INTERVIEWEE: Donald Gilpatric

INTERVIEWER: Paige Mulhollan

DATE: November 25, 1968

M: Let's begin by identifying you. You are Donald Gilpatric, currently Director of the Office of Foreign Commercial Services in the Department of Commerce. How long have you been in this position, sir?

G: Technically since November 8, 1962.

M: You are the only man who has held this job, is that right?

G: That's right. The office was officially created by departmental order as of February 1, '63. But it was announced and organized earlier. I was its first, and have been its only director. I have never been sworn in because until several months ago I was a foreign service reserve officer on non-reimbursable detail to the Department of Commerce, and my dating of title goes partly to the fact that November 8, '62 was the date that I was sworn in as an FSRO. Before that, I had been for several months a consultant to the Department of Commerce in an acting capacity as head of the predecessor to this office, called the Office of Commercial Services. But I think some of our official personnel people here in Commerce never quite trusted the fact that I was neither a civil servant nor being paid by the department, so I'm the only primary organization head that has never been offered an opportunity to take an oath of office.

M: You are an appointee of the Secretary of Commerce or Presidential appointee?

G: I'm an appointee originally of the Assistant Secretary of Commerce, and I have been reconfirmed, at least by right of presence, by three successors; I'm now under my fourth Assistant Secretary to whom I report directly. I've enjoyed, generally speaking, cooperative association with all of them. They each had the right to terminate my (appointment). I presented my offer to move on each time a new one was designated. As a Foreign Service Reserve Officer, one's appointment is theoretically good only for as long as the job defined exists, with a maximum term supposedly for five years. It can, by law, be renewed five years, but my tenure has always been really as long as my boss here in Commerce wanted me on board. I myself suggested this arrangement when I accepted the original assignment, because I knew I was getting into a difficult area of relationships between two departments that had never been altogether harmonious.

M: That was the reason for the creation of the office in the first place.

G: I thought that if I was in limbo as a State Department employee, but directly reporting to a Commerce policy-making official, this probably represented the best status I could have in terms of reality.

M: At any time since you have been in this office, has the President--in either case, whether President Kennedy or President Johnson, had occasion to deal directly with you in your official capacity?

G: No, not to my knowledge. Naturally, there have been communications for the President drafted here which have gone up through channels. I was here one time when the President came to call on former Secretary Connor. The only time I really saw anything of the President as an individual was when he was a Senator and my older brother was Under Secretary of the Air Force. I was out of the government, but my brother had a great deal of respect for Senator Johnson in dealing with some of the problems that were being encountered, and I met the Senator and his wife on several occasions at that period in the early fifties.

M: This was when you were not working for the government?

G: I was not. I came into the government during the war, first to the Board of Economic Warfare in 1942; I transferred to State in various assignments ending up in the foreign service establishment serving in China. I resigned in 1949 and did not return to the government until 1962. And like others that I have known, in a lower capacity than I had earlier resigned from. But that's my decision, and anyway that's the way it stands.

M: Now, the office that you now hold--is the primary point, as I understand it, liaison with the State Department and its officers in the field who represent the Commerce Department? Is that a generally correct assumption?

G: Yes. We are a primary organization unit. We were established at the time that the Bureau of International Commerce was created out

of two bureaus. As historical background, the traditional structure handling Commerce international activities was the old Bureau of Foreign and Domestic Commerce. After the war when the residual organizations of WPB and those of FEA came in here, BFDC was split into two bureaus. One was called the Business and Defense Services Administration, which, at the time I first knew Commerce in 1962, was reporting directly to the Under Secretary, Mr. Gudeman. The other was Bureau of Foreign Commerce, with no emphasis on domestic activities. This bureau in, I think, the summer of '61, was divided into two separate bureaus, with one called the Bureau of International Programs, headed by Bill Dale who is now with the IMF, and the other named the Bureau of International Business Operations, BIBO, which was headed by Mr. Edward Scriven. This arrangement didn't work out as effectively as was hoped. Dr. Behrman and his associates, with the consent of Secretary Hodges, (after Mr. Gudeman left as Under Secretary or at the time his resignation was announced) put together the so-called domestic and international business area, which combined BDSA, BIC, which was then already in being, and the Office of Field Services which had also reported to the Under Secretary before then. For the counterpart overseas arm, they created this new Office of Foreign Commercial Services which in effect was to be responsible for Commerce representation overseas through the Foreign Service. Another main reason for establishing the office was to carry out the agreement terms, which were reached in November 1961 before I came aboard at all. This was called the

State-Commerce Agreement of 1961 between the Secretaries of State and Commerce.

