

Interview with Paul K. Stahnke

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

PAUL K. STAHNKE

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Q: This is an interview on behalf of the Oral History Program of the Department of State and of Georgetown University. The date is June 1, 1994. I will be speaking this morning with Paul Stahnke who had a long and interesting career in the Foreign Service. Paul, I would like to begin by asking you what interested you in foreign affairs and in a career in the Foreign Service?

STAHNKE: It all began long before I joined the Foreign Service while I was looking for a subject on which to write a vocational theme in my last year in high school. A friend advised me that the school library had some very good books on diplomacy, so I checked them out and was particularly influenced by Ambassador Joseph Grew's book on Diplomacy as a Career. I wrote my essay and became so enamored by "diplomacy" that, when a small biography of me was published in the school newspaper, it noted that my ambition was to become Ambassador to the Court of St. James in London.

Much happened in between. I went on to university and then the military, the Air Force in the Mediterranean theater. My interest in the Foreign Service was renewed by an invitation to lunch by Ambassador Kirk (then Ambassador to Italy) at his palatial residence in the Palazzo Barberini in Rome - a "family" affair which included several Embassy officers

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and a couple who had just flown in from Cairo. I was impressed by the collegial spirit and by the answers I received to the many questions I raised about life in the Foreign Service. It seemed to me to be the kind of adventuresome life I would like. After my military discharge, I continued my studies at the University of Chicago, studying under Quincy Wright's Committee on International Relations, receiving an MA in 1950..

While I was preparing my Master's thesis, I missed the Foreign Service exam but joined the Foreign Service anyway as a staff officer. My first post was Hamburg in the then British-occupied zone of Northern Germany as a visa security screening officer. This position was distinguished from that of a visa officer as being responsible for interpreting the Internal Security Act (McCarran Act) which had just recently been amended to make it workable. The law required us to determine whether any visa applicant had been a "voluntary" member of the Nazi Party or one of its affiliates. Neither Congressional intent or Department instructions gave us much guidance on interpreting "voluntary" versus "involuntary" membership. We were, thus, faced with an interesting challenge which made this position much more interesting than that of a visa officer. Collectively, with officers in similar positions as mine in other Consular posts in Germany, we, in effect, wrote the law's interpretation via submissions of "requests for advisory opinion" to the Department. With the law now "clarified", we could begin issuing immigrant visas to those Germans who were "involuntary members of the Nazi Party and its affiliates."

Shortly before arriving in Germany, I had heard Gian Carlo Menotti's opera "The Consul" in which the Consul was visible only as a shadow at his closed door to the desperate visa applicants in the waiting room. I was determined to be more humane but the experience was often very painful such as that with a very normal middle-aged lady who wanted to join her married daughter in the US. I was forced to declare her ineligible because she had, admittedly, been a voluntary member of the Frauenschaft (the Nazi Party's women's auxiliary). Because no political motivation seemed to have been involved, I advised she have her daughter seek a private bill which would waive the law in her case.

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My most challenging case was that of a distinguished lady professor of theology who had recently escaped from the Soviet Zone. She had also been a member of the Frauenschaft and, after the war, became a member of the Communist Party. She was able to prove, to both my and the Department's satisfaction that she had been an "involuntary" member of both.

Handling a variety of politically-charged visa cases for a year gave me an excellent insight into the German psyche and prepared me for my next assignment as political officer in residence in Kiel. The official title of the position was "Deputy US Land Observer, Land Schleswig-Holstein". The Consul General in Hamburg was officially the "Land Observer" with two deputies, one in Kiel and the other in Hannover. The initial intent was for the deputies to be attached to the British Land Commissioner's offices in Kiel and Lower Saxony, respectively. However, by 1952, the role of these positions in the "German Occupation" had become a mere formality. Our responsibilities were mainly to report on political developments in our respective areas.

Suddenly, after just a year in the Foreign Service, I was, in effect, in charge of my own Vice-Consulate, with a staff, car, driver and representational residence. Although I maintained close and very friendly contact with Brigadier Hume, the British Land Commissioner for Schleswig-Holstein, I was mainly on my own in dealing with the three principal problems in the Land of interest to Washington: (1) developments on the political extremes - both left and right, (2) political and social aspects of the large group of refugees from East Germany and (3) the Danish minority issue.

The elections of 1930 in Schleswig-Holstein had provided the Nazis with their first significant political victory; hence our sensitivity to any post-war Nazi revival in that Land. While a few hot head neo-Nazis spent considerable time trying to whip up sentiment for the "good old days", they proved to be an insignificant political element. The Communists, of which there were a few, were equally insignificant. Therefore, aside from periodically

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attending some of their meetings and talking with their leaders, I had little to report in this area.

The refugee issue was much more interesting. The population of Schleswig-Holstein had been approximately doubled by the post-war influx of refugees, mainly from East Prussia and Pomerania, areas that had been taken over by Poland. Most were housed in primitive barracks at the outskirts of several cities, including Kiel. Our concern was that their natural longing to return to the homeland could become the spark for revisionist sentiment and, more generally, incentive for political extremism. They had a political party, the Bund der Heimatsvertriebenen und Entrechteten (BHE) which literally translates into “association of persons driven from their homes and deprived of their rights”, clearly an organization that needed close watching.

The Chairman of the BHE and member of the lower house of parliament, Waldemar Kraft, lived two blocks from my residence and I made it a point to establish a personal relationship with him. After I obtained his confidence, we spent many hours together discussing BHE objectives. He eventually convinced me that his public statements were matched by his personal thoughts. He said that he and most members of his party recognized that the Polish annexation was permanent and that they must learn to deal with the new reality. He said it was his ambition to develop an atmosphere of trust with the Poles so that the two nationalities could live together in peace. While this was not possible so long as East-West tensions existed, he wanted to be optimistic for the future - a future he never saw. Although not taking his words at face value, I was impressed by his sincerity and lack of subversive intent. My relationship with Kraft proved to be professionally useful. He refused to talk with our High Commission (later Embassy) officers in Frankfurt (later Bonn) so that, to find out his position on issues, they had to phone me to request I ask him.

By 1952, the Danish minority was becoming a receding issue, however with an interesting historical background. Schleswig, together with much of Jutland, had been taken from the

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Danes in the late 19th century through one of Bismarck's little wars. Denmark regained a part after World War I but was disappointed in receiving no border adjustment after World War II. So, they started a cultural campaign by offering anyone who could prove that at least one of his ancestors was Danish periodic food packages, a most attractive offer to the hungry Germans. The many who qualified registered their Danish ancestry and became known derisively to other Germans as "Speck Daener" (Bacon Danes). As economic conditions in Germany improved (particularly after the currency reform of 1950), the food packages became less attractive. Therefore, during my three years in Kiel, the small Danish minority political party and related social organization were fighting rearguard actions. In my frequent contacts with officials in these organizations I learned one principle of such groups in decline which was to serve me also subsequently when I dealt with the German minority in the Italian north (Alto Adige/Sued Tyrol) - i.e., officials of such organizations work with increasing energy to keep the issue alive regardless of the hopelessness of their cause.

For reasons I found incomprehensible, I had instructions to stay clear of the Social Democrats (SPD). I believe this was because of personal prejudice that our High Commissioner (John McCloy) had against the leader of the Social Democrats, the bombastic Kurt Schumacher. Since the Social Democrats were a significant force in the Land and the Kiel mayor was a Social Democrat, I asked for, and received, permission to see these people. The Kiel mayor, Andreus Gayk, was an old-line Socialist, a street fighter with Schumacher during the Weimar Republic and early Nazi periods. Winning his confidence was a much harder task than with Kraft. I did so, I think, by telling him (truthfully) that my father had been a Social Democrat before leaving Germany in late 1922. Still, it took me a year before I could get him to come to my residence. Gayk proved to be a very useful entree into SPD circles and I got to know them well. This ultimately gave me the material to write a major "think piece" on the "Party of the Permanent 30%", a percentage that remained true for the SPD throughout the Federal Republic until it shifted to a more mainstream position long after I left Germany.

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Gayk had his hands full in trying to rebuild Kiel which had been severely damaged by wartime bombing, mainly because of the submarine pens in its harbor. Until Kaiser Wilhelm had made it into a naval base in the late 19th century, it had been a small fishing village with typical small winding streets. As its population rapidly expanded, the city became a maze. Gayk, with a master plan, was trying to rebuild the city in a more logical fashion (wider streets, etc.) but was frustrated in his attempts to exert eminent domain. He once told me that he wished the Allies had been more thorough in their bombings. It would have been easier to build the city from scratch.

I had taken the Foreign Service written and oral exams in 1952 but my appointment was held up by the notorious McCarthy investigations of 1952-53 which stopped all appointments and promotions until we all had gotten another security clearance. I was caught in a difficult position. The occupation of Germany was to come to a close in 1954 and my office in Kiel was abolished early that year. I was given the option of applying for another Foreign Service Staff (FSS) position or returning to the US to wait out my appointment. After reviewing the possibilities, I decided to take an offer to go to Palermo as a staff officer to work in a new program - the Refugee Relief Program (RRP). After one year in Hamburg and three years in Kiel, my wife and I had formed many friendships and our young son had learned to speak German like a native. It was difficult to leave this first post and became no easier in subsequent transfers.

Q: Paul, I want to go back to Hamburg/Kiel, which sounds to me like a fascinating tour. Presumably in Kiel you didn't issue any visas, you merely were there to report on what was going on in Schleswig-Holstein.

STAHNKE: As said, my official responsibility was to liaise with the British Land Commissioner and his staff on occupation matters. But, of course, by that time there was very little being done by the occupying powers, so really my major assignment was to be political officer in residence.

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Q: Did you feel during your time in both Hamburg and Kiel that you got sufficient supervision from your superior officers? You were a new officer then. Did they give you any rotation?

STAHNKE: The only rotation I got was from visa to political, a good combination from my point of view. Yes, I was very raw, of course, coming into the consulate and knew nothing about visas or, in fact, about any of the State Department procedures. I had received no training in the Department before departure, except three days of general orientation. Upon arrival in Hamburg, the Visa Section Chief and several other officers in the Section gave me only the most basic of information; the rest was up to me. In any case, no one knew how to interpret the new visa legislation. I was pleased with the freedom and trust given me in developing my own procedures and interpretation of the new law (McCarran Act). Regarding the Kiel position, the Political Section Chief gave me general orientation and the man I was replacing was with me for a week in Kiel to introduce me to his principal contacts and to give me all he knew about the job. By the time he left, I was well prepared for my duties.

Q: I think it speaks well of you, a new officer, to be on your own in Kiel. That indicates to me that they looked at you and decided you could handle that sort of job.

STAHNKE: Well, they did and I was pleased that they did.

Q: Now, Palermo. Is that where you were in the Refugee Relief Program?

STAHNKE: Yes.

Q: Tell us a little about that and how it worked in Sicily.

