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SCOTT BEHOTEGUY

Interviewed by Stuart Van Dyke
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INTERVIEW

Q: *I guess the best way to begin is for you to give your name and address and phone number.*

BEHOTEGUY: Okay. That is Stuart Van Dyke, my interviewer. My name is Scott Behoteguy. I live at the present time in Sarasota, Florida, where I retired some years ago after about 30 years

in the Foreign Aid business.

Q: *Now we are going to talk to you about some of your experiences during that 30 year period and some of your observations about the early days and the later days and even the middle days of the Foreign Aid Program. Let's begin by finding out how you got involved in this kind of work activity in the first place.*

Worked for the Office of Foreign Liquidation Commission in France - 1946-1948

BEHOTEGUY: Good question, Stuart. I was working for the Government as an intern just before Pearl Harbor, and I went off to spend four years active duty in the Navy. When I came back, I discovered to my surprise that I had re-employment rights with the State Department. I had worked briefly with the Board of Economic Warfare before. By the time I had discovered that, as a Navy Officer, I was already working in something known as the Army-Navy Liquidation Commission, which was transferred into the Department of State as a specialized agency called the Office of Foreign Liquidation Commission [FLC]. The Foreign Liquidation Commission was set up to dispose of war surplus all around the world, and its central office in Paris, France handled all of Europe. I had always wanted to get to Europe. I had been denied that privilege in the Navy. I spent a lot of time in the South Pacific. I knew a lot about that area and nothing about Europe, so when I had an opportunity to go to Paris in the Foreign Liquidation Office as part of the Budget and Planning Division in the middle of 1946, I grabbed at the chance. I went to Paris and arrived in the middle of October, 1946, and worked for the next couple of years in the Office of the Central Field Commission for Europe. Our job was to unload war surplus all around Europe. Bulk sales had already been made in England. A bulk sale was already in process in France. We had other bulk sales in the Netherlands, Belgium, and Italy and coming up in Germany. It was an extremely interesting period of work for a number of reasons. For one reason, the United States was selling this only for dollars, and dollars were scarce as you can imagine in Western Europe after the war. As a result, most of the agreements had to be made with lines of credit with the United States to the governments in question.

Q: *Will you tell us something about the surplus program and what effect that had on your future work plans and as a precursor of our AID programs actually?*

BEHOTEGUY: First of all, one of the interesting things that happened in the months that I was working, actually in late '46 and in 1947, was that we were tidying up the bulk sales agreements with all the countries. Bulk sales were what was left after the cream of the stuff had been bought by individuals and entrepreneurs. Everything that was left on land in England, France, Germany, and Italy was then sold to the government where it was located for approximately 20 cents on the dollar of original costs. The agreement was that they were going to pay for this in dollars, so we extended lines of credit for these countries to pay the United States. Incidentally, I recall that all those dollar credit sales - some very large - were ultimately paid off.

An interesting sidelight on that, as I recall, was in the spring of 1947, when the Iron Curtain was starting to come down in Europe. That was before the Marshall Plan. We would have dollar lines of credit for, let's say, $20 million for Hungary, Poland, or Czechoslovakia. In the dark of night, Washington would send us night action (NIACT) instructions to terminate the line of credit.

Why? We did not yet have an invasion by the Soviet forces in the Eastern European countries. However, they had, little by little taken over the economic controls of those governments to such an extent that the United States felt that its dollar lines of credit were pretty useless. So this was a precursor, as I say, to the Marshall Plan.

In bulk sales that were made to France, the Low Countries, Germany and so forth, usually at the 20 cents on the dollar of original cost, we always reserved a certain percentage. I can't remember exactly, but I think it was as much as five percent of the payment, that could be made in local currency rather than the dollar line of credit. That local currency then was specified to be used for certain purposes. As I recall, that was the original financing of the Fulbright program. That local currency that was made available in Europe gave us a sizable bank account in local currency that could be spent for educational purposes as expressed by the Fulbright program. I was in Paris at this time, which as you know was shortly after the War. The place was almost overrun with former GIs who were getting their education in Europe, in the Sorbonne and other European universities, and utilizing this local currency, which had derived from the sale of surplus, for the local currency costs of their education.

Q: *Some of the same techniques were later used in the Marshall Plan. Some of the counterpart funds were used for US purposes.*

BEHOTEGUY: Exactly. Another thing was that these funds were set aside for the acquisition of property which the United States might want. Interestingly enough, I was in three or four places in the years that I was working on the Liquidation Commission in Paris. For my last several months, my office was at 41, rue du Faubourg St. Honore, formerly a Rothschild property. It had been bought with our war surplus local currency. I believe that it had been foreclosed by the French on the Rothschild owners, and was then bought by the United States. I remember a certain flak that we got about having paid too much for this property. I can't remember whether it was the French equivalent of $2 million or $20 million, but whatever it was, it was a great bargain. Today it is the residence of the United States Ambassador to France. It is located halfway between the British Embassy on one side and the Elysée Palace on the other, both on the rue du Faubourg St. Honore, a block from the US embassy at Place de la Concorde.

Q: *How did you get from that to the foreign aid program and the Marshall Plan?*

Joined the Marshall Plan - 1949-1958

BEHOTEGUY: The Marshall Plan, yes. Well, as I say, I was in Europe during that cold winter of 1946-47. It was the time when the United States, and especially Secretary of State Marshall, was developing the idea that Europe needed some special help from the United States if it was going to recover. You remember those studies. Marshall had made extensive trips to Europe as I recall, and the culmination was his address at the Harvard University commencement, June 5, 1947. He threw out the idea that if the European countries, would get together cooperatively, jointly, instead of acting as 10 or 12 or 15 individual countries and state their needs, the United States would help finance their recovery. It later became known as the Marshall Plan. All during the hot summer of 1947, after Marshall's Harvard address, the European countries met in Paris at the joint invitation of the British and French governments.

A bright young economist named Robert Marjolin headed the delegation for France. He later became Secretary General of the OEEC, the Organization of European Economic Cooperation, which was established as a counterpart organization to administer the Marshall Plan. This was taking place while I was peddling the last of our war surplus during the last half of 1947. The analysis of European needs resulted in lots of backing and filling between Europe and the United States, after which the President submitted to the Congress, in the first days of January, 1948, his recommendation for what became known as the Marshall Plan. It was known as the Economic Cooperation Act of 1948. It was passed by the Congress with a lot of bipartisan cooperation and signed into law on April 3, 1948, just three months after its submission to Congress. Shortly thereafter, the President named Paul Hoffman to head the ECA [Economic Cooperation Administration] in the United States, and he named former ambassador to Russia Averell Harriman as the manager of the European section of the Marshall Plan setting up headquarters in Paris, which was just a block down the street from our FLC quarters on the rue du Faubourg St. Honore. Being one of the last pieces of war surplus that hadn't been disposed of, the Commissioner and I (then Director of Budget and Planning) turned our suits in, I went down and got a job with the Marshall Plan in the Industry Division under Averell Harriman. That's how I started a long career in Paris in the Marshall Plan, from the early spring of 1949.