M: This was at the time when President Kennedy was so interested in getting all the field representatives clearly under the jurisdiction of the ambassadorial or chief of mission at any given location?

G: Well, not entirely. Certainly, President Kennedy, in his May 1961 letter to all Ambassadors, tried to make very clear his concept that the Ambassador in each country was his personal representative overseas, and would have jurisdiction over all official Americans under his general supervision regardless of their agency origin or the relationships between agencies in Washington. This really didn't have much to do with the State-Commerce Agreement of '61. What had happened was that, as I recall it, former Secretary Hodges' direct order from the President, and the only one that he could ever remember sufficiently to quote, was "Get busy and expand our exports in order to balance our payments." The new Administration came in with a firm conviction that this was a job for Commerce to do, and that to do it, Commerce representation overseas had to be very much improved. There had been a certain amount of pre-'61 discussion of this, especially by the Magnuson Committee in 1960 which made a study shortly before the Kennedy Administration came in. Former Senator Engle introduced a bill in the Senate to reestablish the Foreign Commerce Service. There were a lot of people in Commerce who very quietly favored this, and I think probably

contributed to its legislative evolution. However, the Bureau of the Budget and of course the Department of State were opposed, so that in the early summer of 1961, when this legislation was receiving consideration in the Senate, the Secretary of Commerce took a basically negative position towards the bill, in effect, under instructions. It was not entirely a clear dissent, but it was a defense of the unified foreign service concept. The Senate passed the Engle bill, at which time there was clear recognition that there was grave dissatisfaction on the Hill with the way that the Foreign Service was handling business and commercial interests and programs. This led to the negotiation during the summer and fall of 1961 of a State-Commerce Agreement which basically sought three objectives--one, to establish within the Foreign Service a commercial specialist corps, mainly people that would be almost entirely oriented to commercial work, who would have the same rights of ultimate ladder and career advancement as anybody else; and that people on board in the Foreign Service at a given stage would be invited to opt for this specialization and if enough didn't opt, there would have to be some more recruiting. The second principle of the agreement was that there was a delineation of basic responsibilities between State and Commerce as to what was commercial work and what wasn't. And, thirdly, the understanding that the budgeting for this service would be mainly the responsibility of the Department of Commerce; that in effect Commerce would then go to Congress and

get this money but then turn it over to State with the two Departments jointly administering this appropriation.

M: The people that you are referring to would be State?

G: Oh, yes, they would continue to be regular Foreign Service people, right. The last provision mentioned above was never accepted by the Bureau of the Budget. They just said that you can't have two agencies asking for funds for the same purpose. So it was simply left that State would continue as before, to budget for this program as well as all other foreign service and departmental operations, but naturally that Commerce would be very much consulted and, in effect, would become the co-justifiers or the prime justifiers for the increases that were being requested.

M: State requested it and Commerce defended it on the Hill?

G: Well, State requests with Commerce concurrence; State defends, Commerce endeavors to justify and persuade beyond defending. If you want a copy of the agreement, I've got a number of them around. But those are the major elements. I think there were some nineteen articles and big and small points, but this was, you might say, the compromise in this conflicting area of interdepartmental interests.

M: Didn't the old division between the diplomatic service and the consular service which was the original way the Foreign Service operated in the early twentieth century, for example--isn't it creating two foreign services engaged in different types of emphasis?

G: Well, it doesn't really quite stock up that way. I'm really not all that (familiar) with the history. Of course, before the Rogers Act

of 1924, you had a separate diplomatic service and a consular corps. And they were generally both under the State Department, and there was a certain amount of competition. The diplomatic service was generally, you might say, responsible for policy; the consular corps for service. And there was a good deal of competition and feeling between these two services, and the consular boys tried to pick up the trade service business and build it up, whereas their diplomatic colleagues were responsible for the negotiation of treaties of friendship, commerce, and navigation, U. S. property protection and so forth and so on. Then, of course, after Hoover's service as Secretary of Commerce in the days of Julius Klein, there was this separate Foreign Commerce Service established (in 1928) and built up during the late twenties to a very fascinating separate service which also led to Agriculture going its own way. Under the early Roosevelt regime, the President was interested in domestic rather than foreign trade problems. He originally had Dan Roper as the Secretary of Commerce, followed by Jesse Jones, then Henry Wallace, and the foreign commercial service actually was cut back in the early stages of the first Roosevelt Administration. There followed a prolonged period of declining favor. And then when the '39 reorganization proposals came along, this led to the amalgamation of the Foreign Commerce Service and the Foreign Agricultural Service into the Unified Foreign Service. The Treasury, under Morgenthau, I guess, successfully resisted this consolidation.