STAHNKE: It was called the Refugee Relief Program (RRP), but actually the visas issued to refugees were very few. By far the majority of visas issued in the several posts in Italy that had active programs, primarily Palermo and Naples, and to a very much smaller

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extent one or two of the northern Italian posts, were to relatives of Italians living in the United States as permitted under the law. Since Sicily had been a major source of Italian emigration to the US, we were inundated with applications. Though a part of the Consulate General in Palermo, the RRP operated with considerable autonomy. As in Hamburg, we had separate groups of visa issuing and visa security screening officers. I was in the latter group and the first to arrive, after receiving a briefing at the Embassy in Rome on my way down. Being the first, I set up the investigative program which was considerably more elaborate than in Hamburg. Together with an official of the Italian Ministry of Interior, I visited all nine of the provinces in Sicily to brief the police chiefs (Questore) on our program and the nature of the reports we expected from them. These were primarily all information on visa applicants they had on file, particularly criminal records.

Q: I was wondering who the refugees would be in a place like Sicily. Would the fact that a person had been a member of the Fascist Party disqualify them?

STAHNKE: The Internal Security Act still applied. It was a lesser factor in Italy than it had been and continued to be in Germany. It was easier, partly because the Italians were less perhaps diligent in being truthful when they claimed to have been involuntary members of the Fascist Party.

Q: I see. Was there a strong Communist influence at that time in Sicily?

STAHNKE: No, Communism never gained much support in Sicily. While workers in the rest of Italy found in the Communist party a source of support and help; in Sicily, this was primarily provided by the Mafia. While we regard the Mafia primarily as a criminal organization which it now is also in Sicily, while I was there, it still was truer to its original purpose - a vehicle for the common man in protecting him against the landowners and "foreign" authorities, the latter being Naples when Sicily was part of the Kingdom of the Two Sicilies and later Rome after Italy was unified. While the Sicilians didn't much like

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the Rome authorities, they were strongly attached to the monarchy, hence Sicily was a stronghold of the Monarchist party, even after the monarchy was abolished.

Q: Was there much visible indication of US aid there and how they regarded it, or were we giving much aid at that time?

STAHNKE: We were not giving much aid directly at that point. The Italian government had been involved for some years in trying to industrialize the south through the Fund for the South, which had received some support from the Marshall Plan. Though it had some success, on the whole, the Fund for the South was a failure. Its intent was to provide jobs for the South (including Sicily) but emigration to the North of Italy (primarily to the industrial triangle of Genoa-Milan-Turin) continued unabated. Several of the projects, especially a steel plant in Taranto (not in Sicily), became white elephants but the oil refineries and petrochemical complexes in Sicily around Gela remain ongoing concerns, although not providing much new local employment.

Q: And as we gather from our movies, there has always been a Mafia in Sicily.

STAHNKE: Yes, since the 19th century. As I've suggested, the Mafia while I was there was a far more benevolent group than it was in the States and has now become in Sicily. It had originally been created as something like a citizens benevolence society and I saw much of that side while I was in Sicily. My gardener, as I soon learned, was the head (godfather) of the local Mafia and therefore I never had any thievery, never had to lock the door to our house. I talked with him often about the Mafia. He was pessimistic about its future, seeing the younger generation more interested in making money, usually through criminal activities, than in protecting the interests of the peasants and workers and maintaining the once strict code of honor of the organization. While the Mafia elsewhere had become much less a benevolence society, my gardener's district retained its original focus. An example: When a local tradesman was killed by lightning, leaving a wife and three children, the local Mafia took up a collection for them, assuring the family that they

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would never want. Of course, one risked reprisal if one did not contribute but the cause was a good one. A hasty disclaimer: I was not then, nor am now, a supporter of the Mafia which even during my time in Sicily was primarily a criminal organization; however, the small world of the Godfather I knew well and with whom I formed a strong friendship was the better for his presence.

Q: Did you get many visits from Ambassador Luce while you were there?

STAHNKE: No, not in Palermo, but in Venice where I went next.

Q: Well, now you moved on in 1955 to Venice. Had you been sworn into the Foreign Service as an officer by that time?

STAHNKE: I finally became a Foreign Service Officer in July, 1954. I was one of a number of people who had been in the same holding pattern in RRP programs in both Palermo and Naples and who then went on to various careers in the Foreign Service, some of them quite distinguished. Sam Lewis, Bill Harrop, Nick Veliotis to name a few. So, after we became full fledged Foreign Service officers, we were all moved out gradually from the Refugee Relief Program. There was a certain amount of competition in getting assignments. I had really wanted Rome but was beat out by a colleague and then was offered Venice. It sounded fascinating enough to me, but not really the thing I wanted to do. I wanted to get out of consular work. Still, Venice was such a charming city that I couldn't resist the opportunity. It exceeded my expectations primarily because I had a friend, Count Andrea di Robilant, descendant of three Doges, who was kind enough to rent me one of his palatial apartments on the Grand Canal at a cut-rate price that was within my meager housing allowance. So, we lived like Venetian nobility during our year in that unique city.

Q: Yes, I imagine it was, but what does one do there? Is it consular work?

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STAHNKE: It was basically consular work. I tried to do some work on the political side and was somewhat discouraged in that regard by the principal officer who thought he ought to do this work himself. The Venice consular district had really only one issue of political importance: the long-standing conflict between Italy and Austria about the rights of the German (i.e., Austrian) minority in the region the Italians called Alto Adige and the Austrians called Sued Tyrol (South Tyrol). Given my earlier experience with the Danish minority issue in Schleswig-Holstein I was fascinated with this issue but was not permitted to do much regarding it while in Venice. However, I did work on the issue later while on the Italian desk when it had become a matter of UN concern.

Q: Was the Yugoslav border issue involving Trieste settled at that time?

STAHNKE: At that point we had a consulate in Trieste that was handling that matter. I became involved in the whole Trieste question a year or two later when I was on the Italian desk.

Q: After that year plus in Venice, you were brought back to the Department and spend four years back here.

STAHNKE: Yes, I was brought back to the Department and unfortunately had almost a year out because they discovered I had a lesion on my lung which was diagnosed as tuberculosis directly related to my exposure to visa applicants in Palermo, as many as 50 interviews a day, of whom circa 50% were rejected for tuberculosis. I shall be eternally grateful to our medical branch for discovering the problem in its infancy during the routine exam I took upon return to the States. I spent about six months in a sanitarium and then came back to the Department and worked half time for about three months on the Italian desk as assistant desk officer. I was on the desk for three very interesting years. Politics in Italy were always interesting because of their often very chaotic nature. We spent a lot of our time trying to explain the peculiarities of Italian politics to our bosses in Washington.

Library of Congress

Q: Yes, and of course their is a large colony of interest in this country in things that go on in Italy.

STAHNKE: Yes, it was the southern bulwark of NATO, so political stability in Italy was important to us and the Communist threat was generally very strong. It was not strong in Sicily, which was Monarchist, but certainly it was strong elsewhere in the country.

Q: This was also during the period that the Italian prime minister, as I recall, kept turning over regularly.

STAHNKE: Not exactly. De Gasperi was Prime Minister continuously from 1945 to 1953 but changed Cabinets 8 or 9 times during that period, with his ministers mostly the same - a kind of musical chairs game. I came to the desk after de Gasperi had died and the musical chair game continued, this time including the prime ministers. As I recall, we had something like six changes of government during the three years I was on the Italian desk. Fortunately, because most of the ministers just changed portfolios, we didn't have to do much research on anyone new.

Q: Were there any particular things that happened of interest during that assignment that you would like to mention?

STAHNKE: First off, since we mentioned Trieste, I was involved in a fascinating series of discussions with the Department geographer who was trying to draw a new map of that area, and was uncertain as to what to do with the border between Italy and Yugoslavia. We had a lengthy debate on whether we should still identify the Trieste Free Zone, which was always fictional right from the start. We decided, ultimately, to draw with a dotted line the de facto boundary between Italy and Yugoslavia as it then existed and then put in a footnote stating the de facto status. So I felt responsible for having helped draw the new map of the Italian/Yugoslav border, which, indeed, is the border today.

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Q: Well, I guess you did it successfully because it hasn't exploded again in the last 30 years.

STAHNKE: That's true, it is the one part of Yugoslavia that hasn't.

Q: You were there on the Italian desk until 1960.

STAHNKE: Yes. The desk was very active. One of our largest, ongoing issues was that of determining what role, if any, we should play in encouraging an "opening to the left", i.e., whether the ruling coalition since World War II, led by the Christian Democrats, should broaden its base to include the Socialists (led by Pietro Nenni), a party which had been closely allied with the Communist party, an alliance that showed signs of breaking down if for no other reason than that the leaders of the Socialist party were tired of being in the opposition and wanted some of gravy which went with ministerial posts. This issue was being debated fiercely in Italy and equally so within the Department and with CIA. Several officers in INR (State's research branch), particularly my old friend John Di Sciullo, were all for the "opening" and for the US to push the Christian Democrats (with whom we had much influence) to that end. The desk was more reserved, in part because we knew the White House was opposed to any steps that suggested support, even if indirectly, of anyone allied with the Communists. The breakthrough came shortly after I left the desk. The new Kennedy administration (particularly Arthur Schlesinger) saw such step (rightly, I believe) as not only broadening the coalition but weakening the Communists. The "opening to the left" didn't produce all the benefits its protagonists expected but it was, in my view, historically necessary.

During my time on the desk, we had two visits by Italian prime ministers. The first was by Pella, a distinguished, though not brilliant, man who came for the funeral of John Foster Dulles. I was his guide during the visit (he came alone, without any staff, contrary to American practice) and we went through the whole somber ceremony of funeral service at the Washington Cathedral, the long, slow procession to Arlington cemetery and the

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colorful burial ceremony. The other visit was by Fanfani whom my Italian-born wife had known since they both came from Arezzo. Fanfani was a very astute politician, having survived many cabinet upheavals to end up as prime minister several times.

I worked on the desk until 1960 at which time I had to make a decision as to whether I wanted to continue with political work or go into the economic side. At that time I made, possibly, a mistake in choosing the economic, having been encouraged to do so by some of my friends in Personnel at that point because the Department was short of people who had had academic training in economics. Much of my training at the University of Chicago graduate program and others, had been economic, although not purely that. It was political, economic, social, geographic, etc. I say, in retrospect, that it was possibly a mistake because the Department continued to give priority to political officers on the path to ambassadorships. That seems to be less the case now.

I accepted the offer which seemed particularly attractive since it was to be preceded by a year of graduate economic study at a university of my choice. I chose the University of California, Berkeley because it had several professors I highly respected and whose courses I took. It was an interesting year, though far more difficult than I had expected. I had worked many long hours on the Italian desk for three years and saw too little of my family. My wife encouraged me to take the university assignment because she expected that she and the children would see more of me than while I was on the desk. They did, but usually when I had my nose buried in books. I had been away from school for ten years and had forgotten the discipline of learning. Moreover, I found that the new crop of graduate students was extraordinarily sharp and I had to work probably as hard as I had on the Italian desk simply to catch up and keep step with these people.

