relief and Works Agency for Palestinian Refugees, which had been headquartered in Beirut was forced to move to a more secure location and they came to Vienna. And my office became responsible for relations with these various units. This did not put a great drain on our resources because they were still in the process of moving in and the issues were not in most cases terribly significant at that stage. But it was then decided that it would make much more sense for us to establish in Vienna the kind of Mission that we had in Geneva which was a Mission to the International Organizations of the various sections that dealt with the individual organizations. After my departure that was accomplished by

establishing what was called USUNVIE, which is the U.S. Mission to the UN Agencies in Vienna.

Q: That includes the IAEA.

LEARY: That's right. So now there's one Ambassador to IAEA UNIDO and other UN activities there with people under him who are specialists in various areas. But during the time I was there, as I said, we were independent. It was quite an interesting experience to deal with a UN organization which in many cases was engaged in activities for which we had certain reservations. We involved ourselves in the questions of budget control and efficiency, as well as the substance of some of these issues.

Q: Yea. UNIDO was probably one of our least favorite international organizations.

LEARY: We have since withdrawn, but that occurred some time afterwards.

Q: We weren't very happy that it was established as you said before. So I guess your main task was to try to limit the damage.

LEARY: That's basically it. And to encourage to the extent that we could some positive things. One thing we were encouraging, and I'm not sure in the long run what the effect was, but we were encouraging the organization to deal with the private sector. They established a series of industry sector consultations, for example, in the steel industry. And various countries were invited to invite various representatives of their industries to come to meetings, sometimes in Vienna, sometimes at other locations, and meet with developing country counterparts to discuss the real issues of trade in these products. How markets were developed and what one had to do to develop markets, what was happening in terms of change in technology and so on. I think these had some positive impact. One of the problems was that in many cases the developing countries would send government bureaucrats instead of industry people and the bureaucrats simply insisted on repeating well-worn positions rather than listening to the good information that they were obtaining

from the developing country spokesmen. But for the most part it was a matter of, as you said, containing the damage.

There was a great push on to convert UNIDO into a full-fledged specialized agency. The developing countries, I guess, had this at the top of their agenda. They felt that this could give the agency clout. Give them an independent budget, independent board of directors and so on. We engaged in a lengthy negotiation to develop a constitution for such a specialized agency and our objective was to have an agency which could be controlled to a certain degree in terms of budget and activities, but in particular, via budget, we didn't want this thing to get out of control. As it was, UNIDO was part of the general UN budget and was controlled in virtually the same way that the general UN budget was controlled. If there was a 2% budget increase for the year, UNIDO got a share of that, and of course other offices. Whereas with an independent agency, the theory was that they sky would be the limit.

So we spent a lot of time negotiating provisions which provide for budget procedures, which gave an effective veto to enough countries in the developed country area, that if we could reach common ground, among basically the donor countries, we could have some control over the budget. This involved developing procedures and voting procedures and so on. We finally reached a satisfactory understanding on this and before I left Vienna we signed the agreement through UNIDO, which of course was ratified by Congress to become a member. We also wanted to include in that Constitution withdrawal procedures which would enable us to withdraw in the event things did not proceed to our liking. That proved to be the case a few years later and we decided that it was not worth the effort and we withdrew. It must have been sometime in the early '90s, I guess.

Q: I assume a lot of your effort in Vienna was in coordinating and working with the other developed country representatives.

LEARY: As in many of the UN organizations we broke down, and in fact this is in the rules of the organization, into groups. Groups “A” and “C” were the developing countries and they were specified in the law and rules. “A” being basically countries from Asia and Africa and “C” being countries from Latin America, but who joined forces on most issues and became known as the Group of 77. Group “D” were the East Bloc Socialist countries and Group “B” were the WesterIndustrialized countries, including western Europe, Canada, Japan, Australia and New Zealand. Much of our preparatory work was done in these groups. We had a very active and well functioning Group “B” and our Mission took a very active role in that Group. Many of the countries were represented by people who, unlike the U.S., did not have a special Mission for UNIDO. They were either from a Mission whose principal responsibility was the IAEA or in some cases the bi-lateral embassy had also the responsibilities for the international organizations. I discovered that by taking the initiative to get pieces of paper on the table, we could frequently move the discussion in our direction if there were going to be doubts.

I recall in particular, prior to the third general conference of UNIDO which took place in India in about 1979 or maybe '80, the Secretariat had come out with a number of papers on the individual agenda items, many of which took positions that were not pleasing to us or many of our developed country colleagues. We always had people, members of our Group however, who were prepared to avoid strong stands on these things. In part because their interests were not as directly affected as the interests of the major donor countries, and so on, and in part because of domestic political situations.

In preparation for that meeting our embassy established a small working group, of Group “B,” and our embassy undertook to review each of these agenda papers and prepare a commentary, which we did and tried to take into account the views we knew were going to be expressed by some countries, but being sure to include all of our own positions. By the end of the process we gotten considerable agreement on a position, which resulted for the first time, when the conference actually took place, in a solid Group “B” vote against

the plan of action which had been presented by the developing countries. At first there were statements to the effect that the conference had been a failure, but we went back to Vienna and all sides began to reassess their positions and were much more amenable to compromise on issues. We passed through a period of exercising what was known as the “Spirit of Vienna”, which enabled us to get the organization moving again.

Q: Okay. Were you the Chair of Group “B” towards the end of your time in Vienna?

LEARY: Yes, Chairmanship rotated. During the UNCTAD conference that I mentioned, the Chairman was the Belgian Ambassador who was a woman, Ambassador DeBeir. A very capable lady. After the conference, she had done her time and I was approached about taking over the chairmanship. I think in part because of the work that we had done prior to the conference. In fact, the Group insisted during the conference that I spend a lot of time behind the Belgian table to advise Madam DeBeir when she was speaking on the Group's behalf. I consulted the Department and was given authority to do this. We generally had shied away from this, but in this case they decided that it was alright. So, for the next six months I had the job of coordinating the Group and it was an interesting experience.

Q: You mentioned the history of why it was a separate Mission and then later all the UN agencies in Vienna were folded together as far as the United States representation was concerned. I suppose there were some real advantages that you could focus entirely on UNIDO and maybe to a lesser extent some of these other agencies coming to Vienna.

LEARY: Yes, that's true.

Q: And you had authority and were seen by others as having expertise.

LEARY: There were a couple other countries who had specialists in UNIDO. One was the West Germans and the Swiss also. They had a Mission which was accredited to both groups, but they had one person on the staff who was principally the UNIDO man. Since our three countries tended to have very similar interests, we worked very closely together.

Q: Jack, I think we have pretty well covered your time as Permanent Representative of the United States to UNIDO, the United Nations Industrial and Development Organization in Vienna. What happened after you finished your time in Vienna, which would have been about 1980?

LEARY: Well, I was assigned as consul general in San Paulo, Brazil. I came back from Vienna to Washington for six months oPortuguese language training. This was the first time in my career that I had ever had language training before going to a post. It was extremely helpful, because when I arrived at the airport in San Paulo, somewhat to my surprise I could understand what people were saying and reply to them. We arrived in San Paulo, as I recall, in the early part on 1981. We were there for about four years.