M: For someone who doesn't know the history, you haven't missed very many of the details. You disclaimed a little bit too strongly. What about how it's worked out? Has the old competition that you mentioned between the Foreign Service diplomatic service and the consular service re-arisen with this new specialty within their normal State Department foreign service?

G: Well, I have to revert to when I first came aboard. I was,in effect, asked to head up Commerce organization which was going to implement the provisions of the State-Commerce Agreement, and this I agreed to try. At the time that I joined the Department in a consulting capacity in the summer of '62, very little progress had been made--I can't tell you exactly why; I can cite you some very real reasons. In the first place, there was this whole budget problem, and Congress didn't like the idea of this agreement, at least the Appropriations Committee didn't. So we had money problems. In the second place, an awful lot of people in the Foreign Service were anything but enthusiastic about it. In the third place, you had a lot of crowing young turkeys in this building that felt that they had a far larger mandate than the processes of bureaucracy ultimately verified. And so the agreement was on the books, but it wasn't getting very far. We hadn't even gotten to a point of polling Foreign Service personnel to see who was interested. There were obviously some that were; there were a great many, particularly the better ones, that weren't. I think the explanation of this more than anything else was the clearly implied intent of the agreement that when you opted for

the commercial specialists' program, you opted for loyalty to the Department of Commerce rather than the Department of State, and most career Foreign Service officers just couldn't see this insuring them any real high-level advancement possibilities. They were all realistically aware that the State Department runs and administers the Foreign Service, has now for a good many years; and this was just not a wise thing for the guy who had aspirations to get to the top to do. I think on top of this, in order to separate out the commercial function, some very narrow definitions of that function were made implicit in the agreement; and of course, thirdly, when you didn't get the money to get a lot of new jobs and a certain number of new people, you didn't have a chance to prove your point.

Those are just very hasty summaries of analyses made and the conclusions I gradually came to. And I think probably the greatest failing of the whole negotiation of the State-Commerce Agreement was that with all due respect to those who mainly negotiated it, none of them really took the trouble to go abroad to talk to people in commercial arguments or study the problem--they just attempted to negotiate the best deal they could when they thought the iron was hot.

And another thing which I think probably weakened the agreement in its early stages of implementation, or in the second wave of implementation work when I first came aboard, there was a tremendous preoccupation in the Administration with passing the Trade Expansion Act of 1962. The situation was very touch-and-go in the later summer and fall before that act was passed, and the Secretary's

office and his advisers here in Commerce wanted to soft pedal pressures on the budget side which might have upset the apple cart for passage of the Trade Expansion Act. So a big opportunity was lost in the appeals of the FY '62 budgets in the final round, which might have done better if the heavy artillery had come forward then. But looking back, so much more was at stake in the policies involved and in the work that Commerce was putting into the bill passage effort that this is a very understandable decision.

As I began to look at the situation, I had an almost entirely inherited staff, and I was about the only newcomer. I had accepted this assignment because I knew government, particularly State and the Foreign Service, from war and postwar experience. I had had thirteen subsequent years of international business experience and was fully aware of the shortage of good people doing business support work; and was sure the time had come, with the balance of payments problem arising out of the dollar-gap years, that this had to be done and felt that I had a total war and post-war experience which qualified me to take a crack at it. It didn't take me too long to find out that it was going to be rough going, and there were quite a few times in the early months when I got pretty discouraged. I remember within less than two weeks after assuming my official responsibilities, I was told to head up a task force which would again seek to establish a separate Foreign Commerce Service. I did what I was told. We worked out some draft legislation which, in fundamental fact, followed

the Engle Bill terms, but made a lot of modifications. This was put forward by Secretary Hodges in December of '62 to the Bureau of the Budget and to State. We didn't learn until later the fierceness of the resistance from State. The BOB, I was quite sure after my contacts there, was dead set against it, and our effort failed. So we were again back with the State-Commerce Agreement. In about a year I, and some of my associates, went over the ground of what was the problem. We were up again then for more funds--as happened subsequently and had before. We got nowhere, particularly with Mr. Rooney's committee, so we were blocked on money. It was very clear, although we began to prepare to issue the invitations to join the Commercial Specialists Corps, that we were going to get turned down by about 90 percent of the people we would have liked to see join it; and the main bulk of those that would have accepted would have been, shall we say, mediocre or not much above average.