The year was mainly focused on economic courses. Before the second semester started, the Department was to let me know the post of my next assignment so that I could include courses on that country during the new semester. That didn't work out too well in my case. I was told that I would be going to the Consulate General in Hong Kong where I would

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work in the external branch as a “China watcher”, concentrating on the economic. So I took some courses in that area, including auditing cultural, historical, political courses on China and the Far East generally, only to be informed a month later that I was bumped by a Chinese-language officer. I was then told I would be going to the Embassy in Seoul. So, I shifted audits and began studying Korean, which I did until the end of the school term. I returned to Washington for a pre-departure series of briefings where I was offered Tokyo instead. After a telephonic check with my wife, who had remained in Berkeley, I accepted that offer even though it meant that all the studies I had been doing on developing economies would be no use to me in Japan where the economy was hardly undeveloped and growing at double digit rates. I never regretted that decision, although I wished that Personnel had not put me through the wringer in the rapid shifts in my assignment.

Q: Paul, I want to ask you, this year of university training later, I believe, for other officers was changed into six months or a speed up course in the Department devoted totally to an emersion in economics. Do you think that is a way to go or do you favor the year at a university on a campus?

STAHNKE: Well, I think in terms of my personal preference, I was probably happier at the university and being involved with other students. I did have, during that year and some time after, discussions with some of the people at FSI who were involved in developing the new program and I agreed with them that first of all most of the officers going into the economic training program were not sufficiently qualified to do graduate work in economics. I think generally most officers in the Foreign Service did not have much economics. I had a fair amount of it and therefore had less difficulty than probably some of my colleagues did; but still it was difficult enough for me. So I agreed that we ought to have at least a preparatory three month course before going to university. Since then they have revised it to making it a six month course with total immersion in economics.

I think in terms of the Service's interest it is more efficient to do that, not necessarily more pleasant for the people in the program.

Library of Congress

Q: And the Service looks to its own interests, not necessarily to the pleasure of the officer concerned. So now you are off to Tokyo to function as an economic officer I presume?

STAHNKE: Yes, that is correct.

Q: How large was the economic section there in Tokyo?

STAHNKE: It was fairly large at that point. We had complete division between the economic and the commercial sections. We had between eight or nine people in the economic section, divided into internal and external branches. I was in the internal branch..

Q: Officers?

STAHNKE: Officers, yes.

Q: A good sized economic section.

STAHNKE: Even then we were becoming concerned about the growth of Japanese exports to the United States which, at that time, were generally of low technology with strenuous efforts to upgrade into higher quality products.

Q: That was rather a boom period for the Japanese wasn't it?

STAHNKE: The Japanese when I arrived were in a "recession" with growth rate slowed to 6.5 percent from double digit figures of the recent past. Of course we are talking about an economy that was much smaller in size than it is now. They were hell bent in getting out of the mild "recession" and improving their trade balance, particularly with the United States. They were then in a deficit relationship with us. We are talking small numbers compared to what they are today. They were about three-quarters of a billion dollars in deficit with us in 1961, quite different from the large deficits we have been running with them now for many years. So, beginning with their prime minister, the establishment (which we now refer to as "Japan Incorporated") pulled out all stops to encourage all industries to focus on exports,

Library of Congress

not just to the United States, but to anywhere in the world. In that regard, shortly after my arrival in Tokyo, I visited a small tool and dye maker near Kobe. He told me that he had a large backlog of domestic orders but he was putting in maximum effort to go into exports, an area in which he had no experience, all because his prime minister told him he should do so - not at all like the reaction of an American manufacturer in similar circumstances.

Only one officer in the economic section was a language officer and he was forced on the section. Both the Economic Minister and Counselor wanted officers competent to handle economic, financial and trade issues and believed, rightly in most cases, that the majority of the Japanese language officers were not competent to handle these matters. Actually, few of our non-Japanese language officers had any real economic training, unfortunate because one had to be a rather sophisticated economist in Japan to deal with the well-trained Japanese economists, both in government and without. Most of those with whom I dealt spoke English almost as well as I did. I, as the others, rapidly learned enough Japanese to get through to our contacts in the various ministries where the telephone operators and secretaries didn't speak English. Japanese, of course, was also very useful in our travels of which we did a fair amount which, in my case, was very useful in getting a better feel of the state of Japanese industry and to talk with local businessmen and officials. Fortunately we had a sufficient travel budget to do that. We had no real problems in our lack of proficiency in Japanese. We all knew just enough Japanese to convince our Japanese friends that we were interested enough in their culture to learn a bit of their language and much of their culture. This was very helpful to us in our personal relations with them.

I dealt mainly with the big industries, utilities and iron and steel, for example, both of whom had received a fair amount of loans from the Ex-Im Bank as well as from the World Bank. In fact, our own steel industry protested periodically that it was through our help, directly through Ex-Im Bank loans and indirectly through the World Bank, that the Japanese steel industry was able to revive so quickly from the wartime destruction and become so intensively competitive with ours in the US market. That was perhaps my area of most

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activity because of this concern. US steel officials came frequently to talk to us about their concerns. I had a set "lecture" which I often used saying that they could be more competitive with the Japanese if they would modernize their plants with the American equipment that the Japanese had put into their plants. I found it wryly amusing that US steel firms had to come to Japan to look at a Mesta cold steel rolling mill which a large Japanese steel firm had imported from the US which sharply cut costs of manufacture; something none of them had.

Q: Was that because we bombed them out and destroyed their steel

STAHNKE: To be fair to US steel companies, that was in fact true. We had destroyed most of the Japanese plants with our bombing and they had to start from scratch while our industry continued operating with relatively old equipment. Only one exception was that of the Fuji steel mill near Kobe. When I went to visit that plant, they apologized for the prewar equipment and said it was all our fault because we didn't bomb that particular plant - all in good humor, of course. That remark was indicative of how little animosity remained from the war years. In fact, I found none at all in my time in Japan. We were much admired and much emulated, both in business and in culture.

In my four years in Japan, I developed a particularly close relationship with a number of officials in the Japanese steel industry which proved very useful when several officials of Eastern Gas and Fuel Associates, which owned coal mines in West Virginia, came to me in frustration after a week of trying to sell coking coal to Japanese steel - totally frustrated because they couldn't get to first base with those officials with whom they had talked. I told them that one must treat the Japanese differently than an American or European. One doesn't just go in and make an offer, no matter how good, without carefully establishing a social relationship first. At my instigation, the Economic Counselor (Ed Doherty) organized a luncheon to which we invited the raw materials managers of the principal Japanese steel companies. The Ambassador (Reischauer) made a cameo appearance to emphasize our interest in the matter. I had carefully coached the American steel executives not to

Library of Congress

raise any business matters at the luncheon but to make appointment to meet them in their offices which they did and. a few days later came to me triumphantly stating they had gotten contracts with a consortium of Japanese steel companies for \$1.5 billion in coking coal for delivery over the next ten years. We, in turn, were delighted that we could be of positive service to an American company. In an expression of their gratitude, they got Senator Jennings Randolph of West Virginia to make a statement in the Congressional Record regarding my and the Embassy's efforts on their behalf. I told them that if the US government would have permitted me to collect a 10% finders fee, I could retire early. They had offered me an executive position with their firm which would have meant a considerable increase in remuneration but I preferred remaining in the Foreign Service and the continuing interesting life it offered.

Q:I thought Korea was a great exporter of coal in the Far East?

STAHNKE: I think not, at least not at this point. The biggest exporter of coke and coal at that time was Australia, which had the principal share of the Japanese market and, since Australia was much closer to Japan than West Virginia, it took some organizing by the American company to get the coal to Japan at competitive prices, which they managed to do by having large coal carriers, so large that they couldn't go through the Panama Canal. But, they managed to be competitive.

Another area which was very rapidly changing was the electronics area in which I was also involved. At that point the Japanese had already knocked out of business all American manufacturers of cheap, small transistor radios which were popular at the time. They were able to sell them in the US at a price below the cost of US production. At the same time, Japanese firms such as Sony began making televisions and hi fi equipment of excellent quality and lower prices than our firms could. When visiting a Sony plant in Tokyo where small black and white TV sets were being assembled, I was asked to note the age of the young ladies on the assembly line. All seemed to be somewhere between 18 and 25, keen-eyed and diligent in their work. The Sony official remarked that, in a recent visit to

Library of Congress

an American competitor's plant, he saw that all the women were 35 and over, less nimble-fingered than their Japanese counterparts. This, he claimed, was the main reason why their costs were lower. Of course, the young ladies were also paid much less than the Americans. The rapid transition into manufacture of higher-priced and more sophisticated electronic products was the start of the gradual takeover of almost all electronic consumer products by the Japanese and the gradual closing out of these operations by American electronic firms. At the end of my tour in Japan, the only American company that was still making televisions, but increasingly with foreign parts, was Zenith. The rest had all abdicated to the Japanese.

Q: I believe that is still true isn't it?

STAHNKE: That is probably still true. Certainly on all hi-fi products that is true though to a lesser extent on computers. The Koreans are now also a significant competitor in electronics.

Q: Did you enjoy your tour in Japan?

STAHNKE: It was a most interesting, intellectually rewarding and exciting period. When I first arrived in Japan, having topped off whatever knowledge I had of economics in my year at Berkeley, I had to unlearn a great deal because the Japanese operated differently than western economies. After a year of exposure to this different and vibrant economy, a new economic counselor arrived at post whose experience had been mostly in Europe. Shortly after his arrival, he called me into his office to criticize me for having written such affirmative, optimistic reports on the Japanese economy because he had looked at the economy and said it wouldn't work; it was going to go bust. I told him that, upon arrival, I had the exactly same impression. I suggested that he trust me and wait and see. Eventually, he reluctantly admitted I was right. This same man never did learn the peculiarities of either the Japanese economy or its culture, despite the advice that several of us "old hands" tried to give him. Fortunately, Tokyo was his last post since his

Library of Congress

resignation was “requested” upon the completion of his assignment. However, this didn't happen until after he had given unjustifiably bad efficiency reports to several officers who had attempted to educate him on Japanese ways - myself included. The system doesn't always work right.

Q: Apparently they didn't go bust from the news in subsequent years.

STAHNKE: No.

Q: Were we still giving the Japanese loans at that period or had they ended?

STAHNKE: The period of the major body of Ex-Im Bank loans had passed as had AID activities. Although we had periodic visits from Ex-Im Bank officials they came mainly to look at what was happening to the loans that they had made over the years. Of course we remained interested in encouraging US exports and, as I recall, Ex-Im did make several more equipment loans to Japanese firms. As in steel, they had a double effect. On one hand, they provided financing for US equipment exports but, on the other, they made Japanese firms more competitive. This was the case with a new Nissan auto plant near Yokohama which imported a semi-automated plant from the US, making it the most modern, and efficient, auto plant in the world and, thus, a start to the upgrading of Japanese autos which now figure so prominently in world trade and have had a significant effect on the US auto industry.

Q: Now, after four years in Tokyo you were summoned back to the Department. Is that right?