You asked me how many years had I stayed in Paris. Well, I am embarrassed to say that including my Foreign Liquidation Commission experience, which was a couple of years, I was in Paris a total of nearly 12 years. As I say, most of that was with the Marshall Plan, starting in the early spring of 1949 and going until 1958. My work with the Marshall Plan was essentially as part of the United States delegation to the OEEC [Organization for European Economic Cooperation], now the OECD [Organization for Economic Cooperation and Development], in Paris which you know very well, Stuart, because you had a job with them several years later. The OEEC had meetings all of the time, a lot of technical meetings. They had a timber committee, a steel committee, a coal committee, an electricity committee - committees on all of the problems that Europe was facing at that time. The countries would get together and negotiate and agree on how they were going to divvy up the Marshall Plan funds which had been made available in the act of 1948. As I believe you will recall, we were going to authorize $16 billion over a period of about four years. Ultimately we terminated the program after about three years and an expenditure of about $12 billion. There were many meetings of the OEEC. I, as a member of the Industry Division, went to many of these meetings. Actually, I was in something known as the technical assistance section of the Industry Division. It later became known as the Productivity and Technical Assistance Division. I sometimes say that I spent more time behind the United States sign in international meetings than former Secretary of State John Foster Dulles ever did - but at a different level, obviously!

Q: *Who were some of the people at the central United States office there at that time?*

BEHOTEGUY: Of course the top man was Averell Harriman himself, and he had a series of deputies and division chiefs. I don't remember all of their names. I remember Roscoe Drummond was his information guy. I can't remember where he came from. There was also Waldemar Neilsen. He was present when you and I were in Washington in June of this year when we had the 50th. anniversary of the Marshall Plan. Many of the people who were involved in 1949 and

1950 were at that meeting. Paul Porter was one; also Lincoln Gordon. I remember James Riddleberger at one time. Boris Shiskin was Harriman's labor assistant. The only times I met personally with Harriman were [when I accompanied] Shiskin. I don't recall the subject of his interest, or why I was involved, but it happened several times. I also accompanied Shiskin on a visit to the ILO (International Labor Organization) headquarters in Geneva on a couple of occasions.

Q: *Lee Barrows?*

BEHOTEGUY: Lee Barrows was Harriman's director of administration of the Marshall Plan in Paris. I think his first post outside of Paris later was Greece. He went to Greece as Mission Director, and he was in Rome for quite awhile. Later, he was USAID Director in Saigon. Do you remember Jack Fobes? Jack Fobes has already given an interview with Mel Spector, I believe, of his experiences. Fobes had come over from the Bureau of the Budget in Washington as the Deputy director of the Technical Assistance Division, then headed by Bill Huff, a lawyer who earlier had been with OFLC. So, Fobes was the principal backstopper of our technical assistance section of the Industry Division.

I would also like to mention that in the Industry Division of the Special Representative in Europe of the Marshall Plan, later the Productivity and Technical Assistance Division, I worked with four different, bright young men, all of whom later became AID Directors or AID Representatives in various countries around the world, and all of whom would be worthy of interviewing in this oral history program. Starting with Vincent W. Brown and Norman Schoonover, I hired both of them on the same day, as I recall, in 1949. The Director of Personnel, Ed McMenamin, had seen that the Marshall Plan in Paris was going to be expanding personnelwise, and he wisely hired a number of bright young people, most of whom were in Paris on the GI Bill. Most of them had their basic education. He hired them as messengers or something in about the FSS 27 category, well below the level of a secretary. While they were getting their security clearances, a process of several weeks, they would do menial sort of work. They were presented then to people like myself doing the hiring so that when their clearance came through, they could be quickly taken on board. Norm Schoonover was one of them. He worked with me for awhile; then he went on to the French Mission, and then on to Mexico City and ended up most of his career in Africa. He was in Rabat for awhile. He became Mission Director in Dakar. Vince Brown worked with me for several years. He was outstanding. He was siphoned away to the newly opened mission in Tunisia about 1957 by Don MacPhail (since deceased), the Director. Later he had a top program job in Korea with Joel Bernstein. Then he went to Pakistan as Deputy Director for quite awhile and ultimately ended up as Mission Director in Afghanistan. These were very exceptional people both of whom are alive today. Brown lives in Palm Springs, California, and Schoonover lives retired in Paris. Two others worthy of note were Ragnar Arnason who started his career in The Hague and then came to Paris for awhile and later went to Madrid. Later on, I brought him to Ankara in Turkey as my Deputy in CENTO from which he was siphoned away and became Assistant Director of USAID in Turkey, and later on became Mission Director in Nicaragua. Later, he got a job with the United Nations in Geneva. He finished his career as resident Representative of the OAS in Port au Prince, Haiti, where he still lives to this day, retired and enjoying himself. Al Baron was the other one who worked a long time with me in Paris, and later worked in Africa, AID

representative in Niger as I recall. I brought him also to Ankara, Turkey, to be my program officer in CENTO. He went from there to Saigon and I don't remember where all. He got a second career with the United Nations Organization after he retired from AID. He now lives retired in Las Vegas, Nevada. Baron was particularly knowledgeable about the 115(K) program, a special part of the Foreign Assistance Act. I don't remember when it was affected. It was the backstop and financing instrument for the European Productivity Agency which was part of the OEEC in those days. That is a whole history in itself. Baron wrote the definitive history of that for me before I left Paris in 1958. He would be an excellent one to interview on the subject of the productivity work in all the European countries by EPA. Anyway, I wanted to mention those people from the Paris days.

Q: *The productivity program became quite an important part of our operation at that time didn't it?*

BEHOTEGUY: It did indeed. Another person I hope you are going to have an interview with before too long is James Silberman. Jim is a part time resident of Sarasota. You remember we saw him in Washington. He had been working in the Bureau of Labor Statistics and had been very active in the early days of the Marshall Plan in setting up the productivity program. I don't know if you can say one person is responsible for something as widespread as this, but a major part of the early work of the organization was the organizing of so-called tripartite technical assistance teams from Europe. Britain did it. France did it. The Netherlands did it. What they would do is to organize a tripartite team, one third of it being from management, one third from labor, and one third from government, about 12 people in all. These people would work together for several weeks, then go to the United States, and industry by industry, study how things were done in the United States in that particular industry. They would then come back to their home countries and write reports that were widely distributed throughout the industries. These were the ideas that we were transferring in effect from the United States to Western Europe at this critical time. They are said to have a very important effect on the overall productivity and success of the Marshall Plan. Interestingly enough, Jim Silberman is now working for IBRD [International Board for Reconstruction and Development] and organizing similar productivity teams on their behalf from the Newly Independent States of the former Soviet Union.