M: People who thought their prospects weren't too good for staying in the State Department.

G: And we could see some great problems in stature for our people and the still continuing treatment of commercial work and commercial officers as second-class by most of our key missions. And in getting around as I did in the field and meeting a lot of different officers, and also getting better acquainted with people in Commerce, I came to the conclusion in late '63--early '64 that we weren't going to have a separate service, certainly as long as the Kennedy Administration

was around. It was a very real question, even if we could get it and get enough money, that we could attract the caliber of people we needed. We didn't have a constituency either in business or elsewhere in the country which matched that of Agriculture, so we weren't sure of our Congressional support at any time.

So in February of '64 I made a proposal that we shift our strategy and integrate economic and commercial, accepting a minority role in a large partnership rather than a dominating role in a small segment kind of activity. The first reaction of my bosses was negative. Then they talked about it, and decided it was at least worth a try, but on the condition of having an equal role and a veto and a lot of things which the State Department just never could have accepted. This all went forward, first from Dr. Behrman, followed by Under Secretary Roosevelt, even Secretary Hodges. There was a clear rejection of a concept under those conditions by the State Department. This was the situation throughout most of '64--early '65--and at that point the guard changed here. Secretary Connor came aboard; it was one of the issues he had to, in effect, decide on, which was (a) go for separate service, (b) a service within a service, or (c) this economic-commercial integration. He left the issue for consideration until after Assistant Secretary Trowbridge replaced Assistant Secretary Wyman. Mr. Trowbridge listened to all of the pros and cons mainly from here, and in principle decided to follow the lines of the original proposal I had made. This was put forward to Deputy Under Secretary Crockett for the first

time in May.

M: This is of the State, now--William Crockett?

G: Of State, right, in May of 1965. Mr. Crockett tried to duck it, but finally came back with a conditional agreement in July. Thereupon a task force, a State-Commerce task force, was organized--it really wasn't named until September and didn't get going until October of '65. Its assignment was how to make the new agreement work. I was the Commerce member. There were several FSO's--Henry Ramsey was the selected State Department senior officer, and the record of the task force was very clearly written. The report was completed with a full description of how we reached our conclusions, in September of '66. In October, Secretary Connor endorsed the principle recommendations. We went overseas thereafter to some regional conferences with Mr. Trowbridge among others, and talked to a lot of people in the field. For the first time these groups were economic and commercial. There seemed to be almost unanimous acceptance of the recommendations. There followed a long process of clearance in State. We also sent the report up to the Hill, out to business; we did a lot of checking hither and yon. For the most part, we got the reaction that this was probably the best plan. Finally in January of '67, there was a formal exchange of letters between Rusk and Connor which put this agreement, which was really a series of recommendations, into effect as a governing policy. That's what we have been trying to work with in the last almost two years. In that time, my own view is

that we have not done well. In the first place, we again not only failed to get new money, we lost money under the '67 state budget stringency under the Overseas Personnel Reduction Program (BALPA), which I think was miserably managed mostly by the Bureau of the Budget. In manpower, even with a larger pool, we lost in the State Department treatment of it. In some ways I think we've made fairly measurable and satisfactory progress; in other ways there are a lot of senior careerists that still, I believe, think that this agreement is over-assertion of Commerce leverage and intimations of power as against the rights to do so. But I think there's been an acceptance of the principle by the majority of Foreign Service people. There still isn't enough total acceptance of this. To begin with, you had to look at this on a time span because the old leopards aren't going to change their spots, and you had to bring younger ones into the stream. Perhaps I should have mentioned--one of the most important concepts in this integration program is that there really isn't any clear distinction between what's economic and what's commercial; that you cannot define the two separately without a big gray area or a big overlap area.