STAHNKE: I was summoned back to the Department at what happened to be a very inconvenient time for me because they wanted me back in February, 1965 to participate in some very important aviation negotiation with the Japanese plus some other things. I had three children in school at that point and it was not a very good time to leave. So I managed to delay my departure until April. I left my family in Japan and went back to

Library of Congress

Washington and worked on the Japan desk, ultimately becoming the deputy country director.

Q: Who was the country director at that time?

STAHNKE: When we established the country director program, which was about a year after my arrival, Dick Sneider became the first country director. He was brilliant, argumentative and difficult but one of the best persons I ever worked with in the Foreign Service. Each morning, we argued forcefully and loudly about policies and the business of the day. I told him once that I much appreciated those vocal sessions because I'm a slow thinker early in the morning and these discussions got me primed intellectually for the always busy day that followed. Dick eventually was appointed Ambassador to Korea. He is now, unfortunately, deceased.

Q: Well, tell us something about what you did in that assignment.

STAHNKE: After our morning priming "discussions", Dick often came to my office to find me on the phone. So, he would leave scribbled notes to me on things he wanted done. Most of my time on the phone involved explaining to others in the Department and other branches of government the peculiarities of dealing with the Japanese, usually on specific issues. Dealing with the new Japan was a difficult new phenomenon for most Americans, even those who had been in Japan during the occupation period. It was quite different than dealing with the Western Europeans or Latin Americans.

We had a continuing series of mini-crises on a whole range of trade issues with the Japanese which were important then as they continue to be presently. Many of the problems we had then are very similar to the ones we have now...the names are different, the commodities are different, the size and volume are different but the problems are essentially the same. That period was important because we concentrated on establishing a dialogue with the Japanese that would transcend cultural differences. We worked to make them hear and understand the political importance to us to have what we now call a

Library of Congress

level playing field in trade. While our chief interlocutors did begin to understand, I suspect that the Japanese, collectively, did not. Perhaps they are now beginning to understand.

In the latter years on the desk, I became heavily involved on the complex negotiations - both within the US government and with the Japanese - on the return of the Ryukyus to Japan. It was an extraordinarily complex matter, more complex than any of us thought at the time.

Q: We couldn't just hand them back and say you have them?

STAHNKE: No, we had to work out a basic agreement. We also had a very complex series of finance transactions because we had a good deal of property that we were occupying there and we were turning back to the Japanese some of it and retaining some of it. These matters heavily involved both the Treasury and Defense Departments as well as State. The issue was politically very sensitive, more so in Japan than in the United States. We did have some problems in the States with those, within and without government, who felt that, since we had won the war, we had every right to keep the islands and its important military bases.

Q: How did the Defense Department feel about it?

STAHNKE: They were quite reasonable about it at the higher levels. Some of lower ranks had to be pulled in kicking and screaming but we, and key elements in Defense got them to come around. Dick Sneider (country director) was the honcho and it was mainly his forceful direction and obstinate resistance to attempted distractions that we were able to pull this off successfully. The key negotiations were intra-US government - State (headed by Sneider), DOD and Treasury. After a fitful start, we developed a smooth cooperative environment. After the completion of each phase, we would consult with the Japanese to make sure they were on board. When they were not, we had to back to the interagency drawing board. The Japanese, of course, wanted to be as cooperative as they could because return of the islands was great political importance to them. Our most important

Library of Congress

weapon in encouraging their agreement was our position that the visit to the US much desired by then Prime Minister Sato could not be accommodated until agreement of the transfer was reached. This was an interesting process; one that was new to me. In the course of the year or so of intense negotiations, we (together with the Japanese) drafted the communique, which was to follow Sato's visit to President Johnson. Only when all but the final "i" was dotted did we extend the formal invitation for the visit. We left it to the two heads of government to dot the final "i" which was, as I recall, a minor point of procedure. The visit, which included agreement on return of the Ryukyus, was a huge political success for Sato who, presumably in gratitude, gave me, and several others, a set of pearl cuff links which I still use. The communique-drafting procedure we adopted proved to be an extraordinarily effective lever with the Japanese bureaucracy in order to get them, who moved ponderously at best, to move with relative rapidity to help us resolve the Ryukyu problem, several trade issues and a few minor ones. We found that a most effective way to develop a prime ministerial visit. One that was relatively foolproof. In other words, pre-scenaried.

Q: Did our Congress show any interest in this?

STAHNKE: Oh yes. There was considerable interest. We had an almost constant interaction with the Congress. I, to some extent, but principally Dick Sneider, kept in close touch with elements of Congress, the Armed Forces Committee, Foreign Affairs Committees, etc., who were obviously interested in this and had their own inputs which we always took seriously.

Q: But they did not indicate that they were going to block such a transfer?

STAHNKE: No. Well, there may have been one or two who were quite negative, but they were not ultimately important. Most felt that the time was right to close out that period in our history. The Ryukyu issue had been a constant sore point between us and the Japanese which we had to be eliminated. A key element of the agreement was the

Library of Congress

maintenance of US military bases in the Ryukyus; without that we would never have gotten Congressional or DOD agreement. The final agreement gave the military and Congress all they desired and proved satisfactory to the Japanese as well. The Japanese fully understood that it was in their fundamental interest to maintain a strong US military shield as protection against outside forces such as the Soviet Union and, to a lesser extent, China.

Q: And we did get what we wanted in the way of bases, did we not?

STAHNKE: We did get what we wanted in the way of bases and the general authority to run them. This was the most important part of the agreement.

Let me go back to one incident during my time in Japan that shall always remain vividly in my memory. In the early 1960s, we had established the US-Japan Joint Economic Committee in which six US cabinet members and six equivalent cabinet members of the Japanese government participated in approximately annual meetings, alternatively in the United States and in Japan. The next meeting, I think it was the third meeting of the Committee, was to be held in late November, 1963 and I was the secretary of the US delegation. I was responsible basically for organizing the meeting from the Tokyo side. On a Saturday morning, Tokyo time, about 3:00 or 3:30 a.m. I was awakened by our code room which informed me they had received a FLASH telegram saying that the President had been wounded in Dallas. It was followed shortly thereafter with another telegram which said that he had died. A following telegram said that our delegation of six cabinet members, plus their staff assistants and others which had started out from Hawaii on their way to Tokyo, had turned around and were headed back to Washington, and that I was to inform, together, of course, with other members of the embassy, the appropriate Japanese government offices that unfortunately we would have to cancel our participation in the third Joint Economic Committee meeting. That was an extraordinarily dramatic period and of course the Japanese were as much affected by the death of President Kennedy as all the rest of us were and as the rest of the world was. The rest of Saturday and part

Library of Congress

of Sunday was spent in discussions with the various Japanese ministries that would have been involved in those talks.

Q: Paul, the years you were involved with Japan were those in which the United States was heavily involved in Vietnam, right up to 1968, one of the worse years of the war. What was the Japanese attitude towards our involvement in Vietnam?

STAHNKE: At best. they were very dubious about our objectives and about our tactics. I recall, I believe it was February, 1965, when we began our offensive bombing of North Vietnam, the first Japanese reaction was very, very negative. In fact, to reflect the Japanese view and his own, our ambassador, Edwin Reischauer, sent a flaming telegram back to Washington indicating the deep Japanese concern about our escalation of the conflict, including his own view which were strongly supportive of Japanese concerns. I would note that Japan was not a completely disinterested bystander since some of the aircraft used in the bombings initiated from US bases in Japan. As history shows, these concerns had no effect on the White House or elsewhere in Washington. Subsequently, as I recall, the whole Vietnam issue, this includes years that I was in Washington on the Japan desk, was never really a significant part of our dialogue with the Japanese. When they did express their views they were essentially not enthusiastic, to put it mildly, about our Vietnamese efforts. I suspect that this was at least in part, although much of that they didn't say, because they felt that we were involved in their own back yard which they knew better than we did. They felt the kind of things we were doing, concern about the domino effect, etc., was falsely based. When Prime Minister Sato came to visit the United States in 1967 or 1968, Vietnam was a minor part of his discussion with the President.

Q: Your involvement with Japan, which took most of the 60s, came to an end when you were assigned to the Naval War College in 1968. Tell us something about that? Was it a good one for you and were you able to make a contribution?

Library of Congress

STAHNKE: It was after TET in the spring of 1968. Although militarily the Viet Cong TET offensive was a failure, politically it was a success. The North Vietnamese and their southern allies had made clear that they maintained strength despite all our efforts. This affected not only the American public but many of us working in the East Asian Bureau (EAP). We despaired not only about the possibility of “victory” in Vietnam but also about the lack of influence State had on American policy in that area. The “war” was increasingly directed from the White House, with little State Department involvement. Bill Bundy, then the Assistant Secretary of EAP, once told me that he was now completely out of the loop.

The tensions of those years had a telling effect on us. Many of us developed back pains and one had a heart attack. Though I was not directly involved in Vietnamese affairs, I was privy to developments and shared in the general gloomy atmosphere. Additionally, I had my own problem at home. My son, of draft age, told us that, if called, he would not respond to the draft and escape to Canada instead. Fortunately, he was not put to the test.

Back to your question. I had been scheduled to go to the National War College in 1969 but could take the Washington scene no longer. So, I left a year earlier than intended, going to the Naval War College in Newport RI instead. But I could not escape Vietnam; the issue remained constantly with us. As was to be expected, my class consisted principally of Naval officers with considerable contingents of Marine, Air Force and Army officers, some of whom had just recently come back from Vietnam. Five other Foreign Service Officers made up the civilian element. We were there primarily to provide a civilian foreign affairs input and, for our part, to learn more about the military mind and military operations.

To a certain extent, we became the foils of the military. The class was split up into a number of committees to study various current issues. The first of these was South Africa. In my committee, it took us several days to get down to the subject. Four Naval aviators, just returned from Vietnam, monopolized the early sessions with complaints about US policy in Vietnam. Since I was the only State representative on the committee, I became the brunt of their ire. They charged State with stopping the military from aggressively

Library of Congress

carrying out the war which to them would have included “bombing the hell out of the Chinese”. I had to point out that, in Washington, their boss, Mr. McNamara, was generally regarded as a dove while my boss, Mr. Rusk, was a hawk.

But it was an interesting period because it gave me the opportunity to deal with the so-called military mind, and the military mind varies among the various departments of the military. Strangely I found that the most thoughtful people at the War College were two or three Marine colonels, one of whom became a particularly close friend. He had fought the battle of the Pacific islands during World War II, saw much action in Korea and had just come back from Vietnam. He was a strong ally in our battle for the hearts and minds of the class against a politically conservative and militarily aggressive group of Naval officers. Among the latter group was a Naval Captain whose solution to the various strategic problems we considered was always, “nuke'em.” At a traditional “roasting” evening toward the end of the year, my group presented a skit, written (if that's the word) by me, in which the main character was Captain Nukem. The story finished with a blast and everyone laughed uproariously for they knew precisely who that person was. The real Captain in question also knew and didn't speak to me for the remainder of the term.

