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

STANLEY I. GRAND

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

Q: Today is June 26, 1992. This is an interview with Stanley I. Grand on behalf of the Association for Diplomatic Studies, and I am Charles Stuart Kennedy. Could you give me a little bit about your background--when, where you were born, grew up and education?

GRAND: I was born in New York City on August 7, 1920. I went to the University of Wisconsin.

Q: Why did you go to the University of Wisconsin?

GRAND: Well, I was raised during the New Deal days and everybody was very interested in what was going on in the Roosevelt administration. The University of Wisconsin was a leader in much of what was happening under the New Deal in those days because of the progressive background of the state and because of the University's excellent reputation. In addition to all that they offered me a scholarship.

Q: I know two people--Sam Berger and Ben Stephansky both went there.

GRAND: Right. Ben and I first became good friends then, as a matter of fact. This friendship continues.

After graduating from the university I entered government service working for the Social Security Board in Madison, Wisconsin. Then I came to Washington, originally as an economist with the OPA and then I went to work with the Office of the Coordinator of Inter-American Affairs. Then I entered the Army.

Q: When did you enter the Army?

GRAND: In 1943. I served in Italy and was discharged in 1945 and went back to what was a successor agency to the Office of Inter-American Affairs. Truman had decided to combine the information functions of the OWI (Office of War Information) and the Office of Inter-American Affairs into what became the Office of Information and Cultural Affairs of the State Department. This ultimately became the USIA. My job initially was in the Bureau of Inter-American Affairs for a couple of years. Then I went to Peru, which was my first overseas assignment.

Q: Now that we are getting into the guts of it, lets go back...having served in Italy, did this give you a feel for wanting to get involved in foreign affairs?

GRAND: Quite frankly, I don't think the Italian experience gave me much of an interest in anything except surviving. I went over to Italy as an infantry replacement, a private. When I got there I was put into a replacement depot and then assigned to a combat intelligence team operating out of Headquarters which was then in Rome. I became a private first class because when you went into combat you were automatically promoted to private first class. That was the reason I was promoted.

When I was discharged from the Army the job I had waiting for me was in the State Department's Bureau of Inter-American Affairs. That was an interesting period because we went through the process of first building up the information and cultural program in Latin

America and then, within a year of that, Congress decided to brutally cut the program. I remember spending a terrible Summer speaking to top-flight people who were being fired. The only reason they were being fired was because we weren't getting enough money from Congress. It didn't make me feel any better to know that while I was interviewing them they were probably wondering why I still had a job. The reason why I had my job was really quite simple. I was a 10 point veteran and had permanent civil service status, which given the way the law reduction in force procedures were set up probably meant that the Secretary of State could get fired before I could.

Q: A ten point veteran meant that you had been wounded?

GRAND: It meant one of three things for those of us who served in Italy. It meant you either got shot, an incurable venereal disease, or pneumonia. I got pneumonia which brought on asthma which resulted in my being discharged for medical reasons.

At any rate, after a year or so Congress reversed itself and we began to rebuild the program. It was an interesting time integrating a new function--the information program--into the State Department. The Department had a Cultural Affairs Office, which had been there for some time, but there had not been much experience with an overseas information program. This was an opportunity to do many new things.

Given the way Congress operates, at one point the Information and Cultural Program (OIC) didn't have much money and therefore needed help from the State Department. A year or two later the State Department didn't have much money, and therefore looked to the OIC for help in placing excess officers.

One of the results of this was that I was able to persuade the Foreign Service--for the first time--to agree to sending a woman officer overseas with a dependent child. The Department in the late forties, was not interested particularly in women officers and its policy was to not send overseas a female officer with a dependent child. We were able to in effect blackmail the Foreign Service into letting us do this because we told them we wouldn't put some of their excess male Foreign Service officers into the information program if they wouldn't let us send female officers with dependents overseas.

I was also able to persuade the Foreign Service into allowing us, again for the first time, to send a female officer overseas who was married to a dependent male. This the Department again didn't like to do. But we were able to say that we would take so-and-so, whom you really have no place for, provided you would do this. Although the Department balked at these changes, we just stalled for time until minds were changed.

Q: There is a lot of horse trading...if you don't do what I say we won't do such and such...in the personnel field.

GRAND: Not only in the personnel field, it works in practically every field in the State Department, and I am not sure the State Department bureaucracy is any different in that

respect then any other bureaucracy, both public and private. I think there is often a question of dealing. For example, during that period we were trying to get out a basic policy paper on Latin America, mainly for use by the information program. I had prepared a very long dispatch ...that is probably a word not many people know any more, but before we had telegrams and before airgrams, which were shortened written communications rather than electronically communicated communications...we had dispatches which were written in a rather formal fashion to and from the field. I had prepared a long dispatch on this subject and it had gone through the process of clearances ...just a word on the process of clearances in the State Department or in most bureaucracies. What happens normally is that you, as an individual officer, on your own initiative or on the instructions of your superior, prepare a dispatch or telegram, or some communication, and then proceed to get that document cleared with whatever Offices in the State Department may have an interest in it, for one reason or another. Once you get these clearances it is signed off by a superior officer and then it will go out to the field.

I had worked for about five or six months on this policy paper for Latin America and suddenly the Bogota Conference was coming up.

Q: This is the very famous one that Marshall went to in 1947.

GRAND: Marshall was there with his aide Bedell Smith who was Under Secretary of State and later became head of the CIA. All of a sudden everybody was scrambling for a policy paper for the Bogota Conference. Since this long paper which I had written was just about cleared, it fell upon me to write a telegram based on the paper and it went out very quickly because all the other clearances had been done. By sheer happenstance, I wrote what was basically the basic policy for the Bogota Conference. But it wasn't that this had been planned. It had just evolved. I think it is very important to understand that this happens very often in the Foreign Service.

I can give you another excellent example of this...the so-called Point Four Program of President Truman. There was a man, whose name I don't recall, who had been in the Coordinator's Office when I had been there before I went into the Army. He had been sent by the Coordinator's Office to Brazil during the war. He came back to Washington and was just sitting around the Bureau waiting for a new assignment. He was a very good speech writer. At one point the word came down that Truman was looking for something special to say in his inauguration speech and that new ideas would be welcome.

This fellow sat down and wrote a speech and came up with various points that Truman might want to use...he wrote the speech in other words. It had contained the famous Point Four Program which was based basically on this man's knowledge of what the Coordinator's Office had been doing in the field of technical assistance in Latin America. It was one of those speeches that moved through the bureaucracy with everybody thinking it was going to be stopped. However, it ultimately ended up in Truman's hands and was used. Well, when the Point Four Program was started, this man ended up as the number two man

in the Program, mainly because nobody else knew what in the world the Program was all about.

In many of these areas, it seems to me, happenstance plays a tremendous role if you just happen to be in the right place at the right time.

Q: And with an idea.

GRAND: The idea is frequently a result of the circumstance itself.

Q: Was Rockefeller still with this program when you were there?

GRAND: No. Rockefeller was there before I went into the Army. But when I came out of the Army, Rockefeller had left and most of his Office's functions had been incorporated into State. The information programs were combined with the OWI and State's Office of Cultural Affairs. The technical programs were put under a Committee for Scientific and Technical Cooperation. This committee basically oversaw all of US technical assistance overseas. The coordination of the huge technical assistance program in Latin America was wedded into this committee. In addition, the State Department's cultural program also received some of its funding from this committee. Olcott Deming was the Executive Secretary of that committee. I remember Deming with his small little group running what later became a worldwide technical assistance program. Of course it was taken away from them after Point Four came into existence and, of course, a huge bureaucracy replaced this small committee.