Secondly, whereas our original thinking was ahead of the British decision to integrate their trade and diplomatic services--in point of fact, the Plowden Commission report came out ahead of our final working document. But we were grappling with the same problem they were, and as always we find a different path of solution. But I think other countries--well, Canada is an exception and the

Japanese to some extent are, but this is the trend. The other thing which I think is very important to remember and we learned this in the White House conference above all, but in all contact I've had with business--American business really does not expect, does not want, the government to actually get out and do the business. They want the government to get the information; they want them to help set the stage; they want them to use influence where it is appropriate to get this or that done, which is different than the Western European countries and Britain or Japan. In that context of things also, if the Department of Commerce in my judgment had its own service, they would not have the access to foreign business and foreign government leadership that a man does who goes in as Counselor of Embassy or First Secretary--he may also be commercial attache, commercial counselor, but there is something about full Embassy status. And finally so much depends on the Ambassador, the country team, the coordination of these things, that if you were a separate agency functioning abroad, your chances of getting the big ones would be I think far less. But there is also the penalty of knowing you are never going to win these things altogether. It is true now and for the indefinite future will be the fact that Commerce representatives abroad, with the exception of a few technicians, are not paid by Commerce; are not basically owned by Commerce; and you are therefore dealing through indirect representation. You've got to maximize the effectiveness of that representation and the caliber of the people involved by the leverages you exert and not by

the orders you give. Ninety percent of economic commercial officers' instructions going out are originated by Commerce, but they're signed by the Secretary of State, and this is a problem. We have been looking for a viable solution, and I in recent weeks here have been again reviewing this. Any new Secretary of Commerce has got to go back over this ground and decide whether what Mr. Connor and Mr. Trowbridge chose as the path should be followed, if so, with what modifications. They could come up with the conviction Luther Hodges had and want to go the separate service way. They could try to go back to the service within a service. I just don't know, but this has been about the summary of the history as I have seen it.

As far as the White House is concerned, the President certainly supported the export expansion efforts both in terms of programs and in budget requirements. I think he has been very keenly aware of the problems in the Foreign Service of supporting business. There is every evidence that he has a great many contacts with businessmen and I rather suspect, after having seen some of his Ambassadorial appointments or retentions, that he is quite alive to these problems.

M: When you got down to this debate between State and Commerce on any of these programs, did the White House staff ever take a part along with the Budget Bureau in resolving them directly?

G: Well, we tried to get Ernie Goldstein into this BALPA thing; I don't think he contributed anything. I don't know why. We kept him informed. Mr. Trowbridge wrote a very strong letter to Under

Secretary Katzenbach and Mr. Schultze. Mr. Smith repeated the same. We took the position that it doesn't make any sense to have on the one hand a program that says we've got to increase the trade surplus, and then that you've got to reduce overseas government representation and costs which support it. If the right hand is going to know what the left hand is doing, you've got to make an exemption or you've got to give preferred treatment to the people that are in trade expansion efforts directly. This just got nowhere.

M: That's strange in the light of the direct support that some of the BIC programs have received from up there, for example, and they are trying to do roughly the same thing, I assume.

G: Well, we've pointed this out, but I think there's a rather hopeless dichotomy in BOB in this regard. They have pressed us for cost effectiveness, and cost benefit studies on our programs. And then when we pointed out those accepted figures in terms of retaining certain staff and certain missions, the BOB Commerce people were overruled by the BOB State and BALPA administrations. Of course, I think the Department of State in this case really followed the BOB policy lead. The trouble about the BALPA exercise in essence was they ordered these cuts without any real criteria, so when they didn't define the criteria, the only answer was to do it across the board--everybody took the same, which is the basic absurdity of the exercise. Sure, you can cut 50 percent, but if you just say you've got to cut to here you don't get much sense out of it. Anyway that's

where we stand and I fully concur that there was--I've been to a lot of missions around the world and there was a lot of blubber in evidence, but very little of it in this commercial area. For the most part, the record shows that Commerce has had for trade expansion purposes in the Bureau of International Commerce alone almost an 800 percent increase of funds in the last seven years. During that time, except for one tactical adjustment and one minor supplemental appropriation in FY '61 effective for '62, we have had no increase in overseas staff available for this kind of work. Now, we did effect some slight increases by what we call reprogramming, getting certain jobs reclassified into the commercial category; and I think under the integration program, we've gotten a lot of indirect partial inputs, so that the output on behalf of trade expansion and all the problems related thereto has been greater. But it has been nowhere near what I am sure all of us believe it could have been if we had had more jobs and, above all, more good people.