Q: *Who was the Secretary General of the OEEC at that time?*

BEHOTEGUY: It was a young Frenchman named Robert Marjolin. He had been instrumental in organizing the negotiations that led to the Marshall Plan, and he had been made Secretary General. All of the early years I was there he was Secretary General. Then he was succeeded. I don't know what he did after that. Those meetings of the OEEC were always interesting with people like Marjolin in the chair. I remember the heads of different delegations who were very influential. The act became effective in early April of 1948. We were having meetings with the OEEC by the fall of 1948. We were having constant meetings in 1949. Sitting around the table discussing these economic problems and where they were going to go and how the countries could cooperate together. Interestingly enough, you had as full voting members, Germany and Italy, our two enemies in the war. This was long before it became OECD and the Japanese came in. That fact, so shortly after the war, is one of the remarkable things about the postwar optic that the United States had, welcoming these countries and treating them as equals in these

international meetings. I must say, I never saw any signs of irritation, any nasty remarks made by the victors in the war against the German and Italian dilettantes in all these OEEC meetings, an interesting facet of history I think.

Q: *How long did you stay in Paris then?*

BEHOTEGUY: Well, I stayed with the delegation to the OEEC until 1958. By that time I had already worn at least three different hats in the Foreign Aid Program. The ECA, the Economic Cooperation Administration, was terminated around 1951, and was supplanted, you may recall, by the Mutual Security Agency (MSA). It initially was given a two year lease on life as I recall. In those days we were still grappling with the fact that foreign aid and economic development is a long- term affair. I think the Administration was trying to kid the American people into thinking it was going to be something that was going to be quick and sure. So, with the Marshall Plan being terminated ahead of original schedule, we developed the Mutual Security Agency and gave it a two year lease. We changed our focus a little bit. Remember that when the ECA came into being, the Iron Curtain had dropped. The Soviets were very difficult, and the defense of Western Europe was the forefront of our focus. In fact, NATO had been established early in the Marshall Plan - I believe its starting date was 1949. The Mutual Security Agency continued a lot of what the Marshall Plan was doing but had a heavier emphasis on defense. That changed, as you know, to the Foreign Operations Administration [FOA], and ultimately, the International Cooperation Administration [ICA]. I worked for all of these organizations in succession in Paris. Then in 1958 I was ordered back to Washington. I sometimes say my government remembered that I was there, and called me back for essentially retreading. In 1958, economic development in the sense that we had known it was over, and the so-called Third World was blossoming, with all kinds of problems, which were destined to be long-term. The administration was turning its thoughts and energies to the new realities of the world. It was then in 1958 that ICA established a special course in economic development programming at SAIS (Johns Hopkins University School of Advanced International Studies). There were about 24 of us in the original SAIS program in the fall of 1958.

Q: *Do you remember any colleagues?*

BEHOTEGUY: Yes, I certainly do. Most of them ended up as Mission Directors in the AID program. I remember Don Brown was one in the first course. Ralph Hansen was another; John Craig; Jack Powelson was one of the three instructors. He is recently retired from the University of Colorado and lives in Boulder. He would be very interesting to interview.

Q: *You came back to this country in 1958? That was the time of the ICA.*

New assignment in Washington as coordinator of the ICA staff training program - 1958

BEHOTEGUY: Yes. That was the time of the ICA. I was in a special program that was just established, called the ICA Development Programming. Every six months they would bring in program types for six months training, and then they would go off to other jobs. Some would go overseas and some to domestic assignments in Washington. Actually I often say that I must have

flunked the course because I was the only one who wasn't graduated. After my six months there in the first session I was invited to stay on and become the workshop coordinator, that is, part of the adjunct faculty for the second group. I replaced a man whom I have never replaced since who went on to much bigger things, Jack Vaughn. Later I was able to send him off as mission director to Dakar, and as you know Jack Vaughn became Assistant Secretary of State for Latin America and Ambassador to Colombia and Panama and, for a long time, head of the Peace Corps. But, I divert.

Q: *When did you leave Johns Hopkins?*
BEHOTEGUY: I left the program in the summer of 1954 after being there about six or eight months. I went over to the Department of State, and was named head of the West Africa Division of the ICA.

Q: *Who was head of the African program at that time?*

Head of West Africa Division, ICA Africa Bureau - 1959

BEHOTEGUY: I'm trying to remember who was the head. I cannot remember; I'll think of it later. It's part of the record. All I know is when I went into ICA's Africa Bureau as head of West Africa, my mandate consisted essentially of Liberia, Ghana, and Nigeria, already independent, plus the former Belgian Congo. Anyway, it was a small mandate because the wave of independence hadn't really yet materialized. From the time I joined that office in the summer of 1959 until I left two years later in 1961 for my first AID overseas assignment, there was a literal explosion in new countries because many countries in Africa were becoming independent at that time, and we were establishing embassies and USAID missions right and left in those countries in 1960 and 1961. So, as I say, I started with about four or five countries in my mandate and ended up with about 15 because of the explosion of newly independent countries - most of them former Soviet and French countries.

Q: *Then where did you go overseas?*

USAID Mission Director to the Cameroon - 1961

BEHOTEGUY: I was named mission director to the Federal Republic of Cameroon, located right in the crotch of Africa, so to speak. I went out there and was very happy to discover that the Ambassador there was an old acquaintance, Lee Barrows, whom I had known in the Marshall Plan in Paris. From there he had gone to Greece, a long tour in Saigon, after which he was named ambassador jointly to Cameroon and Togo. We renewed acquaintances in Cameroon. I was there from 1961 to 1963. It was a small AID mission and one where we did some work for the first time, cooperative work, with the European Economic Community. The European Community was doing economic development in Africa and had a project with us in building a railroad from Yaounde up to Ngaoundere in northern Cameroon. It was a loan project called the Trans-Cameroon Railway. I spent much of my time in monitoring this project, walking the track frequently, visiting EEC backstoppers in Brussels, and ICA backstoppers in Washington.

Q: *Can you remember any of the other projects that you had?*

BEHOTEGUY: We did a little bit, not too much in coffee. We did a little bit in agriculture, a little bit in transport. We did a little work with the roads. Actually, like I say, the project that I liked the best was building the Trans-Cameroon railroad. That was essentially a loan project rather than a grant project working with another organization. We did something in cocoa, a little bit. But actually it was perfectly clear to me from the first that the role of the United States in the Cameroon, and I imagine that would be true of most of the other former French colonies, was really to be second fiddle to the French. So, I think I was never anxious to develop a big program there because the French had always been there. They were really in control behind the scenes of the operation. They were doing a fairly good job. I think our very presence increased the size of their program because they were afraid the Americans were going to come and take it over, which was never the case. It was on the whole a satisfactory assignment.

Q: *What is the Capital?*

BEHOTEGUY: Yaounde, which is happily up in the hills about 1000 meters above sea level. It is not the Turkish bath that the seaport of Douala is. It was a nice capital and an interesting place. There were lots of Embassies there and we also had the United Nations. We didn't have a UN Resident Representative there, but we did have a representative of FAO, as I recall, and another one of the specialized agencies. The Canadians, Israelis, Germans, as well as the British were there. They all had modest little aid programs of one sort or another; also the Taiwan Chinese, then called the Republic of China. But after two years, in 1963 when my normal tour was over, the authorities in Washington decided we would reduce the post from a full AID mission, USAID, to an AID Representative on the ambassador's staff. So, for the next two or three years it was just an AID representative post. AID, I'm using that word now because just as I left for the Cameroon post in the summer of 1961, President Kennedy was on board, we'd already gone through the ECA, the MSA, the FOA, and the ICA. Kennedy was the one I recall who decided that we would now call the foreign aid program the Agency for International Development. It was such a wonderful acronym, AID, that it has maintained its life ever since.

