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Political and Economic Trends in the Free World: the Balance Sheet at Mid-Decade

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An Address by Edward J. Streator United States Permanent Representative to the Organization for Economic Cooperation and Development

to the 1986 Paris Conference on Liberty

July 2-4, 1986

Paris, France

The Ibre . Donald T. Regue

UNITED STATES REPRESENTATIVE TO THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

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Anti-American sentiment here borders on the pathological. So reported our Ambassador to Great Britain in 1948, the year when the European Recovery Program was launched. After the enormous sacrifices made in World War II, there was notable resentment about the US-proposed Marshall Plan. Rather than offering outright grants and debt forgiveness to war-damaged European states, the US had instead called upon the Europeans to take responsibility for managing their own recovery -admittedly with US financial assistance. In a note to Secretary Marshall shortly after the famous Harvard Commencement Address in 1947, George Kennan stressed that the objective of the recovery program must be to permit the major European countries to exist without outside help.

That attitude and the accompanying US demand that the European partners restructure their war-torn economies to permit a resurgence of capitalism struck a discordant note in many European capitals. British Foreign Secretary Ernest Bevin was particularly outspoken on this point. He told our Embassy in London that with the Marshall Plan the US really was just following Britain's example. He said that, after all, the US owned 50% of the world's wealth, while the UK held no more than 30% after the Napoleonic Wars. Yet, for eighteen years after Waterloo Britain practically "gave away" her exports, and this had resulted in nearly a century of peace and stability.

Meanwhile in the salons and pubs of Britain an irreverent ditty circulated which aptly summed up the ills and irritants of the day as seen by the British.

Our Uncle which are in America Sam be thy name, Thy Navy come, Thy will be done, In London as 'tis in Washington. Give us this day our Marshall aid, And forgive us our un-American activities, As we forgive your American activities against us; And lead us not into socialism But deliver us from communism, For thine is our kingdom, The atom power and the Tory, Forever and ever: 6-Men.

How things have changed. Or have they? Last month the "International Herald Tribune" reported that the British people, who had been most admiring of US strengths and most indulgent of our faults, were now doubtful -even antagonistic -- toward the US. "The Observer" reported in June that Anglo-American relations have rarely been worse. A European travel writer said, "For the first time in my life I feel an emotional anti-Americanism in myself." Of course, her motives in saying that were not entirely pure, since she was in the process of calculating the number of vacation tours cancelled by stay-at-home Americans.

Lord Carrington has himself lamented the deterioration of the transatlantic dialogue into what he termed "megaphone cartoonery", pitting cringing Eurowimps against power-crazed US cowboys aching for a fight. I saw one cartoon recently, showing President Reagan standing in a World War I-type trench with bullets and Howitzer shells zooming overhead. Meanwhile down in the trench, a portly, female Western Europe is seen sitting in an armchair, munching bon bons and telling the President, "Really, Ron...could you keep it down. I feel one of those nagging headaches coming on ... " Another shows the President -dressed as a cowboy naturally -- giving gun-drawing lessons to another heavyweight Western European belle who wears her new guns hitched well above a very ample waist. The President says, "That's it! You look good in those Now let me show you how to draw." Finally, closer duds: to home here in Paris, an American cartoonist showed an

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empty Parisian street leading up to the Eiffel Tower where unoccupied waiters passed the time of day giving rude gestures to each other, kicking the cat, and arguing incessantly. The caption read, "The Summer of 1986: Deprived of American tourists, the French turn to insulting each other. Society begins to unravel..."

The 1986 Paris Conference on Liberty thus takes place against a background which to any serious student of transatlantic relations looks all too familiar. As one American scholar put it, "The nature of the NATO Alliance guarantees that there will always be differences of opinion and points of friction among its members." Therefore, I am especially glad to have the opportunity to share my views about political and economic trends in the Free World with so many old friends from the Bow Group and Ripon Society and some new ones from Club 89. The program that the Ripon Educational Fund has organized is timely; your list of speakers, impressive. I am proud to be among them and thank you for the invitation.