Anyway, to get back to me, I left ARA in 1948 to go out to Lima, Peru as press attaché.

Q: Going back there is just one other thing...the war is over, the State Department was gearing up to play a new role which is certainly far different from the minor role we had in the world prior to World War II, but what was your impression coming into this of how the Foreign Service or the old hands of the State Department were responding to public affairs, technical assistance, all of which were not real Foreign Service type things? Before it had been the consular work that was sort of off to one side, or political or economic reporting.

GRAND: Well, it varied. You would deal with people in the Bureau, some of whom were about my own age with similar experiences, some had been in the military, some not. Age was a factor. There were less problems with younger people. People like Hank Dearborn, Henry Hoyt. We were all about the same age and at the same level. But in addition you had to adjust to the entrenched State Department mechanism. There was a lady, Miss Lincoln, in the State Department whose function was to make sure that any dispatch or communication that went out from the Department to the field followed certain forms. You might work on something for a long time, or you might have a cable that had to get out right away, and if she didn't like the form it was in, it didn't go out. She had complete power. It was amazing. I was fortunate because she decided that I would become a good drafting

officer if only I would follow certain rules, etc. I had enough sense then to realize that it would be useless to argue with this lady, so instead I cultivated her. And it was wonderful, all my stuff moved out very quickly as a consequence. But it was difficult for many new people to adjust to this sort of thing.

One of the things that anybody studying the State Department today would probably find hard to understand, was the tremendous power that the desk officer used to have. The desk officer covered one country. In those days, he had absolute control over that country in terms of everything going in or out of that country in the way of communications and in the way of personnel. If a desk officer didn't like somebody, unless that somebody had a lot of political power and was coming in as a political individual, the desk officer could stop him just by saying no. And there were no intermediaries between the desk officer and the assistant secretaries. There were no office directors and assistant office directors. A desk officer reported directly to an assistant secretary or his deputy. And he went where the assistant secretary and his deputy went. That was a unique feature which doesn't exist anymore. It disappeared rather rapidly.

The only place that it continued to exist for some period...it came up later on in my career...was in the Office of United Nations Political Affairs. The reason it lasted there was because of the fact that we had an Ambassador at the United Nations, Henry Cabot Lodge, who was a Cabinet officer and a close friend of the President. Whenever you sent him a cable, particularly on the item which I was handling and I will talk about later, disarmament, you could be assured that within five minutes of the cable being received Lodge would be on the phone screaming to the President about it. The President would have to call Dulles. As a consequence, every cable that I sent out in those two years was cleared by the Secretary mainly because he knew the President was going to be calling him to find out what was going on.

But normally, at that period of time, in the late ‘50s, no low ranking officer was dealing directly with the higher policy levels of the State Department. Whereas in the late forties, that was the norm.

Q: Then you went to Lima as the press officer. What was the situation in Lima at the time? You were there from 1948-51.

GRAND: Shortly after I got to Lima we had a change of government. A revolution took place. The Apristas, which was a populist political party, was thrown out and the military took over. The leader of the Apristas, Haya de la Torre, went into the Colombian embassy to seek asylum. The normal procedure then was that an individual was given asylum and then he was given a safe conduct to leave the country. This didn't happen in the case of Peru because there was a young, very popular Lt. Colonel, who had a tremendous amount of power at that time. He had earlier tried to take over the government but was unsuccessful. When the military revolution came along a couple of weeks later that did work, he was brought back from exile and became Minister of the Interior.

He warned that if the government agreed to give Haya de la Torre a safe conduct from the Colombian embassy, he would go in with a machine gun and kill him. He was sufficiently unstable so that he probably would have done just that and the government was sufficiently unstable so that it couldn't possibly fight him since he had a very populist image. So Haya de la Torre stayed in the Colombian embassy until the middle '50s, as I recall, before he was released.

But we had a military government there for all the period that I was there. It was my first assignment overseas and it was a thoroughly satisfactory experience.

Q: Who was the ambassador?

GRAND: The ambassador was Harold Tittmann. A wonderful man. He had been a hero during World War I. He had been shot down, pulled out of a burning airplane and managed to survive. He lost the use of one arm and lost a leg. He was a delightful career Foreign Service officer. Very intelligent. He knew how to run an embassy. I think he was probably the reason why I decided to stay in the Foreign Service.

Q: What did you do as a press officer in Peru before and after the coup?

GRAND: Well, during the period there I was not only the press officer, but also the information officer. We had an information program going in press, radio and motion pictures under which we put on pro-US programs using those three media countrywide. That was when I first learned the importance of personal relationships in Latin America. You really can only operate effectively in Latin America after you have established close personal relationships. It doesn't really matter what the laws are or anything else. You can not get things done well in Latin America unless you have extensive personal contacts. After a few years in Peru, I had gotten to the point where I could have a US presidential speech broadcast with translation almost simultaneously without any cost to the United States government on every radio station in Peru on very short notice just became I was a good friend of the owners of the radio stations.

Q: Let me ask a question. You say personal relationship. Here you are sent to Peru. How do you get to know the people? How do you develop these relationships?

GRAND: Well, what I did first was to develop my Spanish proficiency. Then...I am a fairly outgoing person, I like people and I just managed to get to know a lot of them. What it took was getting out of the Embassy. A lot of people go to an embassy and just sit there for two or three years and read the newspapers and report on what is going on from what they have read in the newspapers. I don't think that is the way one ought to operate and certainly it wasn't the way I operated. I spent most of my of time with human beings. With people in Peru. This meant giving up sleep. I averaged about four hours of sleep a night in the time I was there. I ended up in the Bethesda Naval Hospital with amoebas in my liver, but I think this was a fair price to pay for getting the job done.

As a consequence, I got very close to the family that ran El Commercio, the leading newspaper there. I actually became part of the Miro Quesada family because one of my sons was born in Peru, and one of the Miro Quesadas ended up as the godfather of my son. Peru is a closed society. It is almost a tribal society, or was then. Many people in the Embassy didn't like Peru as a consequence because it was difficult to get to know people. I think I was sufficiently young and maybe naive so that I felt that people would like me and be willing to communicate with me. I just went ahead and made friends. That made my official life very simple. I could do all kinds of things in the country just because I had good contacts.

Q: What were our interests in Peru?

GRAND: We were interested in just basic Latin American interests. We were not as concerned then as we are today with representative government in Latin America. I think we still operated on the basis of the old Roosevelt Doctrine. At one point Roosevelt was discussing the various dictators around Latin America that existed at that time and somebody said, "Oh, they're just a bunch of bastards." And Roosevelt said, "Yes, but they're our bastards." And I think we were still going on that basis while I was in Peru. We had no problems dealing with Odria who was the president all the time that I was there.

Our interests were concerned with protecting American investment in Peru, which were very substantial. In terms of minerals, Peru had been a very important source of copper and silver and petroleum. One of the things we were trying to do then was to open up development of Peruvian petroleum by US petroleum interests. We didn't succeed in that. It was a very hot political issue tied in with the fact that the government that had preceded the revolution, the Apristas, had made a concession to one of the US corporations. When the revolution took place and the military took over, El Comercio, which was owned by people I was very close to, opposed US investment in the petroleum in the area because: (1) one of their family members had been assassinated by the Apristas and (2) they were highly nationalistic and did not want foreign investment. Accordingly, our objective of furthering U.S. investment in petroleum exploitation was not achieved.