M: How bad has it hurt in this that you've had so many Secretaries of Commerce? Isn't that one of the reasons why the BOB-State people seem to come out on top perhaps? You said the new man had to go through the same ground each time. Does that weaken your case when you try to put it up against State's for example?

G: No, I don't think that. In the first place, it is my observation and I'm sure many others would agree with this, the BOB in recent years has had no real standing with Congress. Therefore, whatever it does in the way of cutting budgets, Congress doesn't respect

particularly. If they were to recommend anything it would be less than helpful. I mean, this goes back before Bell. Bell, Gordon, Schultze, Zwick-Congress has a very low opinion of the Bureau of the Budget.

The second thing is the House Appropriations Committee, and McClellan as well in the Senate, have a peculiar inconsistency which you can't really point out to them. Over and over again, Chairman Rooney has said on the foreign service increase, budget applications--in effect, "you talk about what Commerce is doing and how you need commercial officers, but year after year U. S. exports keep going up. And I don't believe that anything which the Foreign Service posts or officers will do really helps that much." Ergo, the Foreign Service is too big; now, we don't want any new jobs; and I'm not satisfied with any justification you give for commercial increases. It's not quite this bad in the Senate, but it's somewhat of the same irrationality, because those same committees year-after-year have increased Commerce appropriations and authority for program expansion or inauguration quite substantially.

M: In the international field?

G: Yes. Well, if you come from Commerce, if you go up and say to Rooney, "I can't do these new programs unless I have more people in the Foreign Service to help do the work," very obviously what Rooney's answer is going to be, "Well, I'll fix that for you very easily." But I mean there is this inconsistency, and I think on the whole the business community has not done anywhere near as much

as it quite legitimately should have in this. They are all a little leery of Congress--not the agricultural ones, but the normal business people.

The Foreign Service has been so concerned with protecting its total existing pool to the best extent it can that it is really not going out for one or two small sector increases and maybe jeopardize--because you see, the State Department system for the last twenty years--plus has a very smart budgeting system. They don't really define by function, they put everything up by broad area, and their argument is, "We want 50 million dollars to run Europe. We can't do it for less." They do list numbers of commercial officers (somewhat incorrectly), but they do not spell out their support for Commerce or their support for Labor. They really fudge it, and I can't blame them for trying to keep their overall bank account intact to the best extent they can. But of course they then turn around and say to us, "Well, you're not justified in asking us to do any more because Rooney turned us down, and we can't go against the will of Congress." So you are damned if you do, and you are damned if you don't!

M: And without a constituency that leaves you pretty much right in the middle.

G: Well, I don't know that any new administration will find better keys to this.

M: Are they now providing commercial training for these people in the Foreign Service Institute? I know they've added economic courses over there, for example.

G: No, we do commercial training at our expense in this office, although we run these courses in conjunction with the Foreign Service Institute.

M: So their people are getting some training provided by the Commerce Department?

G: We have much more than we've ever had to say about all assignments including senior officers, so I think our participation in the personnel administration process is more effective and certainly more knowledgeable. There was a time when I first came aboard here we couldn't get a panel book, we couldn't get anything that they felt would help us to look under the rug. Today, I think we get everything, and we get it all in advance of decisions being made. We have an opportunity to comment fully. We don't win them all, but we are operating basically--and after all, it's people in this business that really count even more than programs in my opinion. And every job that comes up, with our present procedure we have just as much knowledge, in fact a little more, than a lot of our State colleagues about different people; we have a continuity of support here which they don't have in their personnel work for the most part. And so when any job that is even fractionally important to us comes up, we analyze the job, its functions which we keep up to date on, and then we say, "All right, here are the available candidates. We prefer this one. We'll take any one of these three. We don't want any part of the next five." Well, if they are going to buck us because we really are doing a constructive job of recommending

effective manpower utilization, this is pretty hard to beat down. Now, there may be competition from other functional lines or in other areas of regional emphasis. But this is about our modus operandi. I have now a staff which is pretty cohesive, we work together; one man sits over in State full-time in the middle of the personnel planning operations. This is our method of trying to meet our needs. I think we are still up against a very real problem in not being able to recruit at times key people from outside of government in the business world.

M: For specific jobs, you mean?