A final thought before moving on in this narrative: I remember that when I first went to Yaounde in 1961, the Mission Directors all signed telegrams over their own name rather than that of the Ambassador, so it must have been about that time that the country team concept came into full force and effect. I suspected that something like that had taken place because my colleagues in other missions were sending their messages out over their respective Ambassador's signature. I was sending them out of Yaounde over my signature and not the Ambassador's. So, I searched for and finally got Washington to send me the New Directive, but until I did, Ambassador Barrows was not willing to take over that responsibility. Oh, I must say that he never bothered me or worried about me sending things out over his signature once the change was made. It was just a bureaucratic slow up, that's all.

I have also been a little staccato in describing my work in Cameroon. One reason was, I think, because the French side was so very well developed. In addition to building a railroad, we didn't do an awful lot, a few things. The major effort on my part was in so-called West Cameroon, which had been a mandate under the League of Nations and a trust territory under the United Nations. This was Cameroon itself, and a plebiscite took place. Excuse me, one more thing, the

Southern Cameroon trusteeship was administered by Nigeria, and the other one was administered by the French. The UN decided to have a plebiscite to decide whether West Cameroon (Southern Cameroon) would join Cameroon or join Nigeria where it was contiguous and had been administered for years. The plebiscite resulted in West Cameroonians deciding that they wanted to join the Federal Republic of Cameroon, rather than Nigeria. We then had one of the early bi-lingual states, official languages of the federal republic were English and French. They devised a constitutional system in which the President would be French and the Vice President would be English speaking. A lot of the time while I was there, efforts were being made so they could start communicating with each other. They could do very well in a tribal language, but when it came to a European or world language, they were a little handicapped because West Cameroonians did not know French and the East Cameroonians did not know English. Anyway, I spent considerable time back and forth.

Most of our program was oriented toward West Cameroon which was much less developed than East Cameroon. We had projects in technical education in roads and agriculture. And happily, the Peace Corps had come to Cameroon as one of the first places in Africa. The Peace Corps program was exclusively operated in West Cameroon. I worked very well with the Peace Corps Director over the head of Sargent Shriver who had devised the theory that the Peace Corps was something quite separate from the United States Government. Peace Corps representatives should not be seen in or near an embassy if at all possible. This was a people to people program quite independent of the United States Government in Shriver's view - an illogical conclusion which we just quietly overlooked. I actually had the Peace Corps Director living in my house for a short period of time, and we did things very quietly and very cooperatively between AID and the Peace Corps which were beneficial to both organizations. Then I established a sub office in the capital of West Cameroon, Buea, up in the mountains, which was a very attractive altitude situation in contrast to the sweaty seacoast of the Atlantic, where there was a very fine mountain hotel used by many of the British colonial civil servants in the past. We established a small office near the hotel with a small program. Most of our work over there had to do with public works, road maintenance and road development, some work in coffee, and some work in education. That was the story in West Cameroon.

Q: *You left Yaounde, Cameroon in 1963?*

BEHOTEGUY: 1963.

Q: *Where did you go?*

New Washington position as Director, India-Ceylon-Nepal in NESA - 1963

BEHOTEGUY: I came back to Washington. I had had an interview in Paris with NESA Director Bill Gaud. He offered me a job back in Washington in the NESA Bureau (Near East/South Asia). I was named initially director of India/Ceylon/Nepal, of all things. I knew nothing about that area, but learned as quickly as I could. Shortly after I arrived, Bill Gaud became AID Director and was succeeded by Bill Macomber, who had recently been our ambassador to Jordan, but who had previously held high positions in State. We got along well, but after nine months in this job, working first on India, Ceylon, Nepal, and then the South Asia programs of Pakistan and

Afghanistan, I had the opportunity to go overseas again, in this case to Turkey, and become the U.S. Economic Coordinator for the Central Treaty Organization (CENTO) headquartered in Ankara. That multilateral opportunity greatly appealed to me, so in 1964, after only a year in Washington, I was back overseas this time to your old Turkey post, Stuart. You were there, when did you leave Turkey?

Overseas again as Economic Coordinator, Central Treaty Organization (CENTO) - 1964-1967

Q: *1964.*

BEHOTEGUY: You left Turkey in 1964. You know we had worked together when you were in the European branch of the Marshall Plan in Washington, right?

Q: *Sure.*

BEHOTEGUY: But we had never worked overseas together, and I was happy that you were in Turkey when I was named there. I thought it would be fun, but about the time I came, you left. John W. McDonald, Jr., who had been the first economic coordinator for CENTO, succeeded by Stan Siegel for a short time as interim director before my arrival. I spent the next four years in Turkey as the Economic Coordinator for the Central Treaty Organization, a most interesting and multifaceted assignment.

Q: *What countries were members of the Central Treaty Organization?*

BEHOTEGUY: There were five: the United States, Great Britain, and the three regional countries, Turkey, Iran, and Pakistan. This was often called the Baghdad Pact because it had initially been started in Baghdad with four regional countries. Iraq had an eruption and withdrew and only Turkey, Iran, and Pakistan remained. Maybe you recall, CENTO was the bridge in the containment policy the United States was following at the time between NATO in the west and SEATO in the east; the bridge was essentially to include Iran because, after all, Turkey was in NATO as well as in CENTO. Pakistan, especially with (then) East Pakistan, was in SEATO. So if we managed to get Iran involved we would have a complete containment policy along the borders of the Soviet Union. I was fascinated with the CENTO operation. First of all, the organizational administration was a little different. Our ambassador in Turkey was the United States representative to the Central Treaty Organization. As the Economic Coordinator for CENTO, although I was financed and paid for by AID, I reported to the Ambassador and not to the AID Mission Director to Turkey. I had wonderful Ambassadors on my tour there. First of all, there was Raymond Hare, probably Ambassador while you were there, followed by Parker T. (Pete) Hart, and then my old friend, Bill Macomber, but that was a long time after I was there. I'll tell you more about the CENTO operation, I thought it was a very interesting one.