One of the things we did do that was an example of bureaucracy gone absolutely mad resulted from the fact that after World War II we had a large number of Peruvian pesos available for our use in the Treasury Department. Somebody got the very bright idea of using that money to provide sterling silverware for our embassies worldwide. Peru did excellent work on silverware and at a low price. It was a good notion. The Department sent down an architectural attaché to handle this operation. He put the thing up for bids by all Peruvian manufacturers of sterling silverware. One of the best known silver companies in Peru was called Casa Welch. There was a joke around the embassy that Casa Welch was on the blacklist two weeks before we had a blacklist. Casa Welch was the center for all Nazi operations on the West coast of Latin America. It was well known for this. I discovered the day before the bids were to be contracted that Casa Welch had come in with the lowest bid. Obviously they were going to come in with the lowest bid if they could have their name on

silverware used in every US embassy in the world. That certainly would take care of the negative reputation it had because it had been on the blacklist during World War II.

I spoke with the Ambassador about this problem. He couldn't believe it, went through the roof, called the State Department and screamed and yelled. Nothing happened. If you go to any US embassy and they serve you with the fine silver, turn it over and you will see Casa Welch. It was a disgusting thing that we did, but we did it.

Q: Obviously you had this close connection with El Comercio, but what about other papers. I have often heard in many countries that publicity is sort of up for purchase. Did you find that you had to give quid pro quos or even pay or something to get American items of value to us in other papers?

GRAND: I didn't have to do that in Peru. There were two principal newspapers, El Comercio and La Prensa. La Prensa was run by a man called Pedro Beltran. The Department adored Pedro Beltran because; he had been to Harvard; he spoke English well; and he said all the right things. His paper was being run by a former member of the Communist Party who publicly recanted and left the party.

I didn't particularly like Pedro, but it really didn't matter. We worked with his paper until I got annoyed and went to see the Ambassador at one point and said, "Pedro Beltran's newspaper is spreading Communist propaganda." The Ambassador said, "That can't be." I said, "Well, I think it is." For one month, I clipped out of La Prensa and El Comercio headlines and pictures of prominent news stories.

At the end of that month I was able to go the Ambassador and say, "If you read La Prensa, you will get the Communist slant on every prominent news story and here is the proof of it." We sent it to the Department but nobody seemed interested.

We did not have to, in the case of Peru, spend money to get the newspaper coverage we wanted. In other cases, in other countries that I was in, we did have to do it, and so we did.

Q: You left Lima in 1951, is that right?

GRAND: Yes.

Q: What did you do?

GRAND: When I left Lima I was being transferred as press attaché to Tehran. I got as far as Washington on consultation and bumped into Eddie Miller, who was then the Assistant Secretary for Latin America, and whom I knew well. He wondered what I was doing in Washington and I told him that I was on my way to Tehran. He said, "No you are not." So I ended up in Washington handling the information program for Middle America. That was during the time of the overthrow of the Arbenz administration in Guatemala, so I was involved in that.

Q: Could you explain what the Arbenz situation was in Guatemala? This was a very controversial situation and how did we put the best light on it for the United States?

GRAND: Well, for the first time in Latin America we had what appeared to be a Communist-dominated government. We had gone through the Rio Treaty modifications, etc. to try to avert this kind of thing. We had a serious situation on our hands. What was done then, which was not done later on in the case of Nicaragua, for example, was a very well conceived program of informing the American people as to what was going on in Guatemala. We had a very well thought out plan for utilizing the US press to get our point of view across to the American public as to what we saw in Guatemala in the way of a Communist threat. We also had a program to get Congressional backing by providing Congressmen with speeches designed to foster our overall objective of public support for our future actions.

We also had going for us the beginning of the Cold War and a certain amount of national hysteria concerning the Communist menace since this. It coincided with the time of Joe McCarthy.

It was not a good time for the State Department. We all had to be reinvestigated by the FBI and get new clearances, which most of us did. Some people were terribly damaged by McCarthy. One officer I know, who was an excellent officer, got so fed up because he knew the kind of false charges that might be brought against him, that he committed suicide. It was a tragedy and should not have happened. McCarthyism was just a terrible time. You were subject to interrogation about not only your political beliefs, but also your personal habits, as so the rule of thumb, in terms of sexual activities was neither normal nor abnormal except with your wife, and then you must not enjoy it. It was a terrible time.

But for what we were able to do, the time helped, which was certainly not so in the case of Nicaragua. Also we came up with some pretty coherent stories. It might be interesting for somebody to look into the white paper which was published by the United States government at that time. The White Paper on Guatemala included such things as a shipboard transfer of arms from the Eastern Bloc, which eventually arrived in Guatemala. If you look at the Nicaraguan White Paper which came out at that time it is almost identical with the Guatemalan paper, except that instead of having the arms come by ship they came by truck from Central America. I suppose it was a tribute to my drafting skills on the Guatemala paper that 35 years later the Department used almost the same paper just changing the country's name. Perhaps part of the reason the Nicaraguan escapade was not as successful was that the White House crew just wasn't as imaginative as we had been.

Q: Were you aware of the American CIA implicity in this?

GRAND: I was part of a State Department team that worked with the CIA on this.

Q: Was this something you had to work around?

GRAND: Not at all. I think people are always mislead about how great the CIA operations are. I will give you a good example. During the Guatemalan problem when things were just about ready to go, two Guatemalan labor leaders decided to defect. They were down in a little town right across the border from Guatemala in southern Mexico. We really wanted to speak to them in Washington. We were anxious to get them. The CIA people said they would use their channels and get them up to Washington right away.

So using their own communication channels they spoke to their people in Mexico City and told them to get the Guatemalans here right away. Two days went by and we didn't hear anything. We were all getting rather impatient so we asked the CIA to query what was going on. They got back a cable which said, "Your original cable arrived at such and such a time on such and such a date. If you will check the schedule you will see that the regular airplane connection between Mexico City and the particular small town where the two were, left ten minutes before your cable arrived and there won't be another flight for a week."

You wondered what kind of world these guys were living in. The CIA sent down a cable telling them to charter a plane. So when people think of the CIA as a very effective mechanism, they might want to think again. As a matter of fact, I was concerned about that as you will see later on in my career after I left the Service and went to work for Lyndon Johnson.

When the Kennedy administration first came in I met with Adolf Berle, who had been brought in to handle Latin America. We were talking about the Cuban problem and I said to him, "Look, if you decide to go on this, don't depend on the magic, they are not that good." I told him what had happened in Guatemala. He said, "Well, I know about using power." I said, "Yes, I know you do." He had written a marvelous book on power politics. Well, he obviously didn't follow up on his own book because you had the Bay of Pigs, which was a fiasco. I think he depended in large part on the CIA. I don't really have a high opinion of the CIA.

Q: Most of these attempts to subvert or spy don't work very well.

GRAND: I think part of the problem is that the CIA, certainly now, and even then back in the early ‘50s when it was first getting started, just became too bureaucraticized and does not have the capability of moving fast when things have to be done. I don't subscribe to the notion that it is impossible to carry out effectively covert actions in a democracy. I think you can. I don't think we have the proper mechanism for doing so. I believe that is a big lack. Since we are the only super power left in the world we should be able to use all of the resources of a super power including covert activities.