Q: San Paulo was obviously an extremely large and important city in Brazil and in the western hemisphere. Why don't you talk, maybe a little about the role of the consulate general and the city itself?

LEARY: Well, as you say, San Paulo is a really big city. It is one of the world's largest. At the time we were there the population of the metropolitan area was estimated at about 14 million people. Its in a part of Brazil which enjoys a temperate climate. Quite warm in the summer, quite cold in the winter. An occasional bit of snow in the winter, but not very much. It's cold enough that you have to wear an overcoat at different parts of the year. The population of the city is an interesting ethnic mix. There are almost a million people of Japanese ethnic origin, descended from Japanese who came to Brazil in the early part of this century to work on the coffee plantations and other agricultural pursuits. The Japanese people worked very hard and saved their money and now they own a good part of the agricultural production of Brazil. Very active business people. There are several million people of Portuguese origin, Italian origin, Germans, many eastern Europeans, lots of Lebanese. The governor of Brazil, the governor of San Paulo state, for most of the time that I was in Brazil was of Lebanese origin. He told me that his father and his uncle immigrated from Lebanon. His father coming to Brazil and his uncle going to the United

States and their families had become very successful in various walks of life. So, Brazil was a very interesting place from that point of view.

It also, like all big cities, had the problems of big cities. Congestion, pollution and unfortunately lots of street crime. It also had the advantages of a big city. Wonderful restaurants of all ethnic descriptions, lots of cultural life. It is clearly the economic center of Brazil. The state of San Paulo produces probably more than half of the total industrial production of Brazil and a large percentage of agricultural production. Because it is a big state and outside the major industrial center of San Paulo and its environs, there is lots of agricultural production. Coffee and soy beans, cattle. I recall one time when we had to tour the interior of my district, which included a lot of cattle ranches and vast open spaces. We were talking to a rancher who had some time before that visited the United States and had been to a King ranch in Texas. He said to me, “I found up there that the cattle were standing shoulder to shoulder. Down here we have plenty of space for them to go out and graze.” It's still, in many ways, the land of opportunity, and there are still frontiers to develop.

Q: Is San Paulo also the financial banking center?

LEARY: Yes, very much so. Rio used to be, but the center has gradually shifted to San Paulo. Rio is still obviously very important, but many of the banks now have their headquarters in San Paulo. We had a very large American business presence there, which I should mention because that was a focus of a lot of attention by our office. Almost every large American company had some sort of operation in Brazil. General Motors, Dow Chemical, Corning Glass, and so on. We had some twenty thousand Americans registered at the consulate general. We enjoyed them being there, business firms, educators, and clergymen and others.

Q: The consular district pretty much covers the southern part of Brazil, I suppose?

LEARY: We had a consulate in Puerto Alegre that took the two southern states, but we covered the state of San Paulo, Santa Catherina and Monte Grossa del Sol, which is in the western part of the country. In square miles it was a tremendous amount of distance.

Q: We you able to travel quite a bit within the District?

LEARY: Yes, quite a bit. We made several trips out into the western part of the District by plane. It was a long, long distance. We had one American business firm which had its own cattle ranches out there. It was a descendant of Swift Armour. And I visited their ranches two or three times.

Q: I suppose San Paulo because of its industrial sector is also an important center for labor unions?

LEARY: Yes, the national labor unions are headquartered in San Paulo. At various times, our Labor attach# in Brazil has been stationed in San Paulo. During the time I was there he was not. He was in Brasilia, but we had a political officer who focused a good bit of his time on labor affairs, while the attache came to San Paulo regularly for visits and discussions with the labor unions.

Q: You mentioned a political officer on staff at the consulate general. Besides the trade unions, how significant was the political life of San Paulo as it related to Brazil as a whole and Brasilia in particular?

LEARY: Due to the population of the area, it was very significant and many of the leading politicians came from the San Paulo area. In the last couple of elections that I have just followed in the newspapers, some of the candidates have been published in San Paulo, the governor whom I mentioned from the Lebanese extraction, Carl Maluf ran for president. And in the most recent election, one of the labor leaders while I was there known as Lula, Louis Vanessa del Silva, I believe his full name was, was one of the candidates from the left-wing party. So we did quite a bit of reporting on especially

conversations with from the politicians in our area to contribute to the embassy's country-wide reporting on politics.

Q: One of the things that I have always been interested in, and I did some years after you were there, a few years after you were there, pay a visit to San Paulo, as well as to Rio and Brasilia. I have always been interested in the relationship between a very major consulate general and the embassy. And in the sense between San Paulo and Brasilia. San Paulo being a much larger city and Brasilia being a newer city. My impression was that a lot of the people who were in Brasilia, working for the Brazilian government, didn't really want to be there. A lot of them just stayed from Monday thru Thursday or Friday and then went back to Rio or San Paulo where there families were for the weekend. How did you experience the relationship between the two cities? But also, perhaps more importantly your relationship between the embassy?

LEARY: Well, if you are talking about the Brazilian civil servants, that was very true. And it was especially true in the first few years after the capital moved from Rio to Brasilia. I believe that has changed a little over time as Brasilia has grown and people have raised families there and so on. But still, there is a great exodus from Brasilia on weekends as people were trying to leave for Rio, San Paulo or other areas.

The relationship between the consulate general and the embassy, I would say was a very positive working relationship. We had a lot of visits from embassy officers, beginning with the Ambassador all the way down, quite frequently. The Ambassador was in San Paulo for a two or three days each month. Political officers, military attach#s, economic officers, and so on were doing the same thing. We had easy telephone communications, so there was a great deal of exchange back and forth. We had, in San Paulo, quite a large staff. We had about some forty plus Americans representing a number of agencies. We had agricultural officers from USDA, commercial officers, we had a Trade Center in San Paulo which had a staff independent of the commercial officer there. We had a regional officer of the Internal Revenue Service. We had a very active post. A very big and active U.S.

Information Service operation and I spent a good deal of my time working with them on various programs. So a lot of the job there was management of this fairly large post and maintaining contact with the embassy and doing a lot of the representational type work.

Q: Who was the Ambassador while you were there? There were several during the period that you were in San Paulo?

LEARY: Yes. When I first arrived in San Paulo the Ambassador was Bob Sayer an old Latin American hand whom I had known in previous incarnations. We just met when he was in the Department working on economic matters with ARA. He was succeeded by Tony Motley, who was there... I was there four years and Tony was there for two and a half, close to three. And then just at the end of my tour Diego Asencio came in as Ambassador.

Q: You mentioned the U.S. Information Service operation which you were involved with and supported. I assume San Paulo is also a media education center as well as all these other things?

LEARY: Yes, yes. Two major newspapers were published in San Paulo. Lots of TV operations there. The University of San Paulo was a very well-respected university. The Brazilian nuclear program and had its headquarters in San Paulo. As I recall there was a connection to a degree with the University of San Paulo in that the head of the Brazilian Nuclear Agency was a professor at the University.