Q: *What were some of the projects you remember there?*

BEHOTEGUY: In CENTO, first of all, I inherited some of the major projects initiated by a dynamic organizer, John W. McDonald, Sr., who had been the first Economic Coordinator. What

we were doing essentially was to try to bring those three regional countries, Turkey, Iran, and Pakistan, together in an economic way. A major project that was being financed by an AID loan was to build a railroad from the Eastern terminus of the Turkish railroad system which then went as far as Tatvan on Lake Van in the center of the country. The project was, to extend the railroad from the town of Van on the other side of Lake Van up to the Iranian border and from there connect with the Iranian railroad system down through Tabriz to Tehran. It was a fascinating project in many ways. First of all to make the connection, we built car ferries across Lake Van. In other words, the railroad would come up to the edge of the lake. They would put the trains on the lake ferry and take them across the lake and then connect them up and take them on into Iran. I didn't stay there long enough to see it happen, but it did happen, and it was an important communications link between the two countries. Incidentally, I went out and walked the route of the planned railroad all the way from the town of Van up to the Iranian border, and naturally saw the Iranian border guards right where the train was going to come after the tracks had been laid. It was gratifying to learn that it actually took place.

The other major project in which we were involved was building what was then the longest line-of- sight microwave telecommunications system in the world. That was going to run from the Turkish capital, Ankara, through Tehran, and via Isfahan, to Karachi in Pakistan, a distance of about 3000 miles. It was a complicated project. It was being built primarily with a contract with RCA. I spent an inordinate amount of time while I was in Turkey in international meetings arguing with Pakistani, Iranian, and Turkish representatives about various aspects of building that microwave system. It had to be done by building relay stations on the top of Turkish mountains, Iranian mountains, and Pakistani mountains. As you know, a line of sight communications system is just that. You have to get up high in a direct line to your next station somewhere else. A complication of this project was, of course, having no electricity out there to run these relay stations. Each station had to generate its own power for transmission, which meant that they had to have diesel engines in those stations. Each of these mountain stations had three diesel motors sitting there to alternate with each other and act as standby so they would never be down. These were all automatic, unmanned stations. The trick of the operation was to get out to these stations to supply them with fuel oil that was necessary to keep the machinery going. We were in some very difficult terrain in all those countries. It was snowy in winter and so forth, so building access roads up there, the type of road that could get even a modest size oil truck up was a trick. We had lots of problems in keeping the roads open in the winter and keeping those stations open. They finally became fully operational, and interestingly enough since I was close to it, I was able to have conversations between my office in Ankara and the CENTO offices in Karachi or Tehran much clearer and easier than it was for me to call Istanbul from Ankara, because that was the old Turkish system. This system later became, incidentally, the backbone of the Iranian telecommunications system since it went through Tehran and down to Isfahan and Zahedan. The Iranians later heavied it up and made it the backbone of their national system. That was one major project.

In another one, we built a whole system of airway VORs [very high frequency omni range] and connections working with our Federal Aviation Agency so the flights from Ankara to Tehran and Karachi would always have constant surveillance by electronic equipment. I was horrified to learn early on that once a plane left Ankara for Tehran they were out in no man's land, not talking to anybody until they got within striking distance of the Iran tower. We did the same

thing there; we built these towers strategically all along the flight paths. Those were the major capital projects CENTO was involved in, but CENTO also had a whole series of technical assistance projects. What we were trying to do was to integrate these neighbors who weren't really very friendly and hadn't talked to each other. There wasn't really an awful lot of integration especially between Turkey and Iran and between Iran and Pakistan. We would have tripartite teams made up of Pakistanis, Iranians, and Turks studying particular subjects, sometimes going to the United States, more often just doing things in the area in various technical matters.

Q: *Eventually you went out of business. When was that?*

BEHOTEGUY: CENTO went out of business after I left, I am trying to remember why. Incidentally, there was a big military component of CENTO, and we had generals in charge of the thing, and we had joint training operations. Mine was strictly the economic part of the thing. I guess it went out of business when it was decided there wasn't that much need for a military alliance, as the Cold War wound down.

My work with CENTO involved the five countries that made up the CENTO organization including the three regional members. CENTO was run by a Council of Ministers who met practically every week in Ankara which was the headquarters. The Ambassador would attend those using his second hat as US representative to CENTO as well as Ambassador to Turkey. I would go along occasionally whenever a matter of economics was on the agenda of the ministers, which wasn't often. I was in effect in charge of the CENTO economic committee which had numerous meetings throughout the year both in Ankara and in the other regional capitals. One of the things about CENTO, it was a great traveling organization. During my four years there, I attended five meetings of the Ministerial Council in five different capitals. I remember the first one, as I was on my way to Ankara, was in Washington. Dean Rusk, who as Secretary of State was always carrying the ball in these ministerial meetings, spent a whole afternoon sparring with Ali Bhutto, who was then the very young and already contentious Pakistan Foreign Minister. I saw Dean Rusk chair subsequent ministerial meetings in London, Ankara, Teheran, and Islamabad - often sparring with Bhutto - and I greatly admired his ability to handle complicated matters, some trivial by his lights, and to do it with skill and aplomb.

The last ministerial meeting I attended in Ankara was billed as a time to dedicate the newly built CENTO communications system between Ankara and Karachi via Tehran. It all was set up, and we had everything poised for the ministers to see what a great system we had when, unhappily, that particular day or a couple of days before, we had a serious snow storm in eastern Turkey, and one of the relay stations went out. We couldn't get it back on line, so it was not a happy experience. It was just a fluke of chance. We had a fine system going, but the day that all the ministers were poised to see how good it was, the thing simply didn't work. I forget whose law that is, but that was it. Murphy's law I guess they call it.

Q: *When did you leave Ankara?*

Director of the Office of American Schools and Hospitals Abroad - 1968-1970

BEHOTEGUY: I left Ankara in the fall of 1967. I was ordered back to the States to a special job

as Director of the Office of American Schools and Hospitals Abroad. That, as you may know, had nothing to do with the American Dependent Schools run overseas by the State Department. This was a very special program slipped into the Foreign Assistance Act some years before known as section 214. One of [Congressman] Otto Passman's favorite programs. I got to know him quite well. When I took over this program in the early days of 1968, Bill Gaud expected me to report directly to the AID administrator on this program. Bill Gaud said he wanted me to keep "this thing" small and reasonable. I said he had the right man, because I'm not an expansionist. The program was around, I can't remember the exact size, but let's say $10-12 million. Our major clients were the American University in Beirut, the then Roberts College in Istanbul, the "University of the Americas, not in Mexico City but in Pueblo; three or four relatively small schools in Greece, including Pierce College in Athens and the American farm school in Salonika; and the American University in Cairo. Those were the principal clients. What they had in common was that they were all schools incorporated in the United States, so they were American schools abroad. The boards of directors of these schools were in the United States; mostly they were incorporated and headquartered in New York.

Shortly after I took this job, Section 214 was suddenly discovered by our Jewish-American friends who thought this would be a great way to get some American foreign aid money into some schools in Israel, so they started talking about that a lot. I noticed that those schools were not what you would call American schools. There was obviously some American money going into them from American donors, but they were not American schools. I remember one of them was Or Hachayim, a sort of narrow religious school in Jerusalem. There were two or three others. Anyway, I guess I wasn't being properly responsive, but the people supporting these things got to the Congress (Otto Passman, for example) and got his staff to write the names of these schools into the legislation, not only an amount, but specific amounts for six different schools the first year. So, the Administrator was confronted with a foreign aid act which is growing bigger and bigger without very much room for maneuver on who gets what or how much money. I remember that I had kind of a falling out with Bill Gaud because he was saying you've got to keep this thing small. I remember saying you aren't going to be able to do it when it is written in stone that these schools by name are going to get these specific amounts of money. So, we went through all kinds of rigmarole to get them to follow as many procedures as we could with various specifications and so forth, but in the final analysis it was "fixed" and any effort to change it immediately drew the wrath of Otto Passman, the powerful chairman of the House Appropriations Committee, who somehow became enamored of these schools. I will say in Otto's defense that he was also a strong defender of the American University in Beirut, and we put a lot of money into the AUB, especially into the medical school at that time.