Q: What else were you doing besides working on the information, damage control of the Arbenz business?

GRAND: Well, that was basically it. I handled Middle American Affairs.

Q: You use Middle America, what does that mean?

GRAND: Middle America then was all of Central America, plus the Caribbean. That was the way the State Department was broken up in those days. I was responsible then for personnel actions such as moving people in and out of Middle America for the information and cultural program, as well as policy direction of the Department's information and cultural activities in Middle America.

It was during that period that the USIA was established outside of the State Department and we were offered a choice. We could either go with USIA or stay in the State Department. I stayed in State. The State Department then became the policy control for the USIA operations in Latin America and maintained the cultural program in Latin America. USIA then became operational.

During that period the Wriston program came along, which was a program for integrating officers into the Foreign Service. I was 34 years old when I was integrated into the career Foreign Service as a Class-3 officer and sent abroad in 1955 to Brazil. I went there initially as a political officer in the Embassy but when I got there I was moved into the economic section as transportation officer and had the misfortune to run up against some strange human beings in the Embassy. The DCM and I didn't get along. Nor did I get along with the Counselor for Economic Affairs.

Q: Could you explain what you mean by didn't get along, just to give a feel for the situation?

GRAND: Basically I felt that I had a non job. I had gone down there as political officer, but the DCM decided he wanted somebody else in the Embassy to be the political officer. I was put into a job which had really no significance. It didn't keep me very busy. I had a Brazilian secretary who handled most of the routine and when I left there I recommended that the job be eliminated. It was eliminated temporarily, but later restored. The man who was put into the job was willing to go along with this nonsense. He ultimately ended up as Ambassador to Brazil.

Q: Who was that?

GRAND: Jack Crimmins. Jack came to see me when he was going down to take the job and I said, "Jack, I told everybody then that my secretary could handle it. There is not enough work there." He had not been out in the field and had been integrated into the Foreign Service from a desk job in the intelligence area. He was anxious to get field experience and willing to take the job.

One of the things I did learn from that assignment, which may be useful for other people is the importance of humor and how you can sometimes get things done in the Department by indirection. At that time the Ex-Im Bank was determined to make a loan to a railroad in

Brazil. It was a loan which the Embassy had opposed because it was a silly loan. We had gone strongly on record as opposing the loan, but Ex-Im was determined to go ahead with it.

Well, I decided the only way to do something about this was to ridicule the thing. So I wrote a long airgram to the State Department based on the startling fact that the railroad had gone for one full week without an accident. I made a very comical report on this that I knew everybody would laugh about. For the first time people weren't falling off the trains and getting killed.

It was, unlike much of the boring stuff that comes into the State Department, amusing and when something like that comes in it gets circulated. This went all over the place. As a consequence when the head of the Ex-Im Bank tried to bring it up to his Board to make a loan to this railroad, everybody laughed at him. The loan was defeated. And that was the purpose of my airgram. Reason had failed but humor won.

Q: How did this sit with the powers to be within the Embassy? Did they feel you were undercutting them?

GRAND: No, no, quite to the contrary, the Embassy wanted that done. The Embassy had opposed that loan, so it was happy with the dispatch. Ex-Im was going off on their own, you see.

However one of the problems I had with the Embassy resulted from a serious fight between the Brazilian government and the United States government over interpretation of a bilateral air agreement. They--the Brazilians--were interpreting the air agreement unilaterally and making Pan American do a dog-leg, which is kind of an off the route flight over a certain point saying that is what the agreement called for. Pan American had asked us to try to get the Brazilians to change it. We had gone through the normal procedure of sending in notes and meeting with people and the Brazilians weren't going to do anything about it.

One day I decided the hell with it. I had gotten to be friends with Ruben Beata, who was the president of the Brazilian owned Varig airlines at that time. I was having lunch with him one day and I said, "Do you know, if this dog-leg business continues, since there is a provision in the agreement allowing you to make a non-revenue stop in Puerto Rico, we may just have to require that you do that on every flight you make to the United States." Berta said, "Is that serious?" And I said, "Yes, it is very serious and I think I may just have to recommend this to the Department." He was very upset and worried about this.

Very shortly a couple of things happened. One, the Brazilians agreed to eliminate the dog-leg and two, my boss, the Counselor of Economic Affairs, asked me what had happened. So I told him. He said, "How did you dare do this on your own?" I said, "Well, it just seemed to be a way of getting something done." I then met with the DCM who also

castigated me for doing this on my own and said that he was probably going to recommend a reprimand for me. Things got a little bit hairy.

I then quietly met with the vice president for Pan American in Rio and told him what was happening. Shortly after that a communication came in from the State Department. The Secretary had received a letter from Juan Trippe, the president of Pan American Airlines, congratulating me and thanking the State Department for its action in eliminating the dog-leg. It didn't make me very popular in certain areas of the Embassy. But I didn't get a reprimand.

Q: Who was the ambassador at that time?

GRAND: Jimmy Dunn was the Ambassador. He had been Ambassador in Spain. Clare Boothe Luce, who had been Ambassador in Italy was supposed to go to Brazil, but during her hearings she accused Senator Wayne Morse of having been kicked in the head by a horse, which accounted for his erratic behavior. As a consequence her nomination was withdrawn and Dunn, who was on the point of retiring as Ambassador, was persuaded to come over to Rio because the Department had had to drop the Clare Boothe Luce nomination on a crash basis. He agreed to come over for a year. He didn't really care what was going on there. What he really wanted to do was to retire in Italy, and when he left Rio he didn't even go back to Washington, he went directly to Italy to retire.

So he was the Ambassador there for the time I was there. Then I came up to Washington because I was having some personal problems. I was offered a job in the Foreign Service Institute which I agreed to take. I was assigned to work on the senior course.

Q: This was from 1956-61?

GRAND: No, from 1956-57 I worked on the senior course with a man by the name of Cyril Hager who had been brought in to set up the course. He had been Educational Advisor to the Commandant at the Air War College. I worked with him later with Max Bishop, who had been Ambassador to Thailand and had come back to work on this before retiring.

I then was assigned to United Nations Political Affairs where I handled disarmament questions at the United Nations General Assembly. I also was responsible for outer space. I did that for a year and a half and then retired from the State Department. I was selected out and offered early retirement or a law suit. I took early retirement.

I then went to work for Lyndon Johnson. Sam Houston, his brother, and I were very good friends and I knew Lyndon Johnson rather well. He offered me a job.

Q: Can we go back to the UN thing?

GRAND: During the General Assembly you have various items that come up. I was the item officer on disarmament, which meant that I originated cables from Washington to the

Mission telling the Mission what we should be doing on disarmament and the peaceful uses of outer space. All of my cables, as I indicated earlier, were cleared by the Secretary. After Dulles died it was Herter.

It was an exciting time because it was the longest and probably most useful debate in UN history on disarmament. Henry Cabot Lodge was an interesting personality. During the General Assembly session we would constantly ride the shuttle between Washington and New York. Very frequently we would send a cable out in the afternoon and then take the plane up that evening and be there in the morning for Henry Cabot Lodge's staff meetings, which were always sort of amusing. When I was there the headquarters used to be on Park Avenue. He was then on a fresh air kick..."You need fresh air. If you don't have fresh air you can't think," he would say. So we would walk into his staff conference room...I think it was on the 30th floor in this building on Park Avenue...and in the middle of winter all the windows would be open. Snow would come in occasionally. At times people would stutter and he would say, "Speak up, speak up." Well, they were cold and shivering so they stuttered.