Q: I gather he did not become Chief of Naval Operations.

STAHNKE: It would have been a catastrophe for the country if he had. As I recall he was fortunately retired from the Naval service about two or three years later, thus adding to my respect for the Navy.

Q: After that pleasant year, it was something quite different for you.

STAHNKE: Let me say one thing about my time at the Naval War College that was not only very interesting to me but useful to the various war colleges. We all had to write a major paper on a subject related to the military which was due toward the end of the year. My counselor was an Army Colonel, also just back from Vietnam, who told me much about the disintegration of discipline in Vietnam which he feared would have a long term

Library of Congress

effect on the military. While much of this was caused by the particular horror of war in that environment, he believed that the spirit of the 1960s, with its drug culture, was equally responsible. Since my son was part-Hippie and had experimented with drugs together with his peers, I could well imagine the discipline problem he would offer if he had entered the military. So, in discussing various themes on which I could write, I suggested I write on what effects the new generation might have on both military and civilian establishments. He agreed and I began research, beginning with a few late night “rap” sessions with my son, who was attending a university in nearby Providence and a group of his friends. I repeated this at other nearby universities as well as reading all I could find on the subject. Basically, the paper discussed the potential effects on the military and civilian government agencies that this new generation might bring and, more generally, the changes this new generation might bring to American culture. I won't go into detail. Suffice it to say that this project proved to be the most interesting and absorbing activity of my year at the War College. My meetings with various student groups and discussing issues with them in depth was very educational and, incidentally, also helped bring me to a better understanding of my son. My paper got a special commendation for the Commandant of the War College and, I learned later, became required reading at all the war colleges for the next 2-3 years. That gave me great satisfaction.

Q: Congratulations Paul. I imagine that paper could even be read not only with interest today, but with some meaning for us.

STAHNKE: Well, a couple of years ago I looked at it again and I felt that it was interesting as a document of the time but that it was now badly outdated. It would be interesting to update it. I have thought about doing that, and may still do so.

Q: With the end of the War College you were off to Africa.

STAHNKE: I was off to Africa, not voluntarily, but beginning with TET I had become totally disillusioned with our Vietnam policy and began vocally expressing my own views

Library of Congress

which were at variance with those of the administration, indeed, at variance with the White House, not necessarily with many elements in the State Department. Even before I entered the Naval War College, I was offered a good assignment in Saigon.

I turned it down saying that so long as we were in Vietnam I wanted nothing more to do with the East Asian Bureau. I paid for that statement. Personnel turned me down for all requested assignments, giving me only a choice between two African posts in which I could use my knowledge of Italian. Both had been Italian colonies where a good deal of Italian was still spoken. One was Somalia and the other was Libya. Somalia happened to be where friends of my wife and her family had established a banana plantation. So my wife said, "If we have to go to one of the two places, why not go to Somalia where I have some friends." And that is where we went.

Q: And, of course, if you had gone to Libya you would have been thrown out shortly thereafter.

STAHNKE: Possibly. The problem with Somalia was that when, after two years, I returned to the Department, everyone wondered where I had been. When I said Somalia, their faces turned blank. It was an unknown place to most Americans. Unfortunately, Somalia is now well known because of civil war and hunger.

Q: What was your job there, Paul?

STAHNKE: I was head of a very small economic section and, informally, the Ambassador's liaison with a large AID section. I was also Acting DCM for a period and, occasionally, Charg#. Because there wasn't much to do on the economic side, my more important job was the AID liaison in which I tried to work out a greater degree of coordination between our AID activities and our other activities in Somalia, including those of our CIA friends.

Q: Did we have a Peace Corps there in Somalia?

Library of Congress

STAHNKE: We had a Peace Corps in Somalia which ended abruptly. Three months after my arrival, the military staged a coup d'etat, a bloodless coup d'etat as it turned out, led by General Mohammed Siad Barre who, though he had attended the military academy in Rome, had been "bought" by the Soviets who secretly encouraged his action. The government he replaced was weak and corrupt but it had been strongly supported by the Italians. We had also played a role, giving strong support to the police which was a para-military force. The national police chief was out of the country at the time of the coup which made it easy to neutralize them. I was told later that, on the night of the coup, a military officer broke into the home of the acting police chief, put a pistol to his head and said: "Are with us or against us?" Under the circumstances, the man had no alternative but to say he was with them. The military coup happened suddenly, in the middle of the night, as these things usually do.

That started perhaps the most dramatic day in my life. I knew that something was happening because of the lights and noises of motor vehicles and tanks in the town which was normally very quiet at night. My telephone was out of operation so I couldn't talk to anybody. I headed to the embassy earlier than I normally would as I knew something was up. I was stopped several times along the route. I think in the course of the day I had bayonets prodding my belly three or four times. The first time was on my way to the office. I found that my Italian was handy because most of the officers spoke Italian and had been trained by the Italians. So fortunately, knowing Italian, I was able to talk my way out of the first roadblock and able to make it to the embassy. The DCM had arrived shortly before I did. Our code clerk had locked himself in the code room, waiting for orders to destroy the codes and burn files. One Marine guard was on duty and kept asking us to unlock the gun cabinet and pull out the rifles so that we could defend ourselves against the military which, by now, had encircled the Embassy. We told him that would be madness and to keep his cool, which he very reluctantly did. We were in effect isolated from the outside world. The telephones were dead. Of course our radio/telegraph worked with Washington and we were able to send a few messages. But we didn't have much to say because we had no

Library of Congress

real idea about what was actually happening - whether an isolated action, a revolution or coup d'etat.

Fortunately, because the political situation had become very unstable, we had obtained a number of single-band radios several weeks earlier that were placed strategically in several homes of Embassy members including, of course, that of the Ambassador. So we were able to communicate with the ambassador who was completely blocked off by the military and was not permitted to move.

Q: Who was the ambassador at that time?

STAHNKE: Fred Hadsel. We both have threatened to write accounts of that day, both of us have drafts, but we have yet to do it. I hope we will do it either in combination or separately before we forget precisely what happened.

It looked like we were in for a long siege. In a preparedness session a few days earlier, the Administrative officer had assured us that he had stored away in a locked closet behind his desk a large amount of military C-rations, water and other emergency items. The DCM and I unlocked the closet to find boxes of coffee, sugar and a large supply of toilet paper. Nothing else! No food and no water except a limited amount in several drinking fountains. (No drinkable tap water in Somalia.) Our situation began to look serious indeed and we explore options on getting the siege lifted. Since neither the DCM or I spoke Somali (then not even a written language) and I was the only Italian-speaker of the two, I was nominated to talk with the military outside our door.

The first time I went out, I was immediately surrounded by a number of troops, all with bayonet-loaded rifles and one put his bayonet to my sensitive midsection as I beckoned to an officer who was nearby. Fortunately, he spoke Italian and seemed quite friendly. But, I found it hard to speak, with a bayonet prodding me. When I looked down, I saw the soldier had a shaking finger on the trigger which spurred me to tell the officer: "Look, we could talk much better if you could get this man to take that bayonet away from me, particularly

Library of Congress

to take his finger from the trigger.” He did so order him, although the soldier kept his rifle on the ready. The second time the scene was repeated much the same as the first. I was unable to learn much from these discussions except that they were under orders to let no one enter or leave the Embassy because, as we found out later, they feared that we would organize a counter coup. Our first interest was hardly a counter coup; we wanted food.

Several of the Embassy staff did try to join us, despite our efforts to discourage them. They could have accomplished nothing and only added to the food problem. Fortunately, they were stopped by the military and forced to return home. In the meanwhile, we had been in communication via single band radio with the Ambassador to keep him apprised of the situation and with the DCM's wife who, fortunately, had learned to operate the radio. We asked her for two things: (a) to send the DCM's driver (who was at the home) to mine which was close by to assure my wife that I was well and (b) for him to bring some food to us. The driver managed to do both with ease. We discovered later that he had a suspiciously good relationship with the military but that didn't matter to us at the time for we were quite hungry by the early afternoon when the sandwiches arrived. (Neither the DCM or I had eaten breakfast in our haste to get to the Embassy.

By mid-afternoon, the Ambassador was given permission to leave his residence to go to the Foreign Ministry where he intended to make a formal protest against the Embassy siege. On the way, he was permitted to stop briefly at the Embassy to talk with us and tell us that which he was attempting to do - i.e., get the siege lifted. He told us later by radio that the Acting Foreign Minister told him the siege would not be lifted until the situation stabilized. They still feared counter coup activities by us. The Ambassador was apologetic about his inability to join us but we were pleased that he couldn't because he could do nothing at the Embassy and we thought it potentially useful to have him at his home in case something untoward happened at the Chancery. We asked only that he use whatever means he might have available to continue urging a lifting of the siege.

Library of Congress

Q: Let me interrupt and ask, was the foreign minister you referred to the old one or was this one of the coup plotters?

STAHNKE: Before then he was not foreign minister, he was number four in the ministry but had been suddenly overnight appointed as the foreign minister and remained the foreign minister for a number of years.

To conclude the story, we took turns sleeping during the night. Then, suddenly, about 5 a.m., the troops left. After checking carefully - and cautiously - around the Embassy, we confirmed the siege had been lifted. We informed the Ambassador and the Marine guards by radio (telephones were still not working) and departed for our homes after a fresh Marine came to relieve the exhausted (as we were) Marine guard who had courageously shared the siege with us. The streets were quiet with no road blocks. My wife was, of course, relieved to see me as I was to see her and the children. I showered, shaved, ate a decent meal and returned to the office where we spent the morning trying to assess the situation, difficult because of the chaos and lack of a normally operational government.

We did learn that a Revolutionary Council had been established, with Siad Barre as its head. He is the man who was finally ousted recently by another coup after which competing factions were unwilling to coalesce, leaving Somalia again in chaos, much greater than it was at the time of which I speak. In the intervening years, Siad Barre became somewhat of an ogre, responsible for a number of atrocities which surprised me because, at the time, he was a gentler man. I got to know him fairly well before the coup and we established a pleasant relationship which would serve me (and the Embassy) well in the months after the coup.

In the first few days we couldn't get anyone in the new government to talk with us. On the second day after the coup, I got the Ambassador's permission to make an attempt to talk with my closest Somali friend who was head of the Somali National Bank (and later Ambassador to the US). I didn't know whether he still held his position but drove to the

Library of Congress

Bank (telephones were still not working) in hopes he had not been ousted which he wasn't. He had a wide range of contacts and knew Siad Barre well, so he was able to give a bit of background to the coup and the present situation - although he really didn't know very much. I assured him that the US had no aggressive intent against the new government and wanted to establish normal relations with it. He, in turn assured me that he would do his best to convince the Revolutionary Council of our friendly attitude. He noted, however, that the Soviets were now in a strong position of influence in the government and they might make it difficult for us.

Aside from that contact, we all had great difficulty in seeing anyone during the first weeks after the coup. The Ambassador was able to see only the foreign minister and then only on rare occasions from whom he got no clear answers because the foreign minister, himself, didn't know where he personally stood and where the government stood.