Q: The consulate general also had a very high volume consulate activity. Visas and passports, and you said that there were 20,000 American citizens.

LEARY: Yes we did. We had a number of retirees who each month received checks. There were several hundreds of checks to distribute; Social Security beneficiaries and others as necessary. We had a very big visa operation. We issued about 50,000 visas a year. We had an office in downtown, we had the first six floors of the downtown office

building and on busy days the visa line would stretch out the front door and run around the corner. We made every effort to organize ourselves internally to permit more people to get inside and to speed up the process and so on. There was always more demand than we could cope with.

Q: What would you say was the highlight of your four years in Brazil?

LEARY: Well, one of them certainly was a visit by President Reagan. This was in the late fall of 1982. We got word that he would be making a Latin American swing and coming through Brazil. There was a lot of debate in advance about just what he should do in Brazil besides going to visit with the Brazilian president and so on. They finally decided that he would come to San Paulo to give a speech on economic matters. That resulted in huge advance groups being sent to us and we spent several weeks preparing for the visit. The final details of the visit were not decided until really, the last minute. And I recall that a somewhat embarrassing situation arose. We were told that he would probably be staying overnight in San Paulo and that there was a need for probably 600 hotel rooms which included the advance party, of course, and the people who came along on the trip, plus several hundred media people. So we desperately began calling all the hotels in San Paulo and I recall that Johnson & Johnson which had a big operation in San Paulo at the time and was having some sort of medical conference on the date that the President was supposed to be here and they had reserved large numbers of hotel rooms. I had to call the president of Johnson & Johnson and after some discussion he agreed to release 75 of his rooms to us. Then of course, at the last minute the White House decided that the President would not spend the night after all. So we had the duty of calling the people who had accommodated us and saying, “I'm sorry, we don't need those rooms after all.”

But the visit itself went off beautifully. As the preparations went along one wondered whether it would happen, but in fact everything fell into place. The President arrived in San Paulo about noon time. The governor of San Paulo at the time had offered him the hospitality of the governors's palace, which was not only the governor's home, but

the locus of the state government. They had a large auditorium which was ideal for the President's talk. So the President arrived in a helicopter outside on the grounds of the governor's palace and was there for about four or five hours for his talk, a reception afterwards and a couple of press conferences and then took off again for Brasilia.

Q: So he didn't actually circulate more widely through the city?

LEARY: No. Although the advance team had made several alternatives, one of which would have taken him around the city to various places. There were several things that were interesting in the way that it developed including the press and security. Obviously, the U.S. security people were concerned about keeping the President from harm and were proposing to put up metal detectors and check everyone coming into the building and so on, but the governor was adamant that he was not going to allow visitors to his home to be put through any sort of intensive drilling so there was a lot of debate back and forth. In due course, they reached a mutual accommodation and everything worked out very well.

A sideline to all of that, regarding my wife, we had assigned everyone in our office specific duties for the visit and we also had a lot of people come in from Brasilia and other posts in Brazil as well as around Latin America to help. At the last minute they realized that the President was going to be in the governor's private quarters until the time before his talk and after the reception and so on. The governor's staff would be there to serve coffee and provide assistance as necessary, but none of them spoke English and how were they going to deal with this. So I told them that my wife had not been assigned to do anything and she speaks Portuguese very fluently and I think she would be happy to volunteer. Nancy, I think spent more time with the President than anyone else in the official government and the president from Brazil.

Q: Was Mrs. Reagan on the trip too?

LEARY: No, Mrs. Reagan was not on the trip. This was billed as a “working visit” and she wasn't there.

Q: Did President Reagan go to Rio on this trip too?

LEARY: No. He only went to Brasilia and San Paulo. Then he went south to Monte Vedao?

Q: You know, one wonders some times with all the people involved and all the work for these visits, if they are worthwhile?

LEARY: Yes, I think so. Reagan was really popular among the Brazilians, and he spoke in San Paulo largely to a business group and said a lot of things they wanted to hear. It was a worthwhile visit that got a very positive response.

Q: Anything else that you want to mention on your tour to Brazil?

LEARY: I think again, going back to the USIS effort, we had a lot of very positive results for programs we promoted, including visits of two of the major American symphony orchestras. The Cleveland Orchestra was there and the NSO (National Symphony Orchestra) had a visit. We had a lot of major groups like the Twyla Tharp Dance Company. As I have said, San Paulo had become quite a center of arts and culture and many of these visits were very stimulating to the Brazilians. I think they helped in terms of our mutual relations.

Among other visitors were some of our astronauts. I was impressed with the rapport they seemed to have immediately with everyone. The three that were there were very personable people and they were really viewed as heros by many people. Just to see the way in which Brazilians from age ten up to age ninety interacted, it was great. One of the people we had was Vance Brand who had been a, I believe it was a commander of the first U.S. space craft to dock with the Russians. But in any event, one of the things that we

arranged on this visit was a meeting with a woman who was the president of the Santos Duma Association. The Brazilians believe that Santos Dumont beat the Wright Brothers to the punch in getting a heavier than air object off the ground. But in any event, they had an organization called the Santos Duma Association. The president was a lady whose full name I can't recall. Her first name was ADA. She was in her, well into her '80s at this time. She had been the first Brazilian woman to have a pilot's license and she had flown the plane back in the '30s from Irradel Fuego to Northern Alaska. At the time apparently this was quite a feat. The museum that they had in San Paulo had a picture of her travels and they had her aircraft on display, signatures from various people up and down the western hemisphere. She was still a very lively person and I remember they presented Vance Brand with a metal from the Santos Dumont Foundation. She made a little speech and she said all te right things, including the fact that we were just following up on the real pioneers who made all this possible.

Q: And her flight was in the 1920s?

LEARY: Late '20s, early '30s.

Q: Was security for you or for the consulate general an issue while you were there?

LEARY: Yes, that's something that I should mention. We had a number of serious incidents in Brazil, including the kidnaping of our Ambassador in Rio at that time. In San Paulo, the British consul general, several years before I was there, had been attacked. So both we and the Brazilians were very conscious of security. So I had assigned to me, by the San Paulo state government, 24-hour body guards who rode with me in the car and stayed with me in the office if I was inside and so on. We had a, they were with me when I was up and out, but at home, at night, we had two guards that patrolled the grounds and the guards who accompanied me were off duty.

Q: The guards at the residence were contracted through the consulate?

LEARY: Yes. The two assigned by the state of San Paulo rode with me in the car and we had an armored car there. An old Chevy, which because of the heavy armor got about 5 miles to the gallon and was always breaking down. It was quite a number of years old. I never really felt threatened and there was seldom any personal threats against me. At the office we had a large number of bomb threats and rather active demonstrations out front, occasionally demonstrating against our policy in Central America, Middle East, or what have you. You always received very good protection from the Brazilian authorities who prevented things from getting out of hand.