I say that this conference is timely not only because it, of course, coincides with the rededication of the Statue of Liberty, but also because we are celebrating -or are about to celebrate -- several anniversaries

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symbolic of the sustainability of the post-war Alliance. This year, we have the 25th anniversary of the OECD, the successor organization to the OEEC which, of course, provided the overall management for the European Recovery Program. Next year, we celebrate the 40th anniversary of the Marshall Plan, the inspiration for Europe's post-war economic miracle. And in 1989, we will recall the establishment of NATO, forty years earlier.

An old friend and editor of "The Times", now deceased, Charles Douglas-Home, once wrote, "Anniversaries should not simply involve retrospection. They help to put contemporary situations in a more understandable historical setting." I approach today's topic in that same spirit.

I have chosen to use the analogy of a balance sheet to assess political and economic trends in the industrialized democracies. I do this because a balance sheet includes assets and liabilities, and any candid observer of the Western Alliance would have to admit that we have our share of pluses and minuses at any given time.

I will begin first with a brief description of the critic's view of US policies and the current state of the

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transatlantic dialogue. I will then offer some brief comments why I believe those criticisms are wrong. Finally, I will summarize the key trends which, to make clear at the outset, I believe are still sloping upward despite the passions of our political cartoonists and editorial writers.

The Atlantic Crisis: A Permanent State or a Transitory Mood?

Henry Kissinger wrote recently, "...in the public debate within the Alliance it has become nearly axiomatic that East-West relations have never been worse." Today is no exception, and the pessimists do not confine their gloomy prognoses to relations between the superpowers. Christoph Bertram, former head of the International Institute of Strategic Studies in London, said in an article last month in "Die Zelt", "Once again there are indications of crises in the Western Alliance." But the debate does not concern second-rate issues, e.g. America's punative action against Libya. Rather, "...at issue is the very meaning of the Western Alliance." Bertram blames the latest downturn in transatlantic relations on the US

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action to block adoption of a final document at the Bern Conference of CSCE experts and President Reagan's decision not to abide by the SALT II limits.

We have also begun to hear about the twilight of American internationalism, coupled with growing isolationism and a tendency to resort to unilateral action without meaningful consultation with America's defense partners. The litany of complaints is familiar: Libya, Grenada, the support of the "Contras" against the Sandanistas in Nicaragua, a purportedly unevenhanded policy in the Middle East, the benign neglect of the dollar and US interest rates, and American trade protectionism. According to this view of the world, the US decision regarding SALT II is simply another step down a road leading us further away from Europe.

I do not doubt the genuineness of concern on the part of America's critics both at home and abroad. I happen to think, however, that they are wearing blinders which prevent a wider view of world developments. Now blinders on a racehorse can be a good thing, for they keep the minds of otherwise spooky horses on the task at hand, i.e. winning the race, and not on the whereabouts of their equine competitors. But the analytical blinders that many

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politicians, journalists, and academics put on voluntarily tend to give them a narrow and inaccurate view of the world about them. Tunnel vision occasionally works on the thoroughbred circuits of Longchamp, Ascot and Churchill Downs, but in international affairs a narrow view can be misleading if not downright dangerous.

Much misunderstanding among the Western powers about contemporary events and policy choices stems from the belief that power and diplomacy are distinct. The Reagan Administration, with the backing of most of the Congress and the American people, believes that power and diplomacy go together. They are not alternatives. Certainly power must always be guided by purpose, but the hard reality is that diplomacy not backed by strength is ineffective. Americans are a moral people and want their foreign policy to reflect the values we espouse as a nation. But we are also practical people and, as such, want our foreign policy to be effective.

Several years ago one of our foremost political scientists, Hans Morgenthau, warned that "intoxication with moral principles" was a great source of weakness and failure in American foreign policy. He asserted that moral posturing is no substitute for effective policy.

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That is an important point that I believe many of our critics seem to miss. In reality, the choice is not between moral principles and the national interest, devoid of moral dignity or content. Rather, it is a choice between moral principles "divorced" from political reality and moral principles "derived" from political reality.

With these thoughts in mind, perhaps a few questions to the critics would be in order?