On the third day after the coup, we received an ultimatum telling us that the Peace Corps was no longer wanted and that they were to depart from Somalia within three days. We had something like 110 Peace Corps members spread throughout Somalia, often in remote locations. Most of them were teaching in outlying schools where competent Somalis, who had received subsidized university education in Italy and Kenya, refused to go, preferring to remain in the more civilized Mogadishu to sit about in coffee shops rather than go out into the bush. We, then, provided that service.

Three days, we told the government, was simply not enough time because it took almost that much time to inform them. We managed to get the time extended to a week and, with great effort, got them to Mogadishu within three or four days. We put these fine young men and women up in our homes while processing them for departure. They, of course, were very disappointed about having to leave the work for which they had come. The Air Force flew in several aircraft to evacuate them.

Library of Congress

Q: Were other embassies subjected to the same treatment we were, or were we singled out?

STAHNKE: Other embassies were subjected to restrictions but we were singled out in particular because of their concern, presumably inspired by the Soviets, that we would engage in counter action. Although we never knew the full Soviet role in the coup, it was clear that they knew of it in advance and undoubtedly participated in its planning. Evidence to that was the fact that, immediately after the coup, they flew in several plane loads of people, with families, from the security services who remained during the rest of my stay in Somalia and much thereafter. They became close advisors to Siad Barre and created many difficulties for the American Embassy in particular but also for other embassies. One annoying restriction, applied to all embassies, was a requirement that we had to get Foreign Ministry permission to travel anywhere beyond a 25 kilometer radius of Mogadishu. Other embassies usually had fewer problems in getting such permission than we did.

Q: This was when the country turned from neutrality and non-alignment and more tilting towards the Soviet camp? And it was related to problems with Ethiopia, I believe.

STAHNKE: Before World War II, Somalia had been an Italian colony. After the war, Italy continued to administer Somalia as a UN Protectorate. With independence in 1960, the Italian influence remained strong and they provided considerable budgetary subsidies to the financially strapped country. One of my last acts on the Italian desk in 1960 was to draft a memo to the Secretary urging that the US provide only minimal aid to the newly-independent Somalia and press the Italians to assume the brunt of the burden. Upon arrival in Somalia eight years later, I was surprised and chagrined to learn that, in the meanwhile, Somalia had become the largest per capita recipient of US aid on programs that were ill-planned and barely operational. Our program was about \$60 or \$70

Library of Congress

million which I calculated was something like \$3,500 per capita, for a country basically of Nomads. Our programs were the wrong projects at the wrong time.

In the period before the coup, Somalia was nonaligned though very friendly with those who fed them most - the Italians and Americans. The aid we had given Somalia (however badly) was inspired by the Cold War and our military interest first in denying the area to the Soviets and second to secure the possibility of establishing bases there. The Soviets had also provided considerable aid to Somalia in these years, equally wasted. In this regard, I'll note that one of my more intriguing jobs in Mogadishu was to liaise with the Soviet DCM. This happened almost by accident. He and I had amused each other at various receptions with good natured jibes regarding our respective "ideologies" and, in particular, our respective aid projects, none of which worked as intended. We soon agreed that it might be useful to both our embassies if we met weekly to review frankly our respective aid projects. I got my Ambassador's permission to do so and, undoubtedly, he did the same. I, as well as he, had no illusion about the confidentiality of the talks. I told him at the start that I knew that he would report our discussions to Moscow as I would to Washington. Still, that said, our conversations were very frank and open. In describing the Soviet projects, he readily admitted their shortcomings and I gave him quid pro quo.

Obviously, after the coup, the Somalis tilted towards the Soviets. Whatever their real intentions (individually, the Somalis continued very friendly toward us), they had little choice. The Revolutionary Council was, in effect, prisoner of the Soviet security forces, now present in Somalia in significant numbers. The Soviets took quick advantage of their position, opening a naval base at the northern port of Berbera on the Red Sea, a strategic location that caused our military much concern. We were able to tell from our satellites that the Soviets were engaged in considerable construction in Berbera, suggesting that they intended to make it an important supply base for their fleet. Physically, we could get nowhere near the area because the Foreign Ministry flatly refused to give any of us, including the military attach#, permission to visit the port.

Library of Congress

By a fluke in the system, I was the first American into Berbera after the coup. At that time, we had a non-operational consulate in nearby Hargeysa which was nominally kept open by several local employees. We took turns in visiting the post, about once a month, with Foreign Ministry permission. When it came my turn, I included a visit to the police chief of the area with whom I had made a firm friend while he was police chief in the south - aided mightily by the gift of a bottle of his favorite Scotch. I brought another bottle with me for this visit in which I had only been authorized to visit Hargeysa. During our friendly discussion, I mentioned casually that I would love to do some sightseeing in Berbera, now that we are in the cooler season. (In the hot season, temperatures in Berbera can get to 120 degrees). He was warmly sympathetic to the US and of course knew what my "sightseeing" would involve. He immediately got on the phone and called the Captain of police in Berbera, telling him that I would be coming down and that he should show me the maximum hospitality and cooperation.

I left the next day with the consular driver and a 4-wheel drive Land Rover. It was an area of Somalia I'd never seen before and had some of the most spectacularly beautiful scenery in the country. We stopped often for me to admire the scenery and then found we were running late. So, I asked the driver to drive faster which he did. The road was really an unpaved and rutted path through the bush, with many holes. We hit a large one which started a leak in the radiator. We had some water with us in a jerry can and quickly used that up. We stopped at every water hole on the way to renew our supply and that was barely sufficient to permit us to limp into Berbera, with radiator steaming and too late for our appointed rendezvous with the Police Captain.

Not knowing quite what to do next, I had the driver take me to the only hotel in town - very clean but minimal - where I got rooms for myself and driver while he went to get the radiator repaired. I cleaned up from our dusty trip and, soon thereafter, the Captain knocked at my door, indignant that I should have gotten a hotel room. He checked me out immediately and drove me to the mansion (literally) that had been the residence of the

Library of Congress

British Commissioner during the prewar days in which the British loosely administered the north of Somalia, then called British Somaliland..

The “mansion” had aged considerably since the departure of the last British Commissioner, presumably before World War II - or during the war. I was shown to my bedroom which, apparently, had once been a large reception room. It was huge, with high ceiling, and furnished only with an army cot, a wooden crate that served as a night stand with a table lamp on it lit by a bulb that seemed to be no stronger than 15 watts. While the accommodations left something to be desired and were much less comfortable than the hotel room I had left, they had one great advantage over the hotel - we were on a small hill overlooking the port now filled with a number of Soviet naval vessels.

After I had unpacked, the Police Captain invited me to the terrace to meet the Army Major in charge of the military contingent at Berbera. We drank Scotch I had brought (a never-failing inducement for friendship in that Muslim country) and talked with a background of singing at the nearby Soviet officers' club. I told the Major that I much admired the scenic beauty of the waterfront and asked whether I would be permitted to photograph it. Knowing precisely what I meant, he laughed and said: “Don't ask me the question, just take your photograph but don't be obvious about it, there is a Soviet naval squadron in town.” I managed to get some good shots of the Soviet vessels the next morning as I took pictures of other elements of “touristic” interest. Those were the first on-the-ground shots we were able to get of the Soviet naval base. I was able to learn that the base was established primarily as a refueling and repair facility.

After my morning tour, I was guest of honor at a luncheon at the residence in a dining room lacking the splendor it undoubtedly had when the British Commissioner was resident. Anyone of importance in the Berbera area was present, which gave me an excellent opportunity to get a sense of the effects of the coup in that area. Though they were cautious, a number of snide references to the Soviets made clear that they were not overjoyed by their presence. Again in my honor, because the Somalis knew the Americans

Library of Congress

loved salads, we all had a large plate of salad with our excellent meal. The others ate theirs avidly but I didn't touch mine (aware of the strong admonition we had received never to eat a salad or anything raw unless first soaked in chlorine and carefully washed in boiled water). The Major, and others, noted my abstinence and urged me to eat. I felt I had no choice but to do so. The result was a return to Mogadishu with a severe case of diarrhea which took a week to cure.

Long after my departure from Somalia, the political situation in that part of Africa changed dramatically. The revolution in Ethiopia and overthrow of the Emperor resulted in the country falling under the Soviet sphere of influence. The Somalis, arch-enemies of the Ethiopians, then threw out the Soviets and Siad Barre rediscovered his love of the US. All of this became irrelevant after the fall of the Wall and the Soviet Union, of course.

Q: Well, Paul, I presume after what you are telling me about the treatment we received that we did not continue our AID program in Somalia.

STAHNKE: Not true. We were then in the midst of developing a very important project, undoubtedly the most practical and useful AID project in that country - a drinkable water supply system for the city of Mogadishu. Until that system became operational, the only drinkable water in the city had to be hauled in from wells outside the city and put in rooftop tanks. The Somalis (presumably with Soviet approval) agreed to a continuation of this project and we completed it after my departure. The system, when completed, didn't actually bring water into houses but into strategic locations where people could get their water from fountains put there. I understand that the system was destroyed as most of the city during the civil war that still continues.

Q: What was the Somali attitude towards the Israeli-Arab conflict?

Library of Congress

STAHNKE: The Somalis are Muslims and supported their Muslim brothers in the area. That was their official and I think their personal position as well. But, I don't recall that they had any strong feelings about the issue.

Q: So they had no truck with Israel at all? Israel was doing many things in African countries that refused to recognize it.

STAHNKE: No, they had no activities in Somalia at all. As far as I can recall there was no Israeli embassy there.

Q: Did you believe that our policy towards Somalia was the correct one at that time?

STAHNKE: Politically, I think we handled the situation as well as we could after the coup. We had to try to maintain whatever influence we could in a country now dominated by the Soviets. Our pre-coup activities were mainly influenced by strategic considerations, including our AID projects about which I have already noted my concerns. I felt then that we should have let the Italians assume the major share of that burden. Moreover, our projects were simply not well thought out except for the Mogadishu water project. Earlier, we had started and completed another water project outside of Chisimaio, the southern port city. I went down there for the opening of the plant. It was a beautiful water purification plant of modern design which our technicians were teaching the Somalis to operate. It had two major problems as we learned later: (a) the plant was far too big for water requirements then or in the foreseeable future and, hence, it became a very high cost operation and (b) the Somalis, even after training, proved unable to run the plant with its specific requirements of injection of purifying chemicals, etc. I should add that the training program was never completed because, after the coup, our technicians were so harassed that they had finally to leave the country. But, even if they had been able to complete the training, the plant could not have been run cost efficiently because it could operate at only about 20 percent of capacity. So, the plant was gradually abandoned as too expensive and complex to run.

Library of Congress

The only satisfaction I got from our mistakes was that the Soviets made even greater mistakes. The Soviet DCM told me a marvelous story about the meat canning plant that they had brought to Somalia - antique already then. The canned meat the plant produced from the scrawny Somali cattle was of such poor quality it could not be sold anywhere. The inventory kept accumulating until the Soviets shipped it back to the Soviet Union where, according to my DCM friend, the market had no alternative to accepting it.