I guess, USUN Ambassadors always have the notion that they are running things and therefore get annoyed with cables from Washington. They are not. UN Ambassadors take instructions from the State Department.

Q: Lodge, I think, was particularly...

GRAND: Lodge, especially, because he had been so close to the President. After all he was the one who ran his campaign. And he was a Cabinet member. Bush always talked about what he did at the UN. Well, anyone who handles UN political affairs knows that they operated on the basis of cables from the Department. Lodge didn't like this. His favorite little act at his morning staff meeting (and he knew who was handling each item, obviously) was to hold up a cable he disagreed with and he would say, "I am going to find out who is this faceless bureaucrat with a passion for anonymity who keeps sending me these cables." You would be sitting there and know that he knew who it was. It was just an annoying game.

I will tell you another funny story about how foreign policy is made by happenstance. We finally negotiated an agreement with the Soviet Union on the peaceful uses of outer space. After all, we were behind the Soviet Union at that point. This was the late ‘50s when they had a sputnik up and we were still blowing our noses. We got an agreement to establish in the UN an ad hoc committee on the peaceful uses of outer space.

Now most committees in the UN were having a big problem with the Soviet Union because there was always the question of parity. They wanted to have as many of the countries that were favorable to them on different committees. That is why the disarmament committee ended up as a committee of the whole because we just couldn't get agreement on balancing out their friends and our friends. But we finally worked a deal to set up a committee on peaceful uses of outer space, as an ad hoc committee thus avoiding the parity question.

The UN, of course, is a little like theater, like many things in foreign policy. So we had it arranged that on a certain day in the afternoon, after lunch, the President of the General Assembly would call on the American Ambassador who would get up and say such and such. Then he would call on the Soviet Ambassador who would get up and say such and such. Then everybody would see that the US and the Soviet Union were on agreement about something and that was what the whole UN was predicated on in the first place, and it would go through without any problem.

So everything was all set. The UN usually convened after lunch about 3 o'clock or so. About 3:30 we were all standing around but Ambassador Lodge wasn't there. So we went up and told the President of the General Assembly that he would be coming shortly. Finally 4:00 came and Henry Cabot Lodge still wasn't there. At this point, Krishna Menon, who was the head of the Indian delegation, got up and screamed and yelled and demanded to be recognized. The President of the Assembly had no alternative and had to recognize him. Krishna got up and just off the top of his head, came up with a huge proposal for the peaceful uses of outer space.

Well, the Russians decided that we were double crossing them. We didn't know what to do. Finally Henry Cabot Lodge came in. What had happened was that he had overslept. He had gout and had overslept. By the time he got there at 4:30 the whole God damn thing had come apart because the Russians had decided that we were double crossing them. So they then abandoned the committee and for a whole year nothing was done to foster peaceful uses of outer space. Just because our Ambassador had the gout.

Q: What was your impression about the United Nations and disarmament and the commitment to use the UN as an instrument, at that time?

GRAND: Well, the real problem was that we were already in the Cold War. The United Nations was at least founded on the notion that the US and the USSR would continue to work together as we had during WW II. We were the ones who insisted on the veto, although people keep forgetting that. They always think it was the Soviet Union. We were the ones who wanted it because we thought that without it we couldn't get the UN agreement through our Senate.

In 1958 because of what was happening in the world, there was no real possibility of the UN being a meaningful factor in disarmament negotiations.

Later on, we recognized this and the Secretary finally came up with the notion of establishing a Disarmament Commission outside of the UN framework. The Soviet Union agreed to it. We spent one summer negotiating with our allies, England, France, Canada and Italy for an agreement on a public announcement for this commission to start its work. After negotiating two months with our allies, we sent a draft to the Soviet Union. They accepted it within 48 hours. Sometimes your enemies are better than your allies on this kind of thing.

But the UN mechanism just was not a good mechanism for fostering many aspects of disarmament. We had to make a lot of compromises. The French decided to test a nuclear bomb in the Sahara. We had been talking in the UN about a ban on such testing. However, the French managed to negotiate us into abstaining on a resolution condemning them for wanting to test in the Sahara. They also persuaded us not only to abstain but also to make a speech that indicated that maybe fallout wasn't such a bad thing. I wrote the speech. It was a good example of verbal prostitution because I met with our atomic energy people and they pointed out that our nuclear bomb tests on Bikini really didn't lead to any permanent damage. Some people died, but there was no permanent damage. What they meant, of course, was that there were no genetic changes as a consequence of our tests. I also learned that one of the main reasons we were testing was a personnel morale problem. If we didn't test the hotshot scientists would go back to their universities. So, to keep them happy, we were testing. Anyway, the speech, that I wrote, is a UN document. What it basically says is, "How do you know, maybe a little bit of strontium 90 is good for you?" The UN was not a good mechanism for meaningful progress on disarmament.

I think it was misunderstood then what the UN could do. Because of the veto it really could do very little for example in peace maintenance except for the one time when the Soviet Union walked out of the General Assembly and that was in the case of Lebanon. And even that turned out to be of limited value. We had this horse's ass of an Ambassador over there, McClintock, who insisted that there was a real possibility of a Soviet-supported Communist takeover in Lebanon. When the Soviets walked out of the UN meeting we were able to send in the Sixth Fleet under the UN banner. We were all sitting around biting our nails waiting for reports from Lebanon. The first cable that came in from our Ambassador was, "The head of the Sixth Fleet called on me and we discussed the protocol visits that we would make. Then, after he returned to his ship, I went down to the dock and took the Admiral's barge out to return the protocol call." That was all we got out of McClintock while the whole world was worrying about other things. It soon became clear that there was no real Soviet threat and we finally withdrew.

Q: This was in 1958.

GRAND: That's right. It was basically bad information on the part of the Embassy.

Q: Were we using the United Nations? I don't think it was a UN operation.

GRAND: Yes it was. Normally you go through the Security Council where the Soviet Union had a veto. We brought the question up deliberately in the General Assembly where there was no veto possibility, but on the other hand it might not have been possible to get an overwhelming vote. But when the Soviet Union walked out we were able to make it a United Nations operation. Brazil sent troops over there.

Q: Brazil sent troops to Lebanon?

GRAND: Yes. No, that was later on, they had troops in Israel. But we sent in the Sixth Fleet under the guise of the UN because the Soviet Union had walked out of the General Assembly.

Q: How did Henry Cabot Lodge feel about disarmament and all that?

GRAND: I don't know what his personal feelings were. He would make the point that we were winning in the UN because the Soviet Union was exercising the veto, and that worried a lot of us because we thought the time might come when we would have to use the veto to protect our interests. And the time did come.

Q: We were playing this aren't they awful thing.

GRAND: Right. Then, of course, when the Bay of Pigs incident occurred the Soviets had it made. All they had to do was to pick up our speeches and change the country and they are all set.

Q: When did you leave the State Department?

GRAND: End of 1958.

Q: End of 1958. So this is still during the Eisenhower administration.