-- What is more important: strict adherence to an unratified treaty, which one side has consistently violated, or a genuine reduction in nuclear arms?

-- What about Soviet cheating under SALT II? Aren't SS-25 deployments and encryption of telemetry contrary to the agreement?

-- How many American troops are still in Grenada? Zero. How many Soviet troops in Afghanistan? Who knows, but probably substantially more than 100,000.

-- How do we respond to state-sponsored terrorism? Until the Tokyo Summit we had pressed with little success for joint, non-military action aginst Libya, but European disunity or the priority of narrower commercial or political interests inhibited a joint response. What should we do then: buy more cement and bomb detectors, hire more guards, and keep our head down, or try to deal with the problem at its source?

-- In the case of Central America, are the only legitimate liberation forces those of the left with direct ties to the Soviet Bloc? Why do many Western governments and the press wallow in exposés about the "Contras" in Nicaragua while Daniel Ortega and his band of not-so-merry men get off scot-free?

-- Do countries other than the US have reponsibility for world economic leadership? If so, are they doing anything about it such as taking the opportunity offered by the present economic situation to stimulate domestic demand? Or will they continue to play the old blame-the-US-for-everything game?

I pose these questions sharply with no intention of providing definitive answers, nor of stirring up a hot debate about mutual perceptions or misperceptions. My objective was to show that we need to pause and think about where we in the West have been -- and are -- going. My own belief is that the Alliance record in both the political/security and economic fields is much better than either our publics and pundits would have us believe. In the remainder of my time, I want to look carefully at the balance sheet and try to convince you that, after stripping away the rhetoric, we have achieved much together. In short, the mercurial temperature of Alliance relationships -- which is subject to frequent fever-like climbs -- rests for the most part in the comfortable range.

The Balance Sheet: Political/Security Trends

As I mentioned earlier, the President's decision regarding SALT II seems to have touched off another debate within the NATO alliance. This is not the first one, nor will it be the last. One reason why the Alliance remains a viable counterforce to the Soviet Bloc is that we have over the years talked through our mutual problems, discussed alternatives, and ultimately managed to reach a consensus. The doomsayers always seem to see each new debate as the first step toward the disintegration of the Alliance. But given the historic record, their diagnoses have been consistently wrong. I believe they are off on the wrong track again now.

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Since the foundation of the Alliance, we have had at least three great debates. The first came before the establishment of NATO when the US decided -- controry to the warnings of the founding fathers against entangling alliances -- to commit itself to the defense of Western Europe. For their part, the Europeans took the painful step to commit scorce resources needed for economic reconstruction to the common defense. It was a solemn undertaking for both sides after much soul-searching in our respective capitals. Throughout the 1950's and early 1960's, US nuclear superiority over the Soviet Union provided the glue which kept the Alliance together. But later in that decade the European powers began to chafe at US domination of the Alliance, and they also auestioned whether the US nuclear guaranty was still adequate. Further, they wanted a greater say in Alliance nuclear programs. The result was the adoption in 1967 of the Doctrine of Flexible Response which provided for a continuum of forces -- strategic nuclear, theater nuclear, and conventional -- to provide deterrence at all levels against all possible contingencies involving Warsaw Pact forces. The Allies also created NATO's Nuclear Planning Group to ensure a greater sharing of responsibility for nuclear policymaking.

The third major debate within the Alliance, carried on between 1977-79, concerned theater or intermediate nuclear forces which finally culminated in the 1979 NATO "two track" decision, calling for the pursuit of INF arms controls discussions with the Soviets, together with a staged deployment of new Pershing II and Cruise Missiles in five Western European countries. The pace of deployment was to be dependent on progress on the arms control front.