But, to make a long story short, I was there for a couple of years in this program, and when I left, the program which I was supposed to keep small at Bill Gaud's instructions, had tripled in size. Instead of $10 million, it now was $30 million and heading upward. It was an extremely interesting experience in public administration and how things are handled in the Congress. I can clearly remember the election of 1968 when Nixon was elected President, succeeding Johnson. There had been some murmuring that a contribution should be made as I recall, to Hadassah Hospital in Israel. We had not been properly forthcoming to see the need for that, so it was not included in Johnson's FY 1970 appropriation request when it was sent up. But, on January 20, 1969, the day Nixon was inaugurated, around 10:00 or 11:00 in the morning, I got word from the

Administrator (Rudd Poats, who had succeeded Bill Gaud) that the President had sent up an amendment to the budget that morning asking for so-and-so many millions of dollars for Hadassah. This was almost the last official act of the Johnson administration. It was an interesting case study in public administration, i.e. the power of outside lobbies. Incidentally, we did find a way to knock the item from the budget request during the new administration's cursory review of Johnson's last budget submission. By 1970, after two and a half years of this frustration, I got another assignment.

Q: *Where did you go then?*

BEHOTEGUY: I went to Tunisia as the Deputy Director of USAID. That is a long story.

Deputy Director in USAID/Tunisia - 1970

Q: *Who was the Mission Director?*

BEHOTEGUY: A newly-appointed political appointee, Sumner Gerard, was new to AID. The thought was to have someone as Deputy Director who knew something about AID procedures, and they asked me if I would go. I kind of liked the sound of sunny North Africa. I had visited Tunisia once or twice but had never served there, so I accepted the assignment and went there for two years as Deputy Director. Sumner Gerard was a likable enough person. He was very Republican, very political, especially at the time of the mid-year elections the next year, when he told us how much he had contributed to the party and so forth. There was some suspicion that he had gotten the appointment by his financial assistance to the party; I don't know. Subsequently, after my departure from Tunisia, he did end up as Ambassador in Jamaica. We got along on a personal basis reasonably well, but on a professional basis it was not my happiest association - certainly my least happy one in the AID program. For one thing, he was persuaded (this was in 1970 you understand), that an AID Mission Director was somehow as important or more important than the Ambassador. He was looking at the language of the original bi-lateral agreement between the United States and Tunisia some years before, and some language therein led him to that conclusion. By this time, you recall, the idea of the Ambassador as head of the country team was well established throughout the world. I, as delicately as possible, pointed out to him that he wasn't superior to the Ambassador in United States relations with Tunisia. That didn't help I guess. Anyway, I spent two years there. It was kind of a relaxing assignment because I didn't have too much to do. Sumner Gerard was a sailor; he loved to use his sailboat around the Mediterranean, and often was off for quite a long time. I remember when it was time for the annual fitness report, he asked me to remind him of some of the things I had done, as sometimes supervisors do to subordinates. I mentioned that I had been Acting Mission Director in total for almost half of the previous year, on so many occasions on so many days. That did not find its way into my fitness report.

Q: *So you left there in 1973?*

BEHOTEGUY: No, I left there in late 1972. In the late summer of 1972, I had been called back to serve on a senior personnel panel. Actually, the AID people back in Washington thought, although I hadn't complained personally, that I wasn't too happy in Tunisia. They called me back

for personnel panel work. I was there for six weeks chairing an FSR-1 senior personnel panel. It was during that time, or shortly thereafter, about the time I was going back to Tunisia, that Herman Kleine asked me if I would like to go to Haiti and reestablish the AID Mission which had been closed 10 years earlier.

Assignment as Mission Director to Haiti - 1973

Q: *What year was that?*

BEHOTEGUY: This was the end of 1972. To give you a little background on that, you may recall, Papa Doc Duvalier, the well-known tyrant of Haiti for many years, and President for life, had died in the summer of 1972. His son, Jean Claude Duvalier, affectionately known as Baby Doc, was anointed President of Haiti for life at about the age of 19 1/2, possibly 20. USAID had been out of Haiti since 1963. Now, nine years later, we went out of Haiti where we had one of our major economic programs in the 1950s and early 1960s. These were the old "Servicio-type" programs - lots of Americans. When President Kennedy's Alliance for Progress came into effect, we tried to get along with Papa Doc Duvalier with the philosophy and theory of the Alliance for Progress, but he just wasn't going to play that game. By our rules, Duvalier just decided he was going to do it his way; we wanted it our way, and we came to a parting of the ways. Actually, for all practical purposes, our then Ambassador to Haiti, a man named Ray Thurston (whom I got to know quite well many years later because he lived here in Sarasota), was PNGed. The United Nations Resident Representative in Haiti at that time was before and still is, an old friend of mine, Jean Richardot of the United Nations Development Program. He took was PNGed, I think for warning or trying to make preparations in case there was some trouble for UN personnel. So, for all practical purposes in 1963 the UN withdrew. The United States withdrew its AID program, but we did not withdraw our Embassy. We maintained an Embassy there throughout this interim period.

But, for a period of 10 years during the United Nations first Decade of Development, Haiti virtually sat on the sidelines. They were not involved because neither the United States nor the United Nations were playing their game. When Papa Doc died in the summer of 1972 and Baby Doc was inaugurated President, Clinton Knox, our then Ambassador in Port au Prince, who had served in Africa (actually in Dahomey as I recall), convinced himself first, and then the authorities in Washington, that it was time to take another look at Haiti. That's why Herman Kleine, I believe he was then the Assistant Administrator for Latin America, suggested that I go directly to Haiti from Tunisia to be Director of the reconstituted AID Mission in Port au Prince. Haiti is a French speaking country; that's why I was thought of. Maybe the other reason I was thought of was that Clint Knox said he wanted to have a very small non-expansionist American presence. He just wanted to feel his way and have a small program. I think I had already developed something of a reputation of not being too much of an expansionist, so in some respects, I was a logical person. I wouldn't blow the thing out of the water.

In any case I went to Haiti after my home leave, arriving there in early January 1973, as Director of a practically non-existent AID Mission. There had been an AID man there in the economic section of the Embassy. We were doing the usual small things. Also, even though we had been officially out of business there for quite awhile, the United States through UNICEF and CARE

had been funding an anti-malaria program in Haiti, even during the interim. So, I inherited that and prepared to look and see what we were going to do in Haiti. I was very happy to discover that the Inter-American Development Bank was there. They had been on location for some time and they had several projects going. The World Bank, especially IDA, the International Development Association, was negotiating a road project. As a matter of fact, at the same time that the Inter American Development Bank agreed to fund the road from Port au Prince in the middle of the country down to the south. The World Bank through IDA was getting ready to fund the road from Port au Prince to Cape Haitian in the north.