GRAND: Yes. I went to work for Lyndon Johnson who was then the Majority Leader of the Senate. And given the kind of a President we had then, he was really running the country. One of the things that was happening then, as you may remember, was the famous U2 incident. Since I had been involved in peaceful uses of outer space, I knew something about the technology that was available to us. So I suggested to Johnson that he ought to suggest a crash program to put a spy satellite in outer space and we wouldn't have to worry so much about the U2s getting shot down. He said, "Well, that is a good idea. How can we do that?" I said, "Well, we can get you on `Meet the Press' and then we can arrange to have a question asked. Then you can come out with this." Johnson was an amazing guy. He said, "How can you get a question asked?" I said, "Well, Pete Lisagor is an old friend of mine and he is on the panel. I can ask Pete to ask you a question and then you will give him the answer." He said, "Well, why would Pete do that?" I said, "Because it will give him a good story. Obviously if you want a question asked it is because you have an answer that is going to be news." Johnson just couldn't believe it was so simple, but that was what we did.

The question came up and Johnson announced that tomorrow morning he was going to put in a bill calling for a $50 million program for crash development of a spy satellite. And that was the next day's headline. The program did go through and I always thought to myself, "I got that idea in about five minutes. If I thought for about an hour I could probably bankrupt the United States."

Q: What were you doing for Johnson?

GRAND: I was basically his foreign policy advisor at that point. He had a funny staff. You have to understand the way the Senate works. Johnson was not only the Majority Leader of the Senate, but he was also chairman of any number of committees and subcommittees. So he had a huge staff. Just absolutely huge. However, he also had a small personal staff, you see, and I was part of that. I did all kinds of things. I wrote speeches for him. When the campaign came along in 1960, I went through the political campaign.

Q: He was running for President.

GRAND: He was running for Vice President.

Q: He was running for Vice President at the beginning.

GRAND: Well, at the beginning he was running for President. He was absolutely persuaded...this is absolutely amazing because Johnson was recognized as a bright political animal...he was persuaded that by sitting in Washington doing his job, the people of the United States would recognize this and his party would give him the nomination. Kennedy and Humphrey were campaigning all over the country for the nomination but he was convinced he was going to get it by just doing his job. Howard Hunt, the oil man, was a source of funds for Johnson, had been for years. One of his guys hung around our office all the time. The West Virginia primaries were coming up. West Virginia is a state where you simply buy votes. You decide how many votes you need and you buy them. That is what Kennedy did and what Humphrey did. Of course Kennedy had more money than Humphrey. People were looking at that primary as kind of a key thing and it turned out to be so because after West Virginia Kennedy got the momentum and went on from there.

Johnson was not involved in the West Virginia primary. West Virginia, however, did allow for write-in candidates. I went and saw Johnson and said, "Look, I think it could be a key thing, but we could negate it all. You are not running there, so all we need is 50,000 votes in West Virginia or less. Then it wouldn't matter who wins there. If you get that many votes as a write-in you will just negate the importance of this thing." And I added, "I have already made some informal soundings and we can have little things printed up with your name on them that we can have people stick on the ballot because a lot of those people can't read or write. So many of them might spell your name wrong and that vote would be thrown out. And I have the money from Hunt so we can go ahead and buy the number of votes that we need." But Johnson said no. He said, "I don't need that. I am going to get the nomination because I am sitting here doing my job. I don't need it." He was wrong.

Q: Before we get to the campaign and turning to your advising him on foreign affairs, how well informed was he on foreign affairs?

GRAND: Not too well informed, but he did have a rule for getting information and he broke his own rule and that is what led to his ultimate defeat when he was President. It was a simple rule. He said, "If you want to know anything about the United States government,

you go and speak to the chairman of the Senate committee that handles it, because by the time you get to be chairman of a Senate committee that handles it, you know more about the subject then anybody in the executive branch." And he was right.

Q: And that was Fulbright.

GRAND: Right. And Fulbright and Johnson were very close friends. After the election we went to Paris for the NATO Parliamentarians meeting. There was a plane from the Senator going over and a plane from the House going over. Johnson was then Vice President-elect and allowed that he was not going to spend a night in an airplane with so-and-so who was a Senator whom he hated. He said that if necessary he would fly commercial. Well, what happened was they gave him Air Force One instead. I went over with him. The only other Senator on the plane was Bill Fulbright and his wife. They were intimate friends. Close good friends. And if Johnson had listened to Fulbright on Vietnam, I believe he would have gone down in history as one of our greatest Presidents. Unfortunately, he broke his own rule.

Q: I understood that Johnson was a difficult person to work for. How did you find him?

GRAND: Well, having been in the executive branch for a long time, it was hard to understand that a Senator of the United States is in fact an independent government who also happens to be a human being. I didn't understand this at first. I got involved, after being there a short time, in what I later discovered everybody gets involved in, which is an argument with Johnson over something.

The arguments with Johnson never were just, "I happen to disagree with you." They got to be very nasty. Finally Johnson said to me, "You son-of-a-bitch, you're fired." I said, "You can have this God damn job, I quit." And that was that. Well about a week went by and I was in my apartment when the phone rang. It was Johnson on the phone who said, "Stan are you all right?" I said, "Yes, I'm fine." "Have you been sick?" "No." "Well, what has happened? I understand you haven't been in the office for about a week?" I said, "Well, you fired me." "Oh, the Hell with that. Look Stan we have this problem..."

Thus I discovered that what happened was that when Johnson got mad at somebody he fired them. But all it meant was that he wouldn't speak to you for a couple of days. Because in the Senate the way you get hired is that the Senator signs a piece of paper to the Sergeant-at-Arms giving your name and the amount of salary you are to get paid. And, until he fires you...by signing another order to the Sergeant-at-Arms...you just keep getting paid. As a matter of fact, if he dies you get paid three months after his death. So when Johnson "fires" you all it had meant was that for a period of time he wouldn't talk to you. That was it. It didn't bother me once I understood that.

As for being difficult to work for, I remember at the beginning of the campaign he was going up to Hartford and after Hartford he was scheduled to go to New York and make a speech. George Reedy had written one of those you know mother's milk speeches that he

wrote so well. I had argued that New York should really be a foreign policy speech because that was an area where he had not said anything before. We rode out to the airport together and I argued with him about it and he said, "No. I have George's speech and that is what I'll use." That was fine except that at 2 o'clock that morning my phone rang and he said, "You know, you are right. The New York speech has got to be foreign policy. Mary Margaret is here and I am going to put her on the phone and you dictate the speech." I was hardly awake but alert enough to say, "I tell you what. I really need some information from the Library of Congress so what I'd like to do is get the information in the morning and take a plane and meet you in New York." "Well, all right, okay." I don't think it ever would have occurred to anybody except Johnson to call you at 2 o'clock in the morning and say dictate a speech and think this was a normal way of doing things.

Q: Were there any areas in foreign policy that he was particularly interested in or that he really never quite grasped?

GRAND: I don't think he ever really focused on the foreign affairs field until after he became President and by that time I was no longer working for him. But I think that all of his career was basically concerned with domestic politics. And I think he was a captive of Texas oil interests and other interests in Texas. Until he moved into the Vice President position, I think he had never really focused on international relations very much.

He was really a terrible human being because one day he would be cursing you and the next day he would be hugging and practically kissing you. He could be warm. He was exceedingly smart and sharp. For example, when we got to Paris he had an interview set up with de Gaulle and the Embassy was very concerned about this.

Q: This was while he was...