Q: Well, when your time in Mogadishu was ended you moved to another post, which is quite a contrast, to Copenhagen where you were economic counselor, which I happen to know because I served with you there.

STAHNKE: I think it was then called economic and commercial counselor.

Q: Yes, that is right, I stand corrected. You had Bob Kemp working there with you too.

STAHNKE: Yes, that is right.

Q: There was a Social Democratic government. What was the attitude that you found towards the Common Market, which Denmark had not joined when you arrived?

STAHNKE: Denmark and the Common Market was probably my principal occupation in Denmark. We had very few, if any, trade problems with Denmark. The whole question of Denmark and the Community, yes or no, was of real interest to Washington and, of course, a burning question in Denmark. When I arrived in Denmark, discussions on enlargement of the Community had already begun. The entry of the Brits had been vetoed some years previous by de Gaulle and was again being considered together with the Danes, Norwegians and Irish. The Danes and the Norwegians had the biggest cultural problem with joining Europe and the issues were many, some of them quite foolish. I maintained close contact with the head of the EC section in the Foreign Ministry who, during my periodic visits, would tell me about the phone calls he received from Danish citizens, mostly expressing concern about Denmark joining the Community. For example,

Library of Congress

he told me about a lady from Jutland who expressed great concern about joining the Treaty of Rome. She said, "We left the Rome Church during the Reformation and we don't want to go back to it again." He had to explain very elaborately that this is not a religious affiliation but an economic one and potentially a political affiliation. But it was a major issue and most of my reporting was on Denmark's stand on the Community. Eventually they held a referendum on the issue.

Q: Yes. Of the countries you mentioned, I believe only Norway and Denmark had referenda. STAHNKE: That is correct.

Q: With Norway going one way and Denmark another.

STAHNKE: That is right. Norway is now again thinking about joining it and maybe they will this time.

Once Denmark joined, my contacts with what was then called EEC, now the European Union, intensified. With enlargement, the problems of coordination among the embassies at member country capitals with our EC Mission in Brussels and with Washington increased proportionately. For example, where should demarches best be made? To member country representatives in Brussels, at capitals or both? To what extent should these demarches be coordinated? I made several useful trips to Brussels for such discussions and we informally worked out arrangements that proved to be satisfactory to all. As I recall, I sometimes had difficulty getting permission to travel to Brussels because of tight budgets from you and your predecessor but they were well worth the money.

The economic reporting from Copenhagen assumed a new dimension once Denmark was a member of the Community. We were no longer dealing purely with bilateral issues, which were a very few, but dealing with the broader trade and other economic issues the US had with the Community.

Library of Congress

Q: I remember one bilateral issue that arose just as I had arrived. That was the question of fishing off Greenland where the United States was involved. We had some difficulty with the Danish Greenlanders and our ambassador took a strong interest in this because he knew some of the Americans who went there fishing.

STAHNKE: Principally salmon fishing.

Q: That issue was soon resolved.

STAHNKE: A long-standing issue within the Community was the extent to which Greenland would be subject to Community rules, particularly with regard to fishing rights. That issue took a long time to resolve, but that was not ours.

Q: I remember one other economic problem while we were there and that was perhaps as much political as economic. That was the question of how a country with a magnificent social welfare system such as Denmark could go on paying for this system in the years ahead. The Danes already were finding that they were in deficit. Their taxes were very high, paying about 40 percent in income tax alone.

STAHNKE: Denmark, of course, was one of the Scandinavian socialist experiments which was very interesting to all of Europe and the United States and, indeed, to me personally. They provided birth to grave security, basically. The whole system came under extreme stress with the oil shock of 1973. Denmark is a country which has very few natural resources, aside from agricultural land. It has some oil, mostly offshore, which was in the process of being developed, but they didn't know how much they had and suspected, correctly, that it would not be very much. So the price of oil increased enormously for Denmark and had a serious negative effect on the economy as a whole as well as on the trade balance and the national budget. The pressure on the budget forced reduction in some of the generous social services offered in Denmark. I recall one incident which brought this home to me. Shortly after the "oil shock" I was on my way

Library of Congress

to the Foreign Ministry and my car was blocked by a large group of university student demonstrators. I got out of the car to ask about the demonstration and was told that they were protesting the reduction in the allowance they had been receiving from the government. Since their studies were tuition-free and most books free also, the allowance was really for incidentals. I told the small group that had gathered around me that they were very fortunate, compared to their counterparts in the US who had to pay tuition and all other expenses out of their and their parents' pockets. They were unimpressed but did clear a path for me to get through to the Ministry, a bit late for my appointment.

Q: I think this is one case where I will not ask you if you were given adequate supervision.

STAHNKE: Adequate, yes. Friendly also.

Q: Well, thank you. We can move on to your next assignment which was back in the Department. As I understand it at that time you were in the Office of Congressional Relations.

STAHNKE: Yes, for three years.

Q: Talk a little bit about that. What did you do and did you find it challenging?

STAHNKE: I came back to Congressional Relations under a changed environment. The new Assistant Secretary for Congressional Relations had decided that he wanted at least a portion of his officers liaising with the Congress to have practical functional experience in the areas in which they were involved. Historically, Congressional Relations had been staffed by officers, most of whom were not Foreign Service officers, who had good knowledge of the Hill, many of them having worked there as staffers. They had one major shortcoming: they often did not understand the issues they were representing well enough to be effective. They knew the context, they had the contacts, they knew the protocol, the way of dealing with Congress but were short on knowledge of the issues. For my part, I knew the issues but had to learn how to find my way around the Hill and how

Library of Congress

to deal with the Congress effectively. The challenge was an interesting one and I learned much in short order.

My responsibility was primarily on international economic and trade legislation. I worked very closely with the Economic Bureau, attending their daily staff meetings and working with the Assistant Secretary for Economic Affairs and other officers on specific issues. I was particularly attentive to any bills that smacked of trade protection. I helped establish an early warning system with a group of key staffers in both the House and the Senate on such legislative proposals, working closely with Sam Gibbons, Chairman of the House Trade Subcommittee, and his staff.

In my three years in Congressional Relations, I learned a good deal about Congressional operations and developed a high respect for its members. I learned that most members work very hard indeed at their jobs. Despite the pressures on their time and the tensions involved, including the need for members of the House to begin searching for funds immediately after election to prepare the way for their next campaign two years hence, they were, on the whole, dedicated to serving their constituents and country as best they could. Though they often had to posture publicly on issues, they usually were responsive to reasonable arguments on bills when they did not conflict with the interests of important constituents. Their days were full, so much so that whenever I wanted to talk to a Senator or Representative, it was often breakfast at 6:30 or a drink at 6:30 or 7:00 in the evening. The rest of the time they were busy, tied up with various things. So they were long days for me also, sometimes interspersed by periods of having very little to do.

Q: What were some of the hardest sells you had?

STAHNKE: During my years in Congressional Relations, the major issues with which I dealt were those having to do with trade and trade legislation. Most of the proposed trade legislation was protectionist. It was very interesting to me to see that once we were able to identify this legislation while it was still in the hopper before being considered by a

Library of Congress

committee, we were able, with favorably inclined Congressmen on the Hill, to squash the more extreme legislation. Most of it never got into committee. I think that was a very useful operation that we were able to do.

There were two other issues that were of longer term. These involved steel, and trade and services. Steel imports had long been an issue that that the US steel industry brought to the Congress, ever since Japan started exporting large quantities of steel to the United States. The industry's concern was heightened when other countries, particularly Korea and Brazil, began to build massive, very modern steel plants. Also some of the old line steel producers in Europe whose facilities were becoming increasingly obsolete, were subsidized by their government to make their products competitive on the international market. Our industry was concerned about the inflow of these products, but more generally with the very apparent over capacity of steel production worldwide. The more thoughtful of them, including Congressmen, felt that something should be done, some kind of forum should be established in which we could debate these issues with the principal industrialized countries in the world. They wanted capacity vs. demand to be discussed as well as government subsidies. They wanted some rules of the game to be established that would permit free, unsubsidized competition. An informal steel caucus of senators and representatives from steel producing states was established during my time there. The head of the Senate caucus was Senator Heinz of Pennsylvania. I don't recall who headed the caucus on the House side.

On the whole, they established very reasonable and internationally responsible positions on these issues. We worked closely with them and, through our combined efforts, a Steel Committee was established in the Organization for Economic Cooperation and Development (OECD) in Paris to consider these concerns.

The other issue was one that was being pressed on us and on the Congress was that of trade in services - i.e., trade in such intangibles as insurance, banking, shipping and the like. American Express was a principal source of these pressures and they worked very

Library of Congress

effectively and knowledgeably, in the first instance, to acquaint us with the restrictive trade problems they were facing. The US Trade Representative's office took principal action responsibility for that issue but I was heavily involved with them from the start. Again, we turned to the OECD as a platform for discussion, this time in the already existing Trade Committee. Our plan was to have the Trade Committee develop an agreed course of action among the industrialized member states and then shift the action to the GATT for incorporation in the next round of trade negotiations.

We did indeed move both these issues to the OECD. It so happened that my next assignment was the OECD and both of these areas came under my jurisdiction.

Q: What do you think of the Office of Congressional Relations as an assignment for a Foreign Service officer? Is it helpful, useful, interesting?

STAHNKE: I think it is very useful. One of the things I did while I was in Congressional Relations was to work with the Personnel Office to correct a quirk in their operations. I found that, all too often, officers who had been assigned to work on the Hill through the Pearson Program and others, had this valuable experience lost to the Department when they were assigned to work having nothing to do with the Congress. I could, in fact, find no officer with such Hill experience who had subsequently been assigned to Congressional Relations or elsewhere to take advantage of the experience which he or she had gained. I scored at least one success in that study. I hand-picked my replacement from those FSOs then working on the Hill. I hope that Personnel has continued to use such officers appropriately.

Q: Now, as you mentioned, in 1978 you moved from that assignment to Paris where you were with our mission to the OECD. What was your exact position there?

STAHNKE: My title was Counselor of Mission and I was number three or four, depending on how you counted it, in the Mission. To provide direction to our complex activities, the Mission had an Executive Committee composed of the Ambassador, DCM, the Treasury

Library of Congress

attach#, myself, and the AID representative. I headed a section that dealt with the energy issue (the International Energy Agency, which was semi-autonomous), trade, steel, social affairs and a few others things of lesser importance. Perhaps one of my most important assignments was that of US representative on the OECD Budget Committee. That was the committee that annually determined the budget for the OECD Secretariat. This was important because we contributed directly to the OECD, all of the 24 member countries, and through this budgetary process at the end of each calendar year we directly influenced the activities of the Secretariat, indeed sometimes forcing them to change direction. For example, over the strenuous objections of those working in social and labor affairs, we took money from them (thus forcing a reduction in their activities) and transferred it to trade which had become a more important current issue. Using the budgetary process as a program setting device worked very effectively. We thus kept the activities of the Secretariat and member country priorities in harmony.