Regrettably, progress in the INF talks has been nil, and the Allies have, therefore, proceeded with necessary deployments. Crucial elections last year in Belgium and this year in the Netherlands removed the final roadblocks to implementation of the two track strategy. The decision was, of course, controversial from the start and as the arms controls talks have continued to drag along at a glacial pace, the Allies have honored their commitments to the deployment schedule despite strong, vocal domestic opposition. Today as we look over the past seven years, the Western powers can indeed be proud of what we have achieved and the resolve we have shown in the face of the intransigent negotiating posture of the Soviets at Geneva. Here again was a case where the press, defense and foreign policy scholars, and many opposition parties in our countries said that it couldn't be done. Well it was, the decisions are behind us, and we stand united. Soviet efforts to drive a wedge between the US and its European partners failed, and their negotiators must know that on the INF front we are playing with a substantially stronger hand.

But in the best tradition of the Hegelian Dialectical Process, the new synthesis has led to another antithesis in the form of a renewed debate within the Alliance over strategic arms talks and our intentions toward SALT II. I don't wish to dwell on these issues since there are other speakers on the program who can give you a more detailed explanation of the debate. Let me make only three points, (1) The US is seeking to shift the focus of arms control away from an unratified treaty, which the Soviets have violated repeatedly, to a form of restraint that considers Soviet behavior and the responsibilities of the US and its NATO partners to maintain a credible defense deterrent capability. As the President has said, we have not abandoned restraint in the development and deployment of nuclear weapons. (2) The US has simply replaced a regime of unilateral US restraint with a more workable policy of restraint which we hope will be mutual. Henceforth, US decisions on its strategic force structure

will be based on the nature and magnitude of the threat of Soviet strategic forces. (3) We hope the Soviets will Join us in establishing a regime of mutual restraint and in negotiating deep, equitable and verifiable reductions in our strategic arsenals.

Another area of debate within the Alliance concerns regional or out-of-area conflicts. The US and its Western partners, of course, favor political solutions to all such conflicts. We can live with any political solution that reflects the will of the parties and does, in fact, resolve their differences. Occasionally, however, our partners seem to forget that negotiated solutions require two things. First, we, or the friends we support, must be willing to negotiate a fair solution. Second, the other side must also be willing to negotiate, and that has usually proved to be the problem. A firm policy on the part of the US and our friends tends to be a prerequisite for good faith negotiations on the other side. Only when those in opposition see the futility of military solutions and the resolve of their opponents and their supporters is real compromise possible. That is as true in Central America as it is in the Middle East, Afghanistan, Cambodia, or parts of Africa.

Secretary Shultz pointed out in his December speech to the Pilgrim Society in London last December that in the 1980's and beyond we probably will never see a world in a state of total peace or total war. The West is well prepared to deter an all-out Soviet attack and that is, therefore, an unlikely contingency. But day in and day out, we will continue to see a wide range of conflicts in a kind of gray area between war and peace. That, unfortunately, is a realistic assessment of the situation in much of the developing world. And, as Secretary Shultz said, "a balanced program of political objectives, leverage and staying power -- these are the ingredients of an effective diplomacy for global peace."

In sum, as we survey political/security trends among the Western powers, we have, I believe, a good record of accomplishment: a unified stance on most key alliance defense and arms control issues, but still some unresolved differences over the continuing need for SALT II and out-of-area activities. According to my calculations, the assets in terms of Allied consensus outweigh the liabilities in terms of unsettled issues.

The Bolance Sheet: Economic Trends

Let me turn now to economic trends in the western world which, if anything, are even more positive than those in the political/security area where, as I said, the record is good.

Western countries are now in their fourth year of economic expansion. Throughout the industrialized world, the rate of inflation has been declining. Continued pursuit of prudent fiscal and monetary policies has permitted a substantial lowering of interest rates. And exchange rates now appear to reflect better fundamental economic conditions. The recent decline in oil prices will help to sustain non-inflationary growth and increase the volume of world trade. Overall, these developments seem to offer bright prospects for the future.

OECD forecasters expect US GNP to grow 3.0 percent this year and 3.8 percent next. We in the US Government are slightly more bullish and look for 4.0 percent growth in both 1986 and 1987. The recent figures for the first quarter in the US tend to support those projections. On the other hand, after a strong showing in late 1985, which carried over into 1986, growth in Europe is expected to slow down to 2.25 percent by the end of 1987. Meanwhile, the OECD forecasts a decline in inflation (as measured by the GNP deflator) from 4.7 percent in 1985, to 4.0 percent in 1986, and 3.0 percent in 1987.