GRAND: He was Vice President-elect, before the inauguration but after the election. The Embassy was prepared to provide him with an excellent interpreter. I said, "You aren't over here to negotiate anything. You are here to meet de Gaulle and find out what kind of guy he is and maybe give your impressions to Kennedy when you get back." I said, "Why don't we tell the Embassy that we don't need an interpreter and let the French provide one." I said, "I think this will flatter de Gaulle and I'm sure you'll get the best interpreter that they have. What have you got to lose? You are not going to negotiate anything. You immediately start off giving him what he thinks is an advantage, he will feel great about it." And Johnson agreed.

The Embassy didn't like it one damn bit and to calm things down he agreed to let somebody from the Embassy sit in on the meeting. The meeting was scheduled to last half a hour. It lasted two hours. They hit it off very well, just because, I think, (although maybe it is my own ego on this) but I think because we started off letting them think they had the advantage. I think that is sometimes an advantage in international relations. Let your opposition think they are ahead of you.

Q: What was your impression about the dynamics? Here were two big tall men with big noses, tremendous egos, Johnson and de Gaulle...with Johnson not knowing much about that particular subject and de Gaulle having an antipathy towards America. You were at that meeting?

GRAND: I was not at that meeting, no. The Embassy sent somebody. But Johnson reported back enthusiastically that de Gaulle and he were professional politicians and both knew how to handle their encounter. They hit it off just tremendously well. As I said the meeting was supposed to be a half hour and it lasted a couple of hours. A couple of pros doing their thing.

Q: Did you get involved in the campaign when he was running for Vice President?

GRAND: Yes, I worked in the Vice Presidential campaign. I did some advance work. Wrote some speeches for him. As a matter of fact I wrote a marvelous speech for him which nobody ever paid any attention to because the same day I wrote my speech which he delivered in Tampa, Florida, Jack Kennedy made a speech in Miami, Florida to the AFL-CIO announcing the Alliance for Progress. My speech was also on Latin America. What it said was...again I had moved out of the picture by then, unfortunately...my speech was that what we should do with Panama was to set up a Port Authority type operation and let all the countries of Latin America be members of the Port Authority and use the profits from Panama Canal operations to set up an Inter-American university. My argument to Johnson was, "Look, the reason that Panama becomes a big issue every so often is because everybody in Latin America likes to have an opportunity to kick the United States from time to time. So they back Panama. But if you appeal to their greed and give them a piece of the action, nobody is going to back Panama." He forgot about the speech when Panama blew up in his face.

Q: Were you running into collisions with the Kennedy group? This was a very aggressive bunch of politicians who took no quarter.

GRAND: I didn't have any problem with the Kennedy group. Johnson was fascinated by them. He just thought they were smart and classy people, whereas he thought most of his own people were dumb. I didn't have any problem with the Kennedy people. The only time I ever had any problem with the Kennedy people was later on after the election and after we were in office. I was then in AID and at one point I got a call from Walter Jenkins who suggested that when I had a few minutes I might want to come up to the Hill to see him. And knowing Walter very well, I was up at the Hill within the next half hour because Walter wouldn't have called unless something important was happening.

Q: He was chief of staff to Johnson?

GRAND: Yes. He said, "I just want you to know that I was approached by one of Bobby Kennedy's people who said that he wanted to know how Johnson would react if you were thrown out." And he went on to say, "I understand that Bobby Kennedy is trying to get most

of the Johnson people thrown out of office." He said, "I told Bobby Kennedy's man that if you were removed, Johnson would probably go to the President about it." He said, "I don't think you have anything to worry about." And I didn't.

Q: What instigated this? Do you know?

GRAND: The story I heard from Walter was that apparently Bobby Kennedy was trying to get rid of the Johnson people. This was when Jack Kennedy was still alive, of course.

Q: Was Johnson Vice President at the time?

GRAND: Yes. He was Vice President.

Q: After the election of 1960 and the Kennedy-Johnson ticket won, what did you do?

GRAND: I went back then into the executive branch. I went back into what was then the DLF (Development Loan Fund) and was involved in the creation of what became AID (Agency for International Development). AID was created by combining the DLF with the old ICA (International Cooperation Administration) which was basically a technical assistance operation. The DLF was a lending operation to underdeveloped countries. Legislation combined them into what became AID.

I then took over what was then the lending function for Latin America under what became the Alliance for Progress. I did that for a certain period of time. I set up, in effect, the lending operation under the Alliance.

We did some amusing things, and I think this may be instructive for people coming along. No matter how high sounding your objectives might be, you always face political realities.

Q: I was just thinking that we might stop here and pick up later on.

Q: Today is July 10, 1992 and this is the second interview with Stanley Grand.

GRAND: This is probably useful in indicating how you get things done under the AID program. This was right at the beginning of the Alliance for Progress. Kennedy had decided to visit Mexico City and we had been working on a loan which was designed to transfer land to Mexican peasants. It was a complicated loan and required a lot of input on the part of the Mexican government in terms of legal changes, etc. It was a loan that was taking and would take a long time to develop. When Kennedy announced his trip down there we decided that since the Alliance was the big thing in terms of a lending program that was going to accomplish important social changes, it would be a nice thing if he could have a loan signing ceremony. This loan was the only thing in sight.

I went down there with a lawyer, who later became the Under Secretary for Economic Affairs at the State Department, and decided that what we would do was sign the loan,

create a loan agreement. But in order to meet our legislative requirements, which require that you have a feasible object in hand before you could possibly sign a loan agreement, we put into the implementation of the loan all of the work that should have been done before the loan was signed. So after the loan was signed with a great deal of fanfare in Mexico City, we then sent to the Mexican government what they expected namely the first implementation letter which contained all of the conditions precedent to the disbursement of the loan.

Now all of these conditions were the requirements that should have been met before even signing the loan, but that was the way of getting around the legal restraints. The Mexicans knew this was going to happen and we knew it was going to happen. But there were some people in the White House who simply didn't really understand what we had done.

Two or three months later, Dick Goodwin, who was in the White House and handling the Alliance, a job he deserved since he was the one who first coined this phrase, called and wanted to know when we were going to make some money available under this loan. I said, "Probably not for a year or two." He screamed and yelled, "This is bureaucracy." I said, "Dick, you have to understand what happened here. This loan could not be made legally until certain things have been accomplished in Mexico. It sometimes takes a long time for us to do things and even longer for the Mexicans to do things especially if you're trying to make some radical changes. Normally what you would do is wait until these conditions have been met and then you make the loan. But what we did here, since we wanted to have a loan for the President to sign, is to put all these conditions in the loan as conditions precedent to disbursement. When they are met then we will begin to disperse. I don't expect a nickel of this is going to be disbursed for at least a year to two. It was a politically timed loan so that the President could do something spectacular during his visit." I think Dick Goodwin would get furious if you ever called him naive, but in this case he certainly was.

In other words there were often times when the lending business had political objectives. The whole Alliance was not only a US domestic political show, which Kennedy enjoyed, it was also a Latin American political show. I think there was little doubt in the mind of those connected with the Alliance that had it not been for Castro, we probably would not have had an Alliance for Progress. We ultimately, perhaps, would have developed some kind of economic development program with Latin America, but in terms of US support for a concerted effort in Latin America, this resulted from Castro.

And I don't think many countries in Latin America thought otherwise. Most countries in Latin America did not think of us as being a magnanimous country. They thought, and perhaps rightly, I think, that we were reacting to Castro and what he was doing in Latin America. I think in terms of the lending operation for the Alliance, we started out with an announcement of a huge program, the main part of which was different from our former foreign aid operations anywhere else in the world.