G: Yes. Where specialized experience and talents are needed. We have increased very much the exchange of personnel between the Foreign Service and Commerce. We have quite a number of carefully selected Commerce careerists now serving in commercial or other types of jobs in the Foreign Service. We have quite a large number of Foreign Service officers, also carefully selected, who are here in Commerce from one to three years getting oriented to our interests, and work. In many ways, we've done a lot of bridge-building at the working level; we still have problems to overcome.

I think one of the biggest bearing factors is the guidance you get from the White House and your key Ambassadors as to how important this activity is. It is just amazing to me. Last month I was down in the Argentine for a little while. A man I have known for many years was formerly an Ambassador down there, Ed Martin,

who is a very able economist. I never wanted him running a commercial operation. Now we have Carter Burgess. There's all the difference in the world--the difference in the Ambassador. As long as George McGee was in Germany, commercial work in the broadest sense had the highest priority. As long as we have had David Bruce in London, it has been pretty near the bottom.

M: The President can influence it this way then?

G: The President can influence it this way. I wouldn't expect the President to dig down this deeply unless he had the contacts in the business community leadership which would say to him, "Obviously, you've got to have the strongest possible business oriented mission in Germany these days." Well, that's an easy message for him to get across if he's sure that that's what the important business interests feel, as well as his Secretary of Commerce or anybody else. One of our strongest supporters--in fact, an outstandingly strong supporter--has been Joe Fowler. I think there is a lot more we would have liked to have done that we could have done, but I think despite this, there is a lot that has been done. I give credit to my line associates. I think I've had, generally speaking, very strong colleagues here in Commerce in their respective areas of responsibility. I think they are still unhappy over the fact that they haven't got stronger representation, but I think when once in awhile they do sit down and look at the facts of life why, they don't blame the Foreign Service as much. It's just the nature of the way this government and Congress runs, as well as affecting relationships, too.

M: You've been about as accurate in your summaries as anybody could be extemporaneously, I'm sure. If you don't mind, in line with what we mentioned on the phone this morning, I'd like to talk a little bit about China; you're by way of a China-hand, and here you are running the Bureau in the Commerce Department. Is this indicative of the use that is made by our State Department currently of expertise on China?

G: Well, I guess my expertise, if it ever existed, is pretty rusty. I have really not sought any reaffiliation with aspects relating to the China problem. I try to keep up. I personally believe that Mr. Johnson and his Secretary of State will ultimately have their greatest historical claims to fame based on Far East policy. I think that President Johnson clearly is the first President to have, in effect, chosen a balanced role in treatment of Europe and East Asia and it was done consciously. It is most unfortunate in a way that this issue had to be forced on the Viet Nam problem. But to me--and I had not only three years on the mainland of China but I had ten years on the East Asian environs. First, the Pacific is a far more important area long-range for our security and our interests than the Atlantic. Second, and above all, the only thing which all the Orientals understand is consistency plus firmness plus power. And I give Mr. Rusk and some of his advisers a lot of credit, but the President makes the decisions. I think that practically all of Asia has come to have increasing faith in the veering of our policy, and the fact that it will keep moving in the direction where it now is

going in one way or another. Although I have travelled infrequently in that area that I spent so much time in, I have a good many contacts, particularly with the Chinese, apart from travel. And I'm just convinced that the only way to ultimately bring Red China into a viable relationship is the course we are following, and it's tough. I think we've tended to be a little too easy on Japan in this regard. I don't think whatever our European allies have to say means anything, because they've all packed up and gotten out. And I also think that we have here one of the important keys to an ultimate modus vivendi, with the Soviets, because I think they have far more real concern. They've only got land borders; we have a big ocean. I don't believe for a minute that the Chinese Nationalists as such are going to long survive in Taiwan or go back to the mainland. I very much do agree with MacArthur's analysis about the fortress of Taiwan in terms of China and its workability. We are saying it now vis-a-vis Okinawa. But all you've got to do is look at Chinese history and look at the people--you have different dynasties, those that are expansionists and those that aren't, and the Chinese communists are imperialists as well as being ruthless dictators. Until they decide to look primarily inward and certainly stop trying to subvert Southeast Asia and everything else, you are not going to have a peaceful Asia. I think our role for our own security and protection, as well as stability in the interests of our allies, has got to be to stay on course. I get myself quietly steamed up over