While I was protected, my wife was not and she was unfortunately held up at gun point one time during that time. That was a scary moment. She had been out shopping and when she returned home, she noticed the neighbor whom she hadn't seen in a few days coming out of her home. She had put her car in the street and was locking the gate, so Nancy pulled up and got out of the car to talk with her and as they were standing there, three men came down the street, one of them holding a paper bag. They saw them coming and they thought they were going to try and sell something, but the guy pulled a gun out of his bag and said, “Open the gate and let's go inside.” So they took them inside the neighbors's house and a car drove up in front and they stole TV sets and radios and in due course left and the women were not harmed.

Q: The TVs were from the other house, not your house?

LEARY: They were from the other house. As I said we had guards that were working there. So, my wife then went out and took a self-defense course and returned home one day with a board that she had broken in half with her hand. She said, “ I am now conscious of my personal space.”

Q: Ain't that the truth. You mentioned the British consul general at some point in the past. Were there quite a few other professional consuls?

LEARY: Yes, we had a very large diplomatic community of consulates. All the major countries were represented. Almost all Latin American countries. As I said, because of the ethnic make-up of the city, many of them had, as we did, a large number of their citizens to be responsible for, as well as being major commercial center.

Q: You also mentioned that there were demonstrations upon occasion on U.S. policy during the Reagan Administration in Central America. Was that something that people continually brought up with you or was it more of manifestations in the form of demonstrations occasionally or newspaper... ?

LEARY: Yes, it was definitely demonstrations, usually by left wing groups. I think there was general support from a good part of the population for our policy there. The demonstrations, regardless of the subject, often included many of the same people. What normally happened would be a gathering in front of the office blocking the street and there would usually be anywhere from 500 to 1,000 people, often reported by the press to be considerable more than that and they would chant and raise signs and so on, and then they would ask to present a petition. So then someone in our office would receive a representative and he would come in and present a petition expressing their views on the issue with pages and pages of signatures. Sometimes we made an effort to check these, one against the other. It seemed from time to time that many of the same people were demonstrating, whether over Central America or the Middle East.

Q: Did you get good support from the local police?

LEARY: Very good. They didn't prevent the demonstrations, but when we learned one of these was going to take place, we often had advance notice, they would position some police in strategic positions just to be available in case there were any difficulties. They seldom got out of hand. In fact, they never got out of hand.

Q: You mentioned the Middle East a couple of times. During the early 1980s while you were in Brazil, we were of course involved in Lebanon with the Marines and multi-national force and so on. You also mentioned the governor of the province...

LEARY: State.

Q: State, was of Lebanese extraction. Was Lebanon of particular focus either in the demonstrations or did that come up often in conversation, particularly with those with a Lebanese connection?

LEARY: To some degree. There was a very large Middle Eastern community there. Mainly Lebanese, but there was also a large group of Syrians and others. Many of them Christians who had left the Middle East and come to Brazil and I guess other places in Latin America. They were, I recall, very sympathetic to the Gemayel family. I don't know very much about Lebanon, but they would frequently send a representative around to the office and ask to call on me and they would then explain how happy they were about the role the U.S. was playing in the area. Trying to establish peace and so on. I recall when President Reagan's visit was announced, they immediately sent someone around with a letter addressed to the President to thank him for the efforts he was making in Lebanon. While that particular ethnic group was concerned, I think, however other Brazilians weren't that focused on the Middle East.

Q: At least part of the time concerned in a positive way, or supportive of what we were trying to do. Not so much critical. Okay. Anything else about Brazil from 1981 to 1985?

LEARY: I think we probably covered most of the notes. One thing one can't be in Brazil very long without being a soccer fan. The Brazilians, during one of the years that we were there, the World Cup took place in Spain and I was amazed at the focus of the country on what was happening in Spain. All of the games were televised, of course, and on the days that Brazil was playing, the city would shut down for two hours or so while the game was

on. Even Ford and General Motors were shutting down their assembly lines because they knew that no one was going to be paying attention to their work. I recall that year we had meant to have our July 4th reception on July 5th because the 4th was a Sunday and not an appropriate day for a reception. But on Monday the 5th, Brazil was playing Spain, no, I'm sorry, it was Italy, and Brazil lost the game 3 -2 in the afternoon. Our party was in the evening and we wondered if anyone would appear at the reception, but finally they began to trickle in with very sad faces and the sole topic of discussion that evening was Brazil's unexpected loss to Italy in the World Cup that afternoon.

Q: Maybe you could give them some solace and help about their depth of despair. Okay. Where did you go after Brazil?

LEARY: I was assigned to Grenada in the West Indies. I came back to Washington for a brief interim period during which President Reagan made a visit to Grenada. It was decided that since I was due to arrive there just about the time that he was, that I should delay my arrival until after he had returned and my predecessor would handle the visit. So we arrived in Grenada in, as I recall, the Spring of 1986. Grenada was an interesting spot because of the history of what was called the “Rescue Mission.” Until our intervention in October in 1983, we had not had an embassy in Grenada. It had been covered by our embassy in Bridgetown, Barbados which was responsible for all of the countries in the Eastern Caribbean. But once we went in, in 1983, they decided to establish an embassy there. I was the third incumbent in the job. It was a very small island about twelve miles by twenty, with a population of about 100,000. Because of what had transpired earlier, we had a very active representation there, including a very large AID program, which on a per capita basis was probably the largest in the world. After our military groups had withdrawn, we undertook to complete the airport which the Cubans had started and did various other things to assist the country in upgrading it's development, i.e. building roads, helping to expand the electrical power distribution. We had a very large program of support for the

health care system. A very large program run by Project Hope, which sent doctors and nurses to Grenada to work with their counterparts and upgrade the medical system.

Q: What was your title and position were you there?

LEARY: My title was charge d'affaires, but I was the chief of mission. The Secretary designated me as Chief of Mission, but the Department did not submit a nomination for Ambassador to the Senate, probably for domestic political reasons. So my predecessors and I and my successors all went there with the title of charge d'affaires.

Q: And the domestic political reasons related to opposition on the part of some on the Hill towards the rescue mission and towards what we were doing?

LEARY: I think that's correct. I think that it would have been controversial thing if it ever went before the Senate and it was decided that there was no reason for that. Since that time the embassy has been downgraded. At the time I left, ARA (Bureau of Inter-American Affairs) was proposing to reorganize representation in the Eastern Caribbean, making Bridgetown responsible for two or three countries and Grenada responsible for Grenada and St. Thomas and upgrading the embassy office in Antigua to full embassy status and make them responsible for a couple of countries. That idea, which had been agreed in the ARA was finally shot down and it went back to the old pre-intervention status with Barbados in charge of the area. But last I heard we had a single representative in Grenada, who was a member of the staff in Bridgetown and resident in Grenada.

Q: But at the time you were there?