If you look at Europe, if you look at the ICA operation, or the Point Four operation, they were basically grant operations. We gave people money and that was that. We controlled it

and developed projects, but the money was gone. In the light of Europe's later development, we probably should have made loans instead of grants.

Under the Alliance the main source of funding was lending. This created a lot of problems. One, most of the personnel that you had to work with in the Alliance in the State Department and the AID agency, were grant-oriented. There were not many development lending people around except for the World Bank. The IDB was just getting started, they didn't have any people. So the problem was one of training people to become development lenders.

Development lending is very different from other kinds of lending...commercial lending, institutional lending, etc. If you are making a commercial loan, your main concern is getting your money back. In development lending, however, your main concern is accomplishing an economic objective with social implications, and you hope to get your money back because that is one of the things that the law requires you to look for...getting your money back. But your main objective is the accomplishment of an economic and social objective. That is what you are in business for. There just weren't many people around who had had this kind of experience.

We found we would have to train people to do this kind of lending and that was the big challenge we had as the program got started. It resulted in the program not being able to fly immediately.

The second thing that made it very difficult to get the Alliance program going was the fact that we didn't have places to put our money into. We didn't have viable projects that we could lend money for. We talked in terms of putting in substantial amounts of money every year and there was just no place for it to go because we didn't have projects that would meet basic criteria in terms of our legislation and program objectives.

As a consequence of that, perhaps the only really significant contribution that I have made to international development lending, since it was later picked up by the World Bank and IDB, was the creation of what came to be known as the feasibility loan. This was a loan made to countries to hire consultants who would create a project which we could then lend money to.

The first of such loans was made to Bolivia. Bolivia was a high priority country in terms of our lending operations but we discovered that there were no fundable projects in the country. Our Ambassador came up and was quite upset by this. So I developed the feasibility loan. When we had the loan ready to go in about three or four months, the Minister of Public Works of Bolivia, came up and in the Alliance spirit there was a great deal of concern that everything be handled in a very honest fashion, etc. We signed the loan and the first step would have to be the hiring of a consulting company that would be able to work on specific projects and come up with feasibility studies which would then be the basis for loans.

He asked me to give him a name of a consulting company that he could use. I said, "Well, there are any number of them that you can use." I mentioned several well-known companies and said, "You decide, it is your money and up to you." And he said, "Well, which one would you choose?" I said, "I don't know." "Well, which are the two most prominent ones?" I gave him the names of the two most prominent and said, "Just take your choice." He said, "How can I decide that?" I said, "Why don't you toss a coin?" He said, "Why don't you toss the coin?" And I said, "No. I won't toss but I will give you a quarter."

And so on the basis of a quarter of mine, one of the large consulting engineering companies got themselves a multi-million dollar contract. And it did result in a number of projects, all of which were funded.

That procedure then, feasibility loan lending, was later used all over Latin America to develop projects.

Q: Well looking at this Stan, in the time you were there dealing with this business...1961-66...where did you find the particularly problem areas?

GRAND: Well, first of all, philosophically I think, we had our biggest problem, because we are a "can do" country. When we have a problem, we like to solve it. That is why you have a lot of criticism in later years...books were written too close to the time...that the Alliance didn't accomplish its objectives. If you look at it now, many years later, you say yes, it did accomplish its objectives.
One of the problems that you had with the Alliance was that you were trying to bring about very profound institutional changes in Latin America and you don't bring about that kind of change in a year or two. You do this kind of slowly. I am persuaded that foreign assistance, bilateral or multilateral, may have a catalytic action, but it is not the prime factor. You have to somehow or other get countries to begin to be willing to make changes themselves. Otherwise, all you can do is watch them not make changes. And all you could do with an Alliance type operation was to create a public focus on countries and give them a certain amount of incentive in the form of money...in our case through the AID program, the Ex-Im Bank, the World Bank and IDB...to help them move along.

We were facing and are facing still in Latin America the substantial non-existence of a middle class, which means you have very rich and almost inconceivable urban and rural poverty. These are still a factor. They are not as much a factor in 1992 as they were in 1962, but they still exist. That mitigates against your being able to bring about the kind of changes that you want.

Now we have succeeded, and I think the Alliance may be responsible for this to some extent, in bringing about a tremendous change in the nature of governments in Latin America. At that time most of the governments were military controlled or in the process of being taken over by the military. At the present time most of the governments are democratically elected. Now when we say democratically, I don't have any childish illusions that these people have the same kind of democratic notions that are an inherent

part of the American phenomena. It is a different kind of thing. But at least you do not have the constant military takeovers. I think thirty years later you are accomplishing the institutional changes that we tried to bring about under the Alliance.

What were the main problems that we faced? Governments that were incapable of carrying out many of these projects. We had the problem of training people. We had just the inability of some governments to function. Let me give you an example. Finally in the early '60s, the last of the Trujillo gang were thrown out of the Dominican Republic and a new democratic junta took over. We went down there and made them a psychologically important $25 million loan, which was basically a balance of payments loan. It was not a development loan. It was designed to have immediate and favorable political impact. The question then was implementing this loan. We have a lot of provisions in the legislation which require countries to do all kinds of strange things to get our money, even a balance of payments loan.

I went down there and met with the Minister of Finance with the implementation papers which contained the conditions precedent to disbursement, which in this case were really quite simple since it was not a project oriented loan. I spent a whole morning talking to him about these things. I would say to him that we needed such and such and he could accomplish this in several different ways which I outlined. He was to decide. On this provision you could do this or the other. You decide.

I went back to my hotel and sat around and had the feeling that I wasn't getting anywhere with this man. Something wasn't penetrating. I finally figured out what it was. The next morning I met with him again and said, "Let's go over these letters again. On such and such, let's say marine insurance, you can do such and such or such and such. Our recommendation is that you do such and such." "But of course," says he, "that is the way we will do it." I went through the whole thing and I realized that what you were dealing with was a very nice human being who had no idea of how to do any of these things and wasn't really able to make decisions. All I had to do was just to suggest to him which was the better of two alternatives.

I think that is part of the problem you had in implementing the Alliance. The lack of in-country capabilities. Our own Congress put some pretty sophisticated albeit often innocuous requirements in our lending procedures that were in many cases very difficult to explain to countries. I know that one of the big problems you can have...things that took time...after you negotiated a loan and then met with the people who were to implement the loan. You sometimes had to explain in considerable detail the nature of some of what I called the idiocy we put into these loan agreements. Why they were there, the US Congressional implications. Often, in fact they really didn't have much importance as far as the country you were dealing with was concerned, but they were there because of some US domestic interest in the loan. Those were the famous so-called barnacles. Right now I agree with a committee that was set up recently and reported that perhaps the best thing you can do with the US bilateral aid program is to just abandon it for maybe a year because you have so many barnacles on the legislation that you have a very unworkable operation.

Q: Was there an effort to try through exchange programs to develop sophisticated economists or people who could deal with the problems of loans and everything else that goes along with an economy?

GRAND: Yes, that was an integral part of the Alliance and that was the combination of the lending program with the grant program. The grant program provided funds for exactly the sort of thing you mentioned, namely, the exchange of persons for training in the United States. We used all sorts of facilities including universities. We used to get people Master and Doctoral degrees