Q: *A lot of these projects had problems didn't they? Haiti was known as a problem country.*

BEHOTEGUY: These were projects that were just on the drawing board and were not yet being implemented. I got word incidentally that the French were coming in to build another road in another part of the country. By this time as you may know, in the 1970s, USAID itself was not heavily involved in capital projects. They were turning over capital projects to the World Bank and other financial institutions. After arrival, I established essentially a technical assistance project to develop a road maintenance organization.. Haiti was about to have two highways built, one to the north and one to the south by two major international funding organizations and a third one by the French. So, although essentially our program was technical assistance, it did involve a large amount of equipment and our job was getting the country to develop a sensible road maintenance organization. Not an easy job. We were dealing with a country with a total budget that I'm quite sure didn't approach the state of Florida or even Sarasota County in its magnitude.

Q: *What was the per capita?*

BEHOTEGUY: The per capita annual income was hovering around $200, but that might have been an exaggeration. There had been major U.S.-backed projects in the days before we withdrew our programs - the Artibonite valley - dam building and so forth - in which the United States was involved which hadn't gone very far and had been on the back burner for several years. The series of road building projects went off quite well when I was there. The discipline the World Bank and the Inter American Development Bank applied with the Haitians in handling bids and following up projects was reasonably decent. Obviously, there were other projects.

A major project that I was responsible for getting organized was in the agricultural area, in coffee. Coffee was the major agricultural export of Haiti - was and I guess still is. Coffee was produced not by plantation agriculture, but by small farmers on hillsides all around the country, and they needed a lot of technical assistance. We worked with the Agriculture Ministry on seed plantings, and went around the country trying to upgrade the production level and therefore the income of individual Haitians, some of them larger landholders than others but nothing in the way of plantations. That was a useful and interesting project and there were others that we had during that period. I was there for four and a half years.

I retired in Haiti in the late spring of 1977. I am very fond of the country. I must say that it is very sobering when you see a country that needs everything, that is very poor, where you have some qualified people, a lot of them trained overseas. It is a French culture and a number of the

Ministers had been trained in France. They were technically quite competent. The Minister of Public Works was handling all these projects, but I don't think he had a dozen professionals in the whole ministry. I quickly realized that all of the foreign aid donors had to talk to the same minister about the different projects they were proposing. The Minister would listen to a presentation, but there was nobody to whom he could turn to and say "you follow up;" or "you keep an eye on this." The minister would then meet with another prospective donor presentation on what they were going to give him, but the follow-through just wasn't there. As a result, I became quite reluctant to recommend major projects and major funding until there was an infrastructure that could carry projects through. You are an old Latin American hand, Stuart. The way they did it was with the old "servicio," in which the United States would fund and pay for the personnel in many of these offices. Those things worked fairly well as long as we were paying for it. When we withdrew our funds, they did not have the financial or personnel infrastructure to continue, and a lot of good projects just went downhill. I could see that was probably what was going to happen in Haiti. I loved the Haitians; they were wonderful people. I did my best to try to keep things under control. By the time I left after four and a half years, I had been the recipient of much advice from the AID headquarters in Washington, which was always asking me "Why aren't you thinking bigger, why aren't you asking for more money, why aren't you doing more imaginative things?" They didn't like my answer very well. I said there is such a thing as absorptive capacity. If we want to do projects ourselves, the field was unlimited; we can do anything. If we wanted the Haitians to do it, we were faced with very little absorptive capacity. I sometimes think I am the only AID director who sent budget requests in to Washington which, instead of their being reduced here and there to show they were in control, they were sent back with recommendations for increases. Always the analysis of our budget came back with a suggestion that they be increased. I understand why that happened.

By this time in the '70s we had a major structure in Washington, in the Latin American Bureau, which I never knew very well because, actually, Haiti was kind of the odd ball in the Latin American structure. But, we had a large backstopping structure there prepared to do all kinds of things, a fine engineering staff, and all the technical backstop you could want. They would go up to Congress with the program and ask for money for Latin American country, X, Y, or Z. The Congressmen would ask why are you worrying us about more aid for Venezuela, or Ecuador's, or whatever. Why aren't you doing more with Haiti? That is the basket case. By the 1990s, many of the Latin American countries were on the point of graduation from eligibility for concessional foreign aid. So, this would all come back to me. Why aren't you thinking bigger; why aren't you doing more about Haiti? So, I think the authorities in AID were happy when I said I think it is time I retire, and I didn't hear any suggestions except for coming back to Washington for one of those non-jobs, so I quietly retired and came to beautiful Sarasota. I was replaced I think first by Larry Harrison, a bright guy and a good economist. He did what I never was able to do; he thought big. He doubled and maybe tripled the program within a couple of years after I left. I'm afraid it all went down the drain. Not Larry's fault but I think partly due to the fact that Haiti's absorptive capacity never got to where it should be. I don't have an answer to what you should do with a country like that.

Well, I'm afraid I cannot resist a final PS to my interview covering my Haiti years, 1973 to 1977, proving once again that Cicero was so right when he wrote many years ago "Senectus est natura loquacior est:" Old men are by nature, talkative. I had read the Graham Greene novel, The

Comedians, before leaving for Haiti and I found out later it was very apt. Were I good at writing comic operas, the week of my arrival would have been a good subject for one, although not very amusing to the people directly involved. I was scheduled to go to Haiti on Thursday of a week in early January, and on Tuesday, I attended a farewell dinner given by Bill Wheeler, who at that moment was head of the Caribbean Desk of AID. The guest of honor at the dinner was Wheeler's State Department counterpart the Director of the Office of Caribbean Affairs, John Burke, who had returned recently from Haiti where he had been Deputy Chief of Mission. State was recruiting a new DCM, but the position was still vacant. On the afternoon of that Tuesday dinner, Ambassador Knox, returning to the residence after work, was captured by terrorists at the entrance to his residence and held captive in the residence all night at gun point. You can imagine our dinner party on Tuesday night was a little bit interrupted as the cables were flying back and forth between Washington and Port au Prince. The gist of the exchange was that the French Ambassador was negotiating Knox's release. Wednesday morning he was released after a ransom had been paid - not by the United States government, which as you know doesn't pay ransoms for Ambassadors, Mission Directors, or anybody else. It was paid for by the Palace. In other words, Baby Doc put up the money. The terrorists took the Ambassador to the airport. We had sent a plane, and he flew back to the United States. The terrorists took the ransom and departed for Mexico City. They were later captured; the money was returned to the palace. I guess this was considered a short-term loan.