Q: It sounds as though you had a very full platter there. I note you mentioned energy and as I recall it was during those years that we had the great rise in energy prices in 1979.

STAHNKE: That was the second oil shock. The International Energy Agency was a semi-independent agency. We were then collectively trying, among other things, to develop a set of procedures in the event that we should have another oil crisis which would result in a cutoff of oil from the Middle East in particular. This involved programs such as stockpiling. Nobody was forced to do this, although there was a lot of talk about it and recommendations about how we best could do this and indeed the United States began about that point to store larger amounts of oil. We perhaps over did it because the concern about oil was not just whether it might be in short supply, or cutoff for various reasons, but that the price might rise. There was considerable concern at that point that it might rise to \$100 a barrel; instead, it did nothing but go down, dropping to something like \$12 a barrel about four or five years later. So, as a result of these changes in the years I was there, the International Energy Agency, dropped from being a very important focal point, particularly for our Department of Energy, to becoming almost irrelevant. Little purpose was served in

Library of Congress

coordinating energy policies in an environment of satisfactory supplies and falling prices. It also seemed clear that a shock similar to the two we had in the 1970s would be repeated again in the foreseeable future.

Q: My only experience with the OECD was to note that they usually issue gloomy reports as to how bad the situation is. But the period you were there it was a serious problem because inflation was rising in the United States and probably in other countries too. Were there differences between the OECD organization and the US administration's views, and you dealt with two administrations, Carter and Reagan?

STAHNKE: I suppose you are right in that these reports tended to focus on problem areas but not always. Coordination for these reports was excellent. In preparation for the report on the US economy, either the Chairman or his deputy of the Council of Economic Advisors came to Paris for discussions in depth, plus representatives of the Treasury Department. Discussions were usually heated and the outcome not necessarily satisfactory to US representatives. Still, on the whole, these reports were widely respected as they continue to be.

I think you are right that the OECD staff responsible for these reports felt, besides a certain amount of glee in criticizing various governments, that they did have a responsibility in being the sober, external, objective organization looking at the economy and providing recommendations as to where the focus should be. This was also the time when the Japanese began to feel their oats. They were always ready, whether in the economic committees or in the Executive Committee or in other organizations to provide advice to the other OECD members countries as to how they should run their economies. They were never reluctant to tell the Americans that they were spending too much and saving too little.

Q: The Dutch uncle treatment.

Library of Congress

STAHNKE: Yes, the Dutch uncle treatment, which was kind of amusing because they were the ones who were soliciting advice ten years earlier on how they should run their economy.

Q: Did you enjoy your tour at the OECD?

STAHNKE: Yes. It was eventful and intellectually satisfying. Aside from the other activities I mentioned, I was Chairman of the Trade Committee Working Group which met weekly much of the time. The Group consisted of representatives from the various missions resident in Paris who prepared the material for consideration by the Trade Committee at its periodic meetings of representative from capitals.

The major issue with which I was involved at the time was trade and services, which I've already cited. We were trying very hard to develop a coordinated position among the OECD industrialized countries which we could then use for presentation to the GATT in Geneva for further debate and for consideration at the next GATT round, which indeed it was.

Q: It became a sticky point there for a while.

STAHNKE: It was a very strong sticky point for quite some time. That and agriculture issues. We didn't get as much as we wanted but we got a fair amount and the issue is now subject to both international agreement and international dialogue.

Yes, on the whole, besides just being in Paris, it was an interesting, exciting and very different assignment. It was different from normal embassy operations because it involved a consultative organization among 24 countries, both in the General Council as well as the various committees, with generally no decisions being reached, but a lot of discussion. So it was interesting in terms of the subject matter under discussion and a little frustrating

Library of Congress

because there was so much talk, so many papers and very little accomplished. But it was fun doing it nevertheless.

Q: In 1982, when your tour in the OECD was over, you headed back to East Asia and went to Bangkok where you spent five years. You were economic counselor there?

STAHNKE: I was Economic Counselor and at the same time the US Permanent Representative to the Economic and Social Council for Asia and the Pacific (ESCAP), which is a regional UN organization.

Although I had had previous Far East experience, this was a quite different assignment than the one in Tokyo. The Thai economy had not yet taken off as it has in the last three or four years, but it was in the process of taking off and in that sense it was similar to my Japanese experience, although the trade problems involved a quite different assortment of issues and commodities. Dealing the Thai involved different tactics and strategies than with the Japanese, although there were some similarities.

One of the problems we did not have with the Japanese but very important with the Thai was infringement of intellectual property rights - e.g., illegal copying of music tapes, videos and computer software and violations of pharmaceutical patents. We began slowly to resolve these issues during my time in Bangkok but it was slow going.

We had other issues that were important. Thailand was an important textile exporter and we had a bilateral textile agreement with them which had to be renewed during the time I was there. It was a very difficult negotiation, so difficult that they involved the foreign minister directly and others in the cabinet. Somewhat less high ranking people were involved on the American side, but certainly it involved the US Trade Representative who came over to Thailand a couple of times while I was there, partly to discuss textile issues.

On the whole, one of the principal problems in dealing with the Thai was their extraordinary sensitivity to slights, actual, potential or imagined. So one had to be very,

Library of Congress

very careful to make sure they believed we fully respected them as a people and that Washington kept Thailand as a high visibility plane. That was not exactly true of course but it made them feel good to hear it. They wanted to make certain we were giving them appropriate attention. Indeed, as our trade problems increased, we may have given them more attention than they desired.

It was an interesting assignment, although not at first. I spent much of my first year in Thailand wondering why I was there and not really having enough to do. Consequently, I spent more time at ESCAP than I was later able to do. It was also mainly a series of talk sessions but usually on issues of little relevance to the US. Since no one in the Department or elsewhere in Washington was much interested in ESCAP matters, I could represent US interests in that organization much as I saw fit. So, it was a fun assignment that gave me a certain amount of activity during that quiet period in US/Thai bilateral economic relations.

Of course our political and military relations with the Thai were very important because of their geographic position, with Vietnam, Laos and Cambodia nearby. I did a certain amount of interviewing of people who had left Vietnam who gave me some idea of the economic conditions there. We did a little reporting on that, but it wasn't really important. CIA was much better equipped to handle such reporting.

The bilateral front took a sharp turn during my second year. The Thai economy was growing rapidly and, with it, their exports to the US. The intellectual property issue became more serious as we achieved success in curbing such activities in Hong Kong and Singapore. Indeed, some of these moved their know-how and equipment to Thailand. We had an ongoing problem on movies; the Thai had established restrictive quotas on films for the movie theaters which we attempted to reduce or eliminate.

Q: Did we have an AID program in Thailand at this time?

Library of Congress

STAHNKE: Our AID program had almost phased out by the time I arrived and no new projects were in the offing. We did provide considerable assistance, in money and personnel for anti-drug activities.

Aside from our dying AID program, one of the interesting and useful organizations with which I was involved was the Asia-Pacific Chambers of Commerce which met annually in various Asian capitals such as Kuala Lumpur, Bangkok, Tokyo, etc. Usually, the Commercial Counselor and I both attended these meetings which gave us useful opportunity to talk with American businessmen in the large East and Southeast Asia area which this organization encompassed. It was also useful in providing opportunity for the economic counselors from our various embassies in the region to get together with each other and with representatives from Washington who also attended. We were thus able to discuss mutual problems and plan strategies for the future face to face. One of the issues we discussed that remains pertinent today was the increasing role the Japanese were playing in Southeast Asia, the dominant economic position they were establishing in these countries and the effect on US interests, economic and strategic, which these activities could involve. In that regard, the Thai government was becoming increasingly concerned over Japanese investments. On the one hand they welcomed such investment but they also feared potential Japanese economic dominance. They actively encouraged US investment in hopes of establishing a better balance.

Q: Paul, did you notice at that time any predisposition of the people with whom you met at the ASEAN countries to bring Vietnam into the fold?

STAHNKE: Yes, the Indonesians, particularly, were interested in that, although clearly not yet. ASEAN was not yet prepared to take that step and the Vietnamese, themselves, were not ready for it. The ASEANS discussed expansion of the organization to include both Vietnam and Burma, though I don't recall Laos being mentioned. In any event, the long-

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term objective of the ASEANs was to bring all countries of the region into the organization. That is what they are now proceeding to do.

Q: After your tour in Bangkok, you returned to the US and I gather you retired shortly thereafter.

STAHNKE: Yes, I returned to the US and had various odd jobs including heading a committee that looked at low rated officers and determined which ones should be recommended for retirement.

Q: One of the nastiest jobs in the Foreign Service.

STAHNKE: That was a very difficult job, but it also was very useful for a kind of perspective on my own activities in writing efficiency reports but, since I was not going to write any more efficiency reports, it was an academic question. It became very clear to me that it was very, very difficult to recommend anyone for involuntary retirement because of the way in which efficiency reports are traditionally written. No one wants to write a really bad one, even if an officer deserves it. So, rating officers tend to make their real views felt subtly. We have all become accustomed to reading between the lines but reading between the lines does not provide the legal authorization for a low rating. So even when it was clear from the subtleties in the report that an officer had been performing substandard for years, we were sometimes unable legally to recommend him or her for involuntary retirement.

Q: A great difficulty because corridor isn't sufficient.

STAHNKE: That is it exactly. Then I took part in a three month pre-retirement program that was very useful in easing myself out of the Service more or less gracefully. So it was a very useful transition, I thought, between active Foreign Service and the quite different life one leads after retirement.

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Q: Well, looking back on your career, would you do it all over again? Do you have any comments for people coming in now? What are your general views on the Foreign Service?

STAHNKE: The Foreign Service is a quite different place now than it was when I first entered in 1951. In many ways it is less pleasant, less genteel, less old line diplomatic niceties, fewer consulates in which officers can get early training in political and economic work, greater degree of specialization. So those are kind of negative factors. Positive factors are that the allowances are much greater, our salaries even considering the inflation over the years, are probably much better than they were then. Education allowances have become invaluable to families with children.

While education allowances have been a significant improvement for families, other aspects have not. The freeing of spouses from the requirements that were traditional in the Service has proven to be a double-edged sword. What does a professional spouse do overseas, independent of the old responsibilities which are clearly no longer acceptable to the modern spouse? Such issues were not present when I entered the Service.

But, yes, I would do it all over again, even under the present circumstances. It was a very interesting, never dull, series of assignments. Retirement has pleasures of a different sort - less strenuous and with fewer tensions - but also a very dark spot for me. My wife, Bruna Maria, who had shared all our Foreign Service experiences and played a vital role in my life, not only in maintaining our home often under difficult circumstances but in contributing directly to our substantive partnership in the Service, died in June 1988, three months after my retirement. As so many Foreign Service wives of her generation, she gave the Department, and the country, two for the price of one.

Q: Thank you Paul. This is Thomas Dunnigan and I have been talking today with Paul Stahnke who spent 37 years in the Foreign Service at a number of interesting posts. Thank you, Paul.

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End of interview