LEARY: When I was there we had a full embassy with political and economic sections, consular section, large AID Mission, who at one time had six American AID officers. During my time it was gradually reduced. We also had a USIS operation. It was clear this was more than such a small country would normally warrant, and we were gradually paring it down. It was decided that if we were to remain as an embassy, which many people

thought would be appropriate, it was thought that we should have other responsibilities in order to use the staff efficiently, but in the end it was decided to go back to the arrangement with Bridgetown to be responsible for the area.

Q: At the time you were there, you were only responsible for Grenada. You didn't have any regional responsibilities?

LEARY: No.

Q: Let's talk a little bit more about the U.S. military presence while you were there.

LEARY: Well we had...none. This was a misconception. Many people thought we still had troops in Grenada, but they were withdrawn very shortly after the intervention. We had a few people there for three or four months that were left behind to sort of straighten out some of the logistical problems that we had. We probably had a lot of equipment and so on, but within no more than six months after the intervention, which was in October 1983, all of our troops had been withdrawn. We had occasional visits from U.S. military forces, including before I left there a series of visits by U.S. Navy ships. We also, through the cooperation of the Grenadian government, used Grenada as a base for certain exercises. I recall one interesting one. We had a squadron of hydrofoils that were based in Florida come to Grenada and spent three months operating there as a test of their ability to deploy to a foreign location. They then set up a tent city and had four, if I recall, of these huge hydrofloats. They travel at great speeds once they get going. They always made it a point to take local leaders on a ride and trips and so on. There was always a very positive reception for these groups. I thought that they were the only country in the world where the graffiti, instead of saying, “Yankee go home!” says, “God Bless the 82nd Airborne Division and thank God for Daddy Reagan.”

Q: And “Yankee come back.” Why don't you talk a little about the political situation in Grenada while you were there?

LEARY: There was a cres de vue. We had a government headed by a man named Herbert Blaize. He and another Grenadian leader named Eric Gary had kind of traded the Prime Ministership back and forth after independence back in 1974. Gary was in power in 1979 when the Communist uprising took place. Since the Communist uprising... that's the wrong term. Gary's government had become rather corrupt and he had begun to use his political authority to beat up, even literally, on his opponents and he had become quite unpopular. A group of Marxists, headed by Maurice Bishop, who had been trained as a lawyer in London, he had the support of a large segment of the population. They decided that they were not going to wait until the next election and they tried to get rid of him and a business group took part in the coup. Immediately after this they began to cast out of their group the non-Marxist members, many whom wound up serving long prison terms with no charges against them and so on. And that made those people mad when I was there. This went on for almost four years when there was a dispute within the Bishop Governments' ranks and his number two man, Bernard Coard, took over for Bishop and executed Bishop and some of his cabinet minister in the court which sits above St. George, which is the capital city in Grenada. This is what triggered our intervention. Then Gray took over and was elected, so during the time I was there it was very friendly towards the United States. He was also a lawyer that was trained in London. He was a very bright but simple man and he lived in the Northern island of Carriacon, which is accessible only by boat or small plane. It's a very small island and a very small population. I went on an occasion to visit him in his home and it was a very, very simple, almost ram-shackle house that he lived in with his wife. He was a very shrewd manager of the government. I dealt with him on almost a daily basis during that time, particularly with respect to military deployments and other developments in the region and especially when we were trying to garner votes in various issues in the United Nations. He was always very helpful.

Q: We were talking about your day-to-day dealings with Prime Minister Blaize.

LEARY: Also the chief opposition party had views very similar to the government party. There was very little to choose between them in terms of policy matters it was a matter of one group being in, and the other being out. But the country was quite stable. Although the per capita income was very low, there was never really any poverty. People lived comfortably. The climate was good, therefore you didn't need a lot in terms of clothing and the housing as well was simple. Food grows on trees or in the ocean around them. There was a surprisingly high percentage of property ownership, of land ownership. About 65% of the population was supposed to own some land. What you have is a country that produces certain basic agricultural products, including bananas, cocoa, nutmeg. Grenada produces most of the world's nutmeg. Indonesia being the other major producer and no one was quite sure how these two countries somehow were able to grow nutmeg, but they do. Most of this is harvested and handled by cooperatives, who arrange the sorting, shipment, and export. But also the country receives large amounts of remittances from abroad. Grenadians who have left the country and gone to New York or London or Toronto to make their fortune and are very conscientious about sending money back to their families back home. Speaking of families, also there is a very strong extended family system. I remember talking to some people about the unemployment question down there and in percentage terms there was probably a high percentage of unemployment. But I was told that this is not the sort of problem that it would be here, for example, because families support each other. If a nephew loses his job, he knows he can always go to his aunt's house and get a meal and go down to the sea and catch himself a fish and so on.

They tend to have a somewhat laid back attitude towards life, which was sometimes rather frustrating to us and the AID Mission. One of the big issues was maintenance. We shipped in and installed a new electric power generator for the electric company and within a couple of weeks it was down for service. So we sent in a technician to check on it and he said that the problem was that they were not following the maintenance schedule and changing the oil and that kind of thing. It was very difficult to get people to understand that something had to be done before the machine breaks down. We had developed a national

television station in Grenada. Again, this was shortly after the intervention. We had an American who came down there and with our permission installed a small station that was broadcast only to the small island. He developed a TV ad campaign promoting the concept of management, which I hope had some effect and help to convince them.

Q: You mentioned that the government party and the main opposition party saw many things alike when you were there. The leftists that were active in 1983 and before October 1983, where were they?

LEARY: As I mentioned Maurice Bishop and members of his cabinet had been executed and the executioners were sitting in prison up on the hill. The prison was up on a hill behind St. Georges City, the capital of the country. Which by the way sits in a beautiful bay with high hills around it. It is a marvelous pictorial setting. A trial was going on during most of the time I was there, which resulted, in the end, of about a dozen people being convicted and sentenced to execution. This happened just before I left and after that there was an appeal process, which I understand was successful in changing the sentence to life imprisonment rather than hanging. There were still a few, I would say, mainly young men who were planning to be anti-government and anti-U.S. Many of these, during the Marxist regime, they had built up an army of about 2,000 people out of this small population. Most of them were very poorly trained, but with uniforms and guns. After the intervention they were dismantled and these people were put back in the street basically and there was a group of them that did their best to create problems for the tourists that came to town. They would walk down the main street when there were cruise ships in town, making nasty remarks to people and so on, but they were never really a serious threat. I would say that the country as a whole had rather a conservative attitude, in the sense of being content with their lot. Not anxious to again have the turmoil that they had before.

We did have, among the political leaders, a number of people who had been labor leaders for example. Sir Eric Gary had gotten his start really when he went off to Grenada to Aruba

to work for an oil company. He became leader of a trade union there and later returned to Grenada and took up arms against the British who were then in charge of everything. But in more recent years he had become much more low key in his response to such matters. Recognizing that Grenada was independent and that most people were property owners. There was no industry really. People who had formerly worked on British plantations were now independent landowners.

Q: You mentioned that Cuba was building the airport at the time of the intervention. Was their any role, any significance for Cuba at the time that you were there? Why don't you talk a little more about the airport project?