Regarding employment, jobs in America are expected to increase about 2 percent annually through the end of 1987. In OECD Europe the picture is not as bright, with job growth forecast at 0.5 percent in 1986 and 0.75 percent in 1987.

The employment figures are a cause for concern, and there are other difficult challenges ahead which threaten sustained growth. In addition to persistently high unemployment, there are large imbalances both within domestic economics and internationally. The future behavior of exchange rates is uncertain, protectionism is strong, developing countries continue to face severe debt-servicing problems, and the medium-term prospects for energy price levels are uncertain. If existing imbalances and other distortions persist too long, they will undermine international growth prospects and threaten the trading system.

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Thus, there are no grounds for complacency. At Tokyo, the economic summit leaders stressed the need for close and continuous coordination of economic policy and agreed upon several steps to enhance coordination. But in doing so, they emphasized the need to look beyond the short-term and address the interrelated and structural character of current problems. In particular, they stressed the need to implement effective structural adjustment policies in all our countries across the whole range of economic activities. They saw such measures as the only effective way to promote convergence in economic performance, together with growth, employment and the better integration of domestic economies into the world economy.

This is not a new message, but the implementation of policies to these ends has lagged behind recognition of the problem, particularly in Europe. For that reason, it is heartening to see the number of European governments that are now placing increased emphasis on supply-side measures to free up arthritic economies through privatization, deregulation, and greater labor and capital market flexibility. Make no mistake about it -- these are the foundations on which the economic growth of Europe -and the overall economic health of the West -- must be built. The progress we have made since the dismal years after the second oil price shock is indeed impressive and due in large part to a strong consensus about the nature of the problems facing the Western economies and possible solutions. Let me now mention a few other international economic issues in which the Western powers are in general accord and in which the trends are also moving in a positive direction.

Irode:

At the April Ministerial Meeting of the OECD and the May Tokyo Summit the US and its major trading partners took another step forward toward launching a new round of trade negotiations. There has been much footdragging by many developing countries about a new trade round, believing as they apparently do that the industrialized world has more to gain from trade liberalization. We believe they are mistaken and are trying to bring them to the negotiating table. In the meantime, OECD member states agree that the new trade round should not only encompass unfinished business, but also the trade issues for the future: services, intellectual property rights, the trade impact of foreign direct investment, and, most

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important, agriculture. That itself is a full agenda which will keep our negotiators busy for years.

In the meantime, of course, the US administration continues to face strong domestic protectionist pressures at home and is engaged with the European Community in a number of serious trade disputes, many of which arise from the enlargement of the community from 10 to 12 members. Again, the rhetoric is strong and passions are running high. We are attempting to negotiate a solution satisfactory to both sides, but this is an area where the US can -- and must -- defend its interests vigorously. President Reagan remains committed to a free and fair trade policy. But trade is a two-way street, and we need action now to resolve existing disputes and generate movement in the new trade negotiating round.

Energy

Has proved to be a fruitful area of cooperation, most accomplished under the aegis of the International Energy Agency, established in 1974. The IEA's objectives include promoting of energy security by establishing cooperative arrangements to meet any oil supply emergency, and by reducing oil imports through conservation, oil substitution, and the developoment of secure -particularly indigenous -- energy resources. In April, ministers from OECD countries agreed fundamental energy policies remain vaild, and should continue to be pursued, even in oilmarket conditions very different from those which existed in the 1970's. The Tokyo Summit provided a further impetus to cooperative efforts, especially the opportunity provided by current market conditions to continue to build up oil stocks.