In any case, Ambassador Knox never really recovered from the horrible experience of that night at gun point in his residence. I didn't meet him for at least a month after he returned to Haiti. Shortly thereafter, he said his goodbyes and retired. The day after this event, Washington got itself organized and sent in a new DCM, Tom Corcoran, who was obviously mobile. When he arrived on Thursday; he was immediately Chargé d'Affaires. I delayed my departure for two days and arrived in Port au Prince on Saturday instead of Thursday, and was met at the airport by the new Chargé d'Affairs and the most senior political officer (an FSO-3) who had served as an interim chargé, Santiana. Anyway, it was a kind of a harrowing experience and an interesting one. I never did get all of the facts; we didn't talk about it very much, but I know it was very upsetting to the Ambassador. After Ambassador Knox came back, he stayed for several weeks and then quietly retired and went back to Washington, and was replaced by Heyward Isham, who was my Ambassador for most of the time I was there.

Incidentally, in going into Port au Prince on that Saturday night, I had gotten ahold of my former administrative assistant and secretary from the CENTO days, Olive Scancarella. She came in the next day. After I had left Turkey, she had served Mission Directors in Argentina and Ecuador, I recall, while I was off in Washington and Tunisia. We hit the ground running so to speak. It was a very small mission, and we kept it small for quite a while. I recruited a very competent agriculture officer, Leroy Rasmussen, who had served most recently in Laos. To my knowledge, I don't think Leroy ever served in Washington. He was an outstanding officer and one who would be very worthy of interviewing in this program. He was one of the technicians who could not only be a good technician but could put pen to paper in a very impressive fashion in the program style. So, he was with me most of the time I was there. Another one was John T. Craig who I had brought in as my program officer. He too had long experience in different places and hit the ground running. John was one of my co-students in the SAIS (1958) program that we spoke about earlier. Craig also would be an excellent candidate for interviewing under this

program because of his long overseas experience concluding in, I believe, Guyana, when that unhappy Jonestown affair occurred. He later went back as a contract employee in Haiti, out in the boondocks. He has very relevant AID experience in a wide variety of places and has some good stories and good experiences to recount I'm sure. Craig incidentally is retired now and living in Washington, DC and should be easily accessible. Leroy Rasmussen is retired and living in Centennial, Wyoming, of all places. He also would have wide and relevant experiences about AID after having served as Agriculture Officer in the Entente states in Abidjan, and the regional states there, and then being a contract employee of Tufts University, way out in the boondocks of Niger for a couple of years. He would be worth talking to because he knows the AID program backwards and forwards, its pluses and minuses. So now I will sign off once and for all and get on with my interview with Stuart Van Dyke who has some interesting stories to tell us.

Observations on foreign assistance programs

Q: *Well, that is a good note on which to end this interview, but before you end it, I would like you to make some general comments on Foreign Aid as a philosophy, as a tool. Do you think it has been worth what it cost? Do you think some parts of it are better than others, some countries better than others? What is your general reaction after working 30 years in this business?*

BEHOTEGUY: That is a tough one. Of course, I have always been positive about it. I am very dubious about some of the grandiose projects that require a lot of backstopping by the countries. I must say that one of the things I got a lot of positive thoughts on was the work of the non-governmental organizations (NGOs). Haiti was a good example. The work of CARE, the Catholic Relief Service, and Church World Service in Haiti were good examples. I saw the same thing in Tunisia, all extremely worthwhile. They were making Unites States contributions go pretty far. Of course, you know that most of those organizations are using PL-480 food distributions, but they have been branching out over the years doing a lot of the economic development. The Peace Corps also did a lot of people to people business in several countries. It is kind of minor in the overall picture, but it is important. It is important what we were doing with people to people programs with the non-governmental organizations. In Haiti I might add, the missionaries are doing a magnificent job. Half of the primary education in Haiti is supported and funded by missionary groups. All of it is important.

I've never been able to figure out how you get from A to Z rapidly in economic development. I mean it is a long term process. My feeling is that foreign aid is important. I think we have done some wasteful things. I think, on the whole, I would give it a plus vote. I see it happening now in United Nations programs and other non-governmental organizations all over the world. I think we don't do enough in that area actually, so I certainly have to be positive, but I don't know. I'm certainly no one is going to rise up and say it was a mistake. I think it was important. We did such a wonderful job in Europe because we were there rebuilding something that had existed before with a highly sophisticated, highly trained, highly intelligent, highly educated middle class. With the resources, you can do it. When you are dealing with a country that does not have that education and training background, it is just going to take longer than most of us want to spend time on to get where we want to go.

Q: *Well, thank you very much. This was Scott Behoteguy talking in Sarasota, Florida, and*

reviewing his 30 years plus in the Foreign Aid Program.

BEHOTEGUY: Thank you very much for listening to all of that, Stuart. Stuart, in all of that conversation, we failed to mention that this interview was held in my home in Sarasota, Florida, on August 11, 1997.

Appendix

P.S.: Some afterthoughts:

Some other random conclusions I came to:

1. Small (moneywise) programs are often as useful as large ones. The secret of a project or program's success usually stems from the interest and enthusiasm of the recipient to put his own resources into it - both financial and human.

2. Don't be pretentious about the importance of any project or program to the overall development of the country (The Peace Corps fell into this mind-set several years ago and started using language similar to an AID program document or press release designed to support funding requests.). Be modest in your claims.

3. Be wary of any project that requires American personnel to run it, i.e., do the work and also pay personnel costs. When the money dries up, so will the project.

4. The best USAID technicians are those who can put pen to paper for project development, as well as have an ability to motivate and instruct host country nationals.

5. The IFIs (IBRD, IDA, IADB, etc.) are better at administering loan projects than USAID. Host countries seem more receptive to their administrative procedures and less willing to risk offending their representatives. Also, they cherish their credit ratings when repayments are involved.

6. USAID officers can be very useful to embassy officers by incorporating them in project inspection visits outside the capital. This enlarges their perspectives and doesn't raise questions as to what they are up to. On several occasions, I took DCMs and political/economic officers on field trips. This also permits use of unobtrusive USAID vehicles versus embassy sedans.

7. Use a multilateral optic in project implementation. Support other donors working in the same program area, with logistic assistance if possible. Invite them to fill gaps in USAID implementation. This is particularly true where other donors do not have large administrative staffs in country. Don't care if the project is not recognized as 100% American.

8. USAID Mission Directors are not the equivalent of the country team leader - the U.S. ambassador - no matter what the wording of a bilateral agreement or the size of the AID budget, nor should an AID Director assume he is equal or superior to a DCM, whatever the latter's rank.

9. If the host country lacks tax resources to finance local currency costs of projects, make them establish counterpart accounts from the sale or donation of goods and earmark these for the project - but be sure to run it through the regular budget process so they'll get the habit of funding the particular activity after the counterpart source runs out, i.e., treat it as a non-tax income source while it lasts, but prepare for the day it dries up.

10. Economic development is a long-term, multi-faceted endeavor. Don't try to rush it faster than the host country can absorb it. Our presence and attitude of helpfulness is worth more than massive inflows of money. Fight for long-term commitments rather than expensive quick fixes.

End of interview