LEARY: As far as Cuba was concerned, they and the Russians and the East Germans all had active staffs in Grenada prior to the intervention. They were removed immediately after that and there was no love lost between them on the part of the Grenadians. That had begun to change however. The current government, led by a man named Keith Mitchell who was a minister in Blaizes' government when I was there, undertook a mission to resume relations with Cuba as part of the policy of opening up the Caribbean. Trying to make the Caribbean once again one community. I'm not close enough to know how significant that is, or what the general community in Grenada feel about it, but it would not have happened while I was there because of the attitude of the people.

The airport was, and is, a very fine one. A good location with a very long runway. Very well built and the Cubans had started it. There was a fear at the time that it might become a base for Communist bloc military operations. The runway had been pretty much completed before the military intervention, but a great deal of effort had gone into it and when we came in it still needed some work to complete. Our AID program undertook to complete that and to construct an airport terminal, which by the time I had arrived had just been completed and was up and running. Then there was an effort to induce more airlines to begin to use it, for tourism and other things. A rather difficult proposition considering the small size of the country, of course finally limited facilities for tourists. It was a wonderful

location, but cannot accommodate large numbers of people. The airline in the area, Liat, the island's Air Transport, flew regular flights in and out. Small planes. But it was only occasionally that larger planes would come in.

We did have an interesting operation there. NASA sent a group down to do a high level air sampling and they used the airport as a base. So for about a month we had one of these very high altitude aircraft, I think it was a version of what used to be the U2. It would take off from Grenada and fly to high altitudes. It's operation involved bringing in special fuels and all kinds of things. It was an interesting operation and once again they were very open to the Grenadian public, giving tours of the aircraft and that sort of thing.

Q: I don't think they took people aloft though, because there was very little space in that aircraft as I remember.

LEARY: Right. The pilot was there by himself with a special spacesuit that they had to wear at high altitudes. Prior to that airport being built, there had been an airport in Grenada. A much smaller one on the other side of the island. And one of the great tourist attractions after the intervention was two Cuban aircraft which had been damaged and were sitting there at the airport. People used to go out and crawl around those and peel pieces of it off as souvenirs and so on.

Q: I think also on the subject of tourism you mentioned cruise ships, which came into the harbor with American tourists and others, of course.

LEARY: We had, during the time I was there, which was '86 to '88, they were a growing number of Caribbean cruise ships that would come in. They would usually come in the morning and people would get off, tour the St. Georges shops, take the little tour of the island and go one of the nutmeg procession facilities to observe that operation, swim at Grand Anse Beach which is a beautiful sandy arch of beach near St. Georges, and then get back on the ships and leave in the evening. At times during the tourist season, we had two or three ships at a time in port. The onshore facilities were limited. When I first got

there, there was one major hotel, which had about 100 rooms and a couple others that they were building. Now there are about three or four that can accommodate as many 40 or 50 people. In addition to a lot of small places, many a kind of bed and breakfast places or small facilities with four or five individual cottages. But there was an ambivalent attitude towards tourism there. Most people enjoyed the income from tourism, but they didn't want to see the island overwhelmed with it and become as commercialized as some of the other favorite tourist spots are.

Q: Were there other diplomatic representatives there?

LEARY: The only permanent representatives there were from the U.K. and Venezuela. Venezuela, of course, not being very far south, and had an interest in the area just off-shore of them. One of the special friendships we developed during my career was with the Governor General of Canada, Sir Paul Scoan. He and his wife were good friends and we have remained in contact. [Ed. note: Mrs. Leary writes that Sir Paul recently finished writing a book entitled Survival for Service: My Experiences as Governor General of Grenada and sent her an autographed copy.]

Q: And others would cover from perhaps...?

LEARY: Others came from other places. We had a regular stream of people, consular representatives or diplomatic representatives from other countries who would call ands say that they would be spending a day in Grenada coming from Caracas, or occasionally Barbados, there weren't many there though, or even the States. They would come in, talk to me, get a briefing on local conditions.

Q: Was security a concern, an issue, there?

LEARY: Not really much of a concern there. We obviously had the usual security at the gate of the embassy compound, which was an old hotel actually. A hotel made up from several cottages. I had my office in one building, and the Consular Section was another

cottage, administrative building in another, and so on. I had a guy at my house, but actually security was not a major issue there.

Q: Do you want to talk a little bit more about the regional dimensions, the regional aspects? I recall at the time of the October '83 intervention where kind of an effort was made that we were responding to a kind of call for help from the other countries in the region.

LEARY: That's right. There's an organization of Eastern Caribbean states and at the time we were asked to come in, the chairman of the group, which rotated to various countries, the chairman of the group was the Prime Minister of Dominica, Virginia Charles. She was delegated to the countries when they saw what was happening in Grenada and many of them feared that something like that might happen in their country. They didn't like what was happening. So we were often accused of having put them up to this, but I think it was genuine concern on their part. Virginia Charles came to Washington and made a personal request that we take steps to bring it to an end, which we did.

Q: While you were there did these other regional states visit Grenada?

LEARY: Yes, and we got involved in something called the Regional Security Force, which was set up after this as well. Each of the small countries contributing, not military forces because they had no military forces basically, but paramilitary groups. Most of them were a special arm of the police force that was designed for riot control and this type of thing. We were providing supplies and advisors to this group. Once a year they had, more often sometimes, they had an exercise where they would join forces and map out a plan to move in to one area or another and often these took place in Grenada, as well as in the other countries but they came pretty often to Grenada.

Also, I recall an interesting development there. The Trinidadian government had been a little bit aloof in our operation in the rest of the Caribbean. We were hoping that they would become more interested in defense of the region. I was asked one day...we were

expecting to have a Regional Security Forces operation in Grenada, and I suggested to the Prime Minister that he invite the Prime Minister of Trinidad to come and observe. We decided to work together on the invitation that she sent out, which did not get any results, but he sent a thank you and regrets that he could not come, but it was a step towards inviting that country to join the group.

Q: Was there concern about narcotics traffic through Grenada and if so, did we do anything to try and deal with it at the time that you were there?

LEARY: Yes, that was a concern. Grenada was a little bit off the track because we were at the far eastern end of the island chain, but there was local concern about drug use by the young people in Grenada. Marijuana was used by many, but harder drugs had begun to make some appearance. Not a serious problem by any means at that stage. But there was concern that Grenada would become a transit point for some of these ships that were bringing drugs to the area and they worked closely with our DEA [Drug Enforcement Administration] people on this. The Navy was also using some of their patrols in the area to watch for drug traffickers. Prime Minister Blaize's wife attended a meeting in New York with Nancy Reagan and met with the UN, and promoted the “Just Say No” program. Afterwards she came back to Grenada and organized a “Just Say No” program there. I recall one day, that all the school children were out marching to a rally in the central park to promise that they wouldn't use drugs and so on. There was a concern, but at that point only an incipient one, not really serious. But they were concerned, as were we.

Q: Did you actually have a DEA representative in the embassy?