Technology Transfer

We have also strengthened our cooperative endeavors on technology transfer in the "Coordinating Committee" or COCOM, the Paris-based multilateral body responsible for managing the Western alliance's strategic trade embargo. The occasional dramatic seizure of goods in transit by customs authorities or controversy over a disputed export provide the drama which stimulates the imagination of the press corps and parliamentarians. What is often overlooked or unreported in this complex and confidential field of strategic trade controls is the strength and extent of mutual cooperation and dedication to ensure that items of critical sensitivity to our democracies do not find their way to unfriendly users. In the last few years, COCOM has completed a thorough update of its coverage of equipment and technology. It then developed a favorable differential for trade with China in recognition of the need for a varied approach toward that nation, a policy implemented in early 1986. COCOM has now begun the process of a continuous review of its list of controls to respond to ever-changing technologies. This will not only identify new sensitive items, but also free no longer strategic ones from the embargo. In addition, we are extending the focus of COCOM to cooperation with non-member governments to prevent diversion and safeguard our security.

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A few final words now. Lord Home once said that on the evidence of the twentieth century, "foresight is not a gift with which man is well endowed." He cited the following example:

"Early in the 1960s the British Government sent a military expedition to quell a revolt against the Tanzanian Government of Mr. Nyerere. When the action was successfully concluded I asked Lord Mountbatten on how many such occasions since the end of the war in 1945 had we sent out armed forces abroad, and in how many cases had the situation been foreseen? His answer was 48 -- and none!"

The NATO Alliance, the OECD, the GATT, the IMF, the World Bank and other serious international action-oriented bodies were all set up in the immediate postwar period to prevent against the political, security, and economic policy errors which brought about the great depression and World War II. By learning from past errors and engaging in contingency planning for eventualities in all phases of international economic and political life, these organizations were to provide the kind of foresight which Lord Home thought was lacking.

On the whole, we have not done badly. And we should not let the crisis of the moment make us lose sight of what is a solid record of cooperation and consensus painstakingly built by dedicated people on both sides of the Atlantic.

But neither can we stand back and passively hope the present dark clouds will pass. We need to strengthen our dialogue to reduce the misconceptions which lead to megaphone catoonery and other expressions of mutual distrust or misunderstanding. We must adapt to a constantly changing strategic and political landscape and a world in which some of the larger, faster developing countries have surpassed many of the industrialized countries in both economic power and political influence. We constantly should consider ways to enhance our mutual discussion, particularly of key issues related to our security, but also to developments arising outside Europe and North America. It is in these latter areas where regular discussion of trends and policies could enhance our ability to act in supportive ways to deal with issues of mutual concern.

Our task is challenging, but I am confident that the Western democracies, in the future will do, as they have done in the past, all they can to honor their joint and several commitments to the common defense, to economic security, and to an open international trading system.

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THE WHITE HOUSE

WASHINGTON

May 5, 1987

MEMORANDUM FOR RONALD GEISLER

FROM: ROBERT H. TUTTLE Value

SUBJECT: PAS Nomination

The President approved the nomination of the following individual:

DENIS LAMB, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador, vice Edward J. Streator.

All necessary clearances have been completed.

Please prepare the nomination papers.

Announced: 5/5/87

Report for the conte on Aneign

TORD - \$5/87 (3:25)

THE WHITE HOUSE

WASHINGTON

May 4, 1987

MEMORANDUM FOR RHETT DAWSON

FROM: ROBERT H. TUTTLE DA 100

SUBJECT: Personnel Announcement

The following personnel announcement is scheduled for release Tuesday, May 5, 1987. According to our records, all necessary clearances have been completed. Please arrange with the Press Office the President's intent to nominate the following individual:

TUESDAY, MAY 5, 1987

CHSES-HC D

DENIS LAMB (of Virginia)

A Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador, vice Edward J. Streator. (PAS)

cc: Holland Kennedy Geisler

announced: 5/5/87



May 4, 1987

NOTE FOR MARLIN FITZWATER

We have double-checked these with Legislative Affairs and Counsel. This is ready for review at the 8:00 operations meeting.