some of the analyses that are currently made about the negotiations in Paris with Hanoi and some of the projections and prognostications. It wasn't so very long ago--sixteen years--that we were in it up to our ears in Korea. All you have to do is read Turner Joy's book on Pan Mun Jong. Go back a little further and there is the history of Manchuria in 1931. But there is only one language which these people understand, and their time clock runs totally different than ours. And I believe that the distinct majority of Americans believe this either because of long-standing missionary or trade forebars. I think also with the whole weight of the country moving from center to westward, an awful lot of people that understand the problems of the Pacific feel that we are moving on the right course. And I think the President has enunciated this policy; he has followed it; has gone to great personal pains and sacrifice to expound it by first-hand contact and travel. There are other things, too, such as civil rights that come back to, I'm sure, his far greater credit than he is getting now, but this one to me is like Admiral Mahan's strategy, it's basic stuff.

I don't know what the new Administration will do, but I think that in the long run we'll probably make it--I mean, let's face it. What we're really battling in North Viet Nam is the Soviet Union. We aren't really up against Hanoi. They would collapse in a hurry if it weren't for Moscow support. There is really nothing of any logistic significance which Peking can do. I mean, there is another little war going on there, too, and I don't believe for one minute the

Red Chinese--I don't think there is any basis for the feeling they would intervene. We wouldn't have had the Korean problem if Acheson hadn't made one of his great mistakes in writing off Korea.

M: The speech in which he defined our perimeter--?

G: But this particularly reminds me that if you go back over all modern history, Rusk is the first Secretary of State, maybe apart a little bit from Stimson, who knows anything about Asia. We've had some wonderful people in policy-making positions, but every last man-Jack of them has been Europe-oriented; and Marshall, under whom I worked in China--I think more and more history will fault him very, very considerable for what happened in China.

M: I was going to ask that. The current writing of professional historians on that period, I think I'm accurate in saying, generally concludes that nothing much that we could have done in China from 1946 to 1949 would have made much difference; in other words that our policy didn't really affect the outcome very greatly. Would you disagree with that?

G: Yes. But you haven't got that much time!

M: You've cooperated excellently here. Is there anything that we haven't talked about that you think would be worth mentioning in regard to President Johnson or his Administration? The point is that I don't want to cut you off.

G: I would just finish with one observation. I think any successor to the President will have an awfully steep hill to climb in terms of knowledgeability about government at both ends of the avenue. Maybe

this isn't essential, but it sure helps. I don't think our problems of government operation are going to get any easier, and a lot of them haven't been solved.

There is one approach to this question of the unified foreign service which as I have caught up on the records, is a very interesting alternative to everything that has been tried; and this was the thinking in the original Hoover recommendations and in the Foreign Service Act of '46 that for foreign service in the United States of America to be just that, as a unified multi-representation unit, it should not be under full control of the Secretary of State; that it should be sufficiently independent to be primarily responsive also to the other departments of government which have to be served abroad and in some relativity. Just recently a special committee of the American Foreign Service Association has again urged that approach. They want to make the Foreign Service administered by a civilian, appointed by the President, independent of the Department of State, and a board of the Foreign Service which is inter-agency and that with the policies then set with the different services, whether it's the information agency or AID, the regular Foreign Service will run the railroad at the operating levels. What is interesting about this is that the first Secretary of Commerce under Mr. Eisenhower, Sinclair Weeks, made this recommendation in greatly detailed form fifteen years ago. It was turned down. It's the old story of who has got the hand on the short hair.

But I must say that I feel that all this history, et cetera, and

the fact that it has never been given the trial whereas everything else has--you see, one of the big problems, there was a great deal of talk, you must have heard a lot about the NSA M341, Max Taylor's think-piece. An Ambassador has no real problem if he asserts his authority. He represents the President; he therefore is supra-agency. No Secretary of State in his right mind is really ever going to take full precedence over another Cabinet member. He is the senior-ranking member of the Cabinet, but ceremonially. Therefore, you are not going to have a country director who's telling Orville Freeman or Joe Fowler or C. R. Smith really what to do. And you are certainly not going to have a country director who says, "The Department of Agriculture was authorized in one Congressional Committee X-ten millions of dollars to run the foreign agricultural service, but I'm going to take some of that money in Japan and spend it for cultural affairs." I just feel this is one point which is going to be back now on top of the tables again. I don't know what's going to happen to it.

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By Donald S. Gilpatric

to the

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