LEARY: No, not inside, but they came in from outside from time to time.

Q: Did you have a deputy chief of mission at the time?

LEARY: Yes, when we first went there, the title of the political officer was deputy chief of mission and then as we began to cut back in staff and so on, they decided that the title would disappear with the change in incumbency of the chief of the political section.

Q: One other aspect of the decision to intervene in 1983 in Grenada was concern about U.S. students in the medical school. Was the medical school still existing while you were there? Were there medical students there?

LEARY: Yes, it did. The medical school was very much a growing concern and I think that it was actually a very good educational facility. I had not really thought much about it before I went there, but I often wondered whether these were serious students or whether they were there more for the sun and surf than the education. As it turned out, I found them very serious and hardworking students. Many of whom were older than normal graduate students. A lot of people that had served in the military, for example paramedics or what have you, and decided that they wanted to become doctors. It would be difficult for them to get into medical schools in the states, so they found this as an alternative. The school had a very nice campus. The faculty was made up of a few permanent people, but mostly they used professors who came down from the States and would give a concentrated course. A one term course in the place of three weeks for example. So that the professor enjoyed a holiday in Grenada and was able to offer his expertise to the students. They had a two year program. They did not get a medical degree from this school. After they finished their two years, then they applied to a medical school, elsewhere in the U.S. or London and sometimes in Canada. And they finished up their medical education at those places.

Q: In effect doing a third year there.

LEARY: Or the fourth. Right. As a coincidence, after we returned and I retired, we acquired a family physician who it turned out had spent two years in Grenada at the medical school there and graduated from Georgetown where he got his degree. So I was quite impressed

with the school. It also worked closely with the Grenadian government in the medical field. They had certain facilities at the school that the local hospital didn't have, so they offered the use of its time and equipment.

Q: Okay, anything else about your time in Grenada? How long was that? It was from '86 to '88. About two years?

LEARY: I was there for two years. It was an interesting time because Washington was still interested in what was happening there. Pleasant, although rather confining. I used to say that a two year vacation would be better than a two year tour, but nevertheless we enjoyed it. The people were extremely friendly and we had good relationships with them all.

Q: Were you able to get off the island occasionally?

LEARY: Yes, occasionally we did. We made a trip to Caracas and to the French island, Martinique. One of our grandchildren was born in Austria during the time that we were there, so we made a trip to Europe.

Q: Anything else that we should cover about your time there?

LEARY: No.

Q: After that you retired?

LEARY: That's correct.

Q: From the Foreign Service.

LEARY: And one interim job I spent some time on the ARA rolls, just before my retirement, although I had been an economic counselor for most of my career, I rewrote the political reporting manual. It was my last official job for the State Department and I retired in November 1988.

Q: Okay. And since then you have been doing some declassification reviews for the Department's Office of the Historian. And you've been playing softball and bowling?

LEARY: Yes, all kind of things. It was an interesting career for some forty years. I recall when I first joined the Foreign Service, actually I was still a courier, but I had an occasion to attend a meeting in which a retiring Ambassador at that time, which was back in the late '40s or early '50s, was talking about his career and he said, “You might find many times you'll face hardships, security problems, difficulty in getting the food that you are accustomed to at times, but one thing I can say is that you'll never be bored.” I think that pretty well sums it up. Sometimes that places are a little bit difficult, although I have to say I had very good posts. We always moved onto something that was new and interesting to learn about.

Q: Yes, I would say that you had some good assignments. You toured France, Germany, Turkey, Tokyo, Ottawa, Vienna, San Paulo, and Grenada.

LEARY: It couldn't have been much better. Yes, when I first came to San Paulo, which was a city of just high-rise buildings from horizon to horizon, and walked into the executive board meeting room in one of the big banks and it was a crowd from New York and some other places. And I said, “I thought this was supposed to be a developing country.” And we were in this marvelous busy, dynamic industrial city. Brazil was a country, of course, of great contrasts and we were in the probably most developed part of the country.

Q: Weren't there also slums or shanty towns?

LEARY: Yes, because the industry there often attracted people from the countryside that thought they might improve their lives by getting a job in the factory, we had shanty towns called “favelas” which grew up around San Paulo. But it was interesting, I don't want to generalize too much about this, but it seemed to me that these were kind of way stations, people in transit from the country sides to more secure housing. They would come in,

live in one of the little shacks, get a job and after a couple of years they would then buy a car and move to a bigger one. I used to pass one of these areas on my way to and from work every day and I used to begin to notice that the people would be fixing up their places. One day you would see a plant in their window and the next day you would see a television antenna sticking up in one of them. People were improving their lot so that it was not a hopeless kind of place. Although it could be and I think in reality it did become sort of a breeding place for crime, so that was a problem. This developed part of the country, a fairly high percentage of the people are what you would consider Middle class, it's not a place where a few privileged people exist and all the rest were impoverished, there were gradations..

Q: There were a lot of jobs in industry, I imagine.

LEARY: Yes, yes. And industries at that time were growing. And exports were growing. Ford, for example was building a version of the Escort in Brazil which they were shipping to Europe, in particular Scandinavia. And Ford, at the time I was there, was the largest single exporter from Brazil. So hundreds of millions of dollars were earned in the export of cars. The flip side were the citrus growers, which surprising enough were shipping a billion dollars of orange juice concentrate to Florida. One day I was in Santos, which is the port city for San Paulo, and one of the American ships that was in port had carried a few passengers in U.S. cargo and I was standing with a lady who was a passenger on the dock and she saw one of these big 50 gallon drums and she said, “What is that?” And I said, “That's frozen orange juice concentrate.” And she said, “Where's it going?” And I said, “It's going to Florida.” That particular year it was Brazil's largest single export in terms of money, and most of it went to the U.S.

Q: More than coffee?

LEARY: Yes. Coffee, of course, was still very big. Soy beans as well and frozen chickens, was another thing where they were competing with us in the European markets and other countries.

Q: Let me ask you Jack, in light of your last two assignments in Latin America and with your background in the trade and economic area and to come back to something you did earlier and also to a question that I was mentioning to you before. One of the things that I think you were particularly proud of and a major accomplishment was moving the generalized systems preference scheme forward, which allowed the United States to give better access to the imports from all of developed countries. Your last two assignments were Latin American countries which for particular reasons probably would have liked to have a preferred position in the American market over that of other countries elsewhere. Just like those countries, many of them had preference access in Europe. How did you see all of that? Or did you see at the time that you were in Latin America compared with what you had been involved with earlier?

LEARY: Before I try to answer that, let me to say one thing that I did not mention was that in the '80s we had something called the Caribbean Basin Initiative. That was an important Reagan Administration act that particularly developed while I was in Grenada. They held annual meetings in Miami of a group who was sponsored in part by David Rockefeller and bring together the present government and the chief ministers of the various countries in the region and I finally accompanied Prime Minister Blaize a couple of times. There again the effort was to provide some sort of preferential access to help these small poor countries get started in the market. My feeling, looking back over the years, I don't have any data on this, was that the results were more psychological than practical. Partly because our general tariff rates are really quite small now... low... therefore, the advantage one gets by having duty free entry is correspondingly less. I think it probably helped some countries in particular industries in some situations, but I think the attention was focused, and I saw this in the Caribbean Basic Initiative, on the possibilities of trade,

thereby causing people to think about investing in export industries and so on. There was an important end result of it, not the small percentage differential in the tariff rate.