Rhett B. Dawson

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THE WHITE HOUSE

WASHINGTON

May 4, 1987

Received S S 1987 MAY -4 PH 3: 16

MEMORANDUM FOR RHETT DAWSON

FROM: ROBERT H. TUTTLE TO AND

SUBJECT: Personnel Announcement

The following personnel announcement is scheduled for release Tuesday, May 5, 1987. According to our records, all necessary clearances have been completed. Please arrange with the Press Office the President's intent to nominate the following individual:

TUESDAY, MAY 5, 1987

DENIS LAMB (of Virginia) A Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador, vice Edward J. Streator. (PAS)

cc: Holland Kennedy Geisler

DEPARTMENT OF STATE WASHINGTON

April 17, 1987

| MEMORANDUM | FOR: | THE | PRE | SIDENT | \sim |
|------------|------|------|-----|----------|--------|
| FROM: | | John | C. | Whitehea | Acting |

SUBJECT:

Nomination of Representative of the USA to the Organization for Economic Cooperation and Development

Attached for your approval is the nomination of Denis Lamb, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador. He succeeds Edward J. Streator who will be resigning.

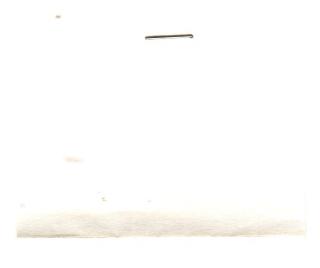
This appointment would be made pursuant to Article 4 of the Convention on the Organization for Economic Cooperation and Development.

Mr. Lamb has been accorded security clearance based upon a full field investigation by the Department's Office of Security. All questions relating to potential conflict of interest have been resolved.

Attachments:

- 1. Nomination.
- 2. Biographic sketch.

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To AW/DH - 4/21/87

UNDER SECRETARY OF STATE FOR MANAGEMENT WASHINGTON

April 21, 1987

LIMITED OFFICIAL USE

MEMORANDUM FOR THE HONORABLE ROBERT HOLMES TUTTLE THE WHITE HOUSE

Subject: Nomination of the Representative of the USA to the Organization for Economic Cooperation and Development

Transmitted herewith is a Memorandum for the President transmitting the nomination of Denis Lamb, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador. He will succeed Edward J. Streator, who will be resigning.

Approval for this nomination was received in January.

Attached is a draft press release to be used at the time of the announcement of the nomination.

Attached also is the report you will wish to forward to the Senate Foreign Relations Committee regarding demonstrated competence of this nominee.

Jackie Wolcott Special Assistant

Attachments: As stated.

-LIMITED OFFICIAL USE

DENIS LAMB

| Position for which cons | idered: Representative of the United States of America to the Organization for Economic Cooperation and Development (OECD), with the rank of Ambassador | | | | |
|---|--|--|--|--|--|
| Present Position: | Principal Deputy Assistant Secretary for Economic and Business Affairs | | | | |
| Office Address: | Department of State Washington, D.C. 20520 | | | | |
| Born: | September 6, 1937, Cleveland, Ohio | | | | |
| Legal Residence: | Arlington, Virginia | | | | |
| Marital Status: | Married | | | | |
| Family: | Wife: former Helen Turner Children: William | | | | |
| Home Address: | 2250 N. Quincy Street Arlington, Virginia 22207 | | | | |
| Education: | B.S. 1964, Columbia University, School of General Studies M.S. 1970, Massachusetts Institute of Technology | | | | |
| Language Ability: | French (4/4+, tested) | | | | |
| Experience: | | | | | |
| Non-Government 1959-64 | Staff Member, Traffic Audit Bureau (outdoor advertising) and Robert A. Hill, Co., (publishing), editor, New York | | | | |
| Government 1964 1964-65 1965-66 1966-69 1969-70 1970-74 1974-77 1977-78 1978-82 1982-86 1986-present | Entered Foreign Service Training, Department Vice Consul, Fort-de-France, Martinique Administrative Advisor, U.S. Mission to the Organization for Economic Cooperation and Development (OECD) Training, Massachusetts Institute of Technology, Cambridge Systems Analyst and Computer Systems Manager Successively, Science and Technology Officer, OECD Desk Officer, and Deputy Office Director, Political-Economic Office, Bureau of European Affairs, Department Executive Assistant to the Deputy Secretary, Department Deputy Chief of Mission, U.S. Mission to the European Communities, Brussels, Belgium Deputy Assistant Secretary, Trade and Commercial Affairs, Department Principal Deputy Assistant Secretary, Economic and Business Affairs, Department | | | | |
| Awards | Presidential Meritorious Service Award, 1984 | | | | |

April 1987

DRAFT PRESS RELEASE

The President today announced his intention to nominate Denis Lamb, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, as the Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador. He succeeds Edward J. Streator.

Mr. Lamb served as a Staff Member, Traffic Audit Bureau, (outdoor advertising) and Robert A. Hill, Co., (publishing), editor in New York 1959-64. He entered the Foreign Service in 1964 and spent a year training in the Department. He was assigned as Vice Consul to Fort-de-France, Martinique, 1965-66. Mr. Lamb then became Administrative Advisor at the U.S. Mission to the Organization for Economic Cooperation and Development (OECD) in Paris from 1966-69. He then studied for a year at the Massachusetts Institute of Technology in Cambridge. From 1970-74 Mr. Lamb was a Systems Analyst and Computer Systems Manager, to be followed successively from 1974-77 as Science and Technology Officer, OECD Desk Officer, and Deputy Office Director, Political-Economic Office, Bureau of European Affairs. He was selected to serve as Executive Assistant to the Deputy Secretary of State from 1977-78. He became Deputy Chief of Mission at the U.S. Mission to the European Communities in Brussels, Belgium from 1978-82, and then returned to the Department as Deputy Assistant Secretary, Trade and Commercial Affairs until 1986. Since 1986 Mr. Lamb has been Principal Deputy Assistant Secretary in the Bureau of Economic and Business Affairs.

Mr. Lamb was born September 6, 1937 in Cleveland, Ohio. He received his B.S. in 1964 from Columbia University, School of General Studies, and his M.S. in 1970 from Massachusetts Institute of Technology. Mr. Lamb is married to the former Helen Turner and they have one son.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 5, 1987

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Mr. Lamb graduated from Columbia University, (B.S., 1964), and the Massachusetts Institute of Technology, (M.S., 1970). He was born September 6, 1937 in Cleveland, Ohio. Mr. Lamb is married, has one son, and resides in Arlington, Virginia.

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REPORT FOR THE COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

SUBJECT:

Ambassadorial Nomination: Certificate of Demonstrated Competence -- Foreign Service Act, Section 304 (a) (4)

POST:

United States Mission to the Organization for Economic Cooperation and Development (OECD-Paris)

Denis Lamb CANDIDATE:

Mr. Denis Lamb has risen quickly in the Foreign Service because of his unusual combination of administrative, systems management, and economic skills. His first post upon entering the Service in 1965 was Vice Consul at the American Consulate in Martinique. His other foreign assignments have been as administrative officer at the United States Mission to the Organization for Economic Cooperation and Development (Paris) and Deputy Chief of Mission at our Mission to the European Communities (Brussels). In the Department of State he has been a computer systems analyst in the Bureau of Management, international economist in the Bureau of European Affairs, Executive Assistant to the Deputy Secretary, and Deputy Assistant Secretary in the Bureau of Business and Economic Affairs. In 1969-70 he spent a year studying systems analysis at the Massachusetts Institute of Technology.

Mr. Lamb is a quiet person, but determined and forceful in achieving goals he sets for himself and his office, usually concentrating on achievable solutions to problems at hand. His mastery of the issues, sure sense of tactics, and knowledge of the government departments which deal with them have earned him the respect of American and foreign colleagues in his assignments at home and abroad. During his assignment as Deputy Chief of Mission in Brussels his substantive and managerial skills resulted in a high degree of morale, teamwork, and effectiveness at the post.

Mr. Lamb has the necessary professional skills and knowledge of the issues to be the United States Representative to the OECD. His full background in European economic matters, fluent French, and past association with many of the foreign officials dealing with OECD matters will enable him to direct a productive mission and effectively wield United States influence and pursue American objectives in this important international forum.

Under Section 604 of the Foreign Service Act of 1980 and the provisions of the Privacy Act of 1974, the information above should be treated as confidential and not released to unauthorized parties.