Q: You mentioned going to Miami with Prime Minister Blaize. I'd be interested in your thoughts on the role of Miami in the Caribbean. Maybe more broadly, Central and South America.

LEARY: There was a tremendous focus on this, considering it is sort of the center for vacation, trade and other things. Lots of Grenadians, who could afford to, sent their children to Miami to study in some of the colleges around the area that were congenial to Caribbean students. Most of the airline flights which came to the area originated in Miami. As I mentioned earlier, the people in New Foundland looked to Boston as their shopping headquarters and so on. The people in the Caribbean looked to Miami in the same way.

Q: With regard to the Caribbean Basic Initiative, as you say that was an important Reagan Administration initiative at the time you were in Grenada. Did the Grenadians see that as an important initiative that would be good for the whole Caribbean or did they see it as sort of a way to maybe draw attention, the result would be to draw special attention away from Grenada and defuse it over the whole Caribbean basin.

LEARY: I don't think they wanted to draw attention away from Grenada. On the contrary, they wanted to attract attention to it and encourage Americans to be more interested in Grenada to consider bringing in investment capital. We had two or three companies come in with rather small investments. One was a kind of assembly-type operation, one Pharmaceutical Company, for example, was assembling these intravenous tubes, where you took a tube and put a connector on it. They shipped in the raw materials. They had such a small plant, about 40 or 50 Grenadians assembling these things and then shipping them out.

Q: Where was their market?

LEARY: In the States. I guess this was to take advantage of the low labor rates and in fact, under this initiatives was able to get some advantages from that. I think the Grenadians were happy of course to have the region as a whole receive more attention. But they were mostly concerned about their own development and how this applied to them.

Q: They must have had to feel that the great focus on Grenada in '83 and the years just after that by the United States had to, couldn't continue at that intense level. Is that fair?

LEARY: I think yes, they could see that we were gradually paring back and each year the AID program began to do a little bit less in terms of money and so on. They were always asking for just a little bit more. Just, that they still needed help and were asking for a “hand-up not a hand-out” was the Prime Minister's favorite expression. They could see the handwriting on the wall. That we were going to be cutting back.

One thing I should mention, it would be nice if I mentioned the Prime Minister. The government decreed the anniversary of our intervention as Thanksgiving Day in Grenada. That every year October 23rd would be a holiday for Grenadians and so on. The Prime Minister would make a speech where he would once again thank the United States for its assistance.

Q: Do you think that it has continued fifteen years after?

LEARY: I suspect that it has. I know that it continued ten years, probably more. Hard to get rid of a holiday once you make it.

Q: Yea. Thanksgiving Day's popular. You mentioned David Rockefeller as being involved in, I guess, the business side of the Caribbean Initiative. Do you have any, sort of reflections on the Rockefeller family interest as you saw it in Latin America? His brother Nelson Rockefeller, way back when, Latin American coordinator at his bank. Do you have any sort of personal experience with that?

LEARY: No. If I recall correctly the Rockefeller's had fairly large holdings in Venezuela. I did not, I was not in the area where they were directly involved. But I do know that over the years, the family, as you mentioned, was very much involved with Latin American matters and David, during the '80s, when I was in Grenada, was the principle actor in a lot of the regional groups that had been set up to trade and communicate with Latin America. Between Latin America and the States. It was the bank, that was such that it had interests all over Latin America. I did have that contact although, it was not particularly with the Rockefeller family.

Q: Speaking of banks. In Grenada was the Inner-American Development Bank, World Bank, some multi-national financial institutions involved and present United Nations?

LEARY: No they weren't.

Q: Mostly an American show.

LEARY: The British had a few small things going, but they also had left matters to us at this point because of the traditional ties between the Caribbean and U.K. they had an official representative there, but their work was fairly limited.

Q: How about the attitudes or receptions in Grenada toward two other areas, Puerto Rico and Panama? Anything in particular that you could say about either of those or the Panama Canal?

LEARY: No, I don't think that they thought much about those things. The one time the Panama came up was at the time of the... our conflict with Noriega. We wanted the Grenadians to make some positive noises about what we were doing to try and straighten things out there which they were kind enough to do. But really their focus was pretty much local. They couldn't see very far beyond their own borders.

Q: Maybe you could stand at the highest point of the island and see the borders.

LEARY: Yes, that's right. The island was twelve miles by plane, twenty although there was a peripheral road that ran around the island that was 55 miles in length. With the jigs and jags and so on it was an all day trip. It was still growing in parts.

Q: The decision if you were going to take that trip was if you were going to go clockwise or counterclockwise.

LEARY: Right.

Q: And you'd come back to the same point.

LEARY: The center of the island had a large crater lake. It was very pretty and also had become something of a tourist attraction. Tour buses taking the passengers from the cruise ships up to this place. So there was a road around the island and one which goes up over the middle. Most of the side roads were quite difficult, even the main roads could be quite difficult.

One thing that I didn't mention, I think, in regards to Brazil is the experience with the high rate of inflation. During the time that we were there the annual rate of inflation varied from about 100% up to 300%. Later it was much higher. It was an interesting experience living in such a situation where your money is depreciating so rapidly. So that every day you go to the grocery store and the prices are a little bit higher. What I found was that the people who were living in that situation quickly take steps to insure their own interests. Even the people who are not highly educated and so on, know that they had better put their money quickly into something hard and not to leave it in cash. I found that our staff in the consulate, for example, all of them owned some sort of property. One day my driver told me that he had just bought a half a cow. He negotiated with some farmer, and was the owner of half of the cow's production.

Q: Did people try to get into other currencies?

LEARY: Yes.

Q: Dollars?

LEARY: Yes, I'm sure that went on, but that's not very easy for the great bulk of the population, but I'm sure you had a number of capital transfers, and so on.

Q: It seems to me over the last twenty years or so, Brazil in terms of its economy, the outside perception being on the one hand tremendous potential, a lot of growth, rapid development and on the other that Brazil is hyper-inflation, the possibility of financial meltdown, a lot of debt. Are both of these reasonable perceptions?

LEARY: I would say yes. Before we went to Brazil we had a Portuguese language course and one day a week, one morning a week, we had a speaker come in and talk about some aspect of Brazil. One day we had an economist in to talk about the economic situation and he painted a rather brief picture of the foreign debt and inflation and so on, yet the economy was not producing quite well. Afterwards, one of the other members said, "He made it sound as if Brazil was about to go broke." And I said I remember my first assignment in Washington after a staff meeting in the Economic Bureau and one of the items on the agenda was the Brazilian economic situation and when I went back about eight years later, the same thing- (end of tape)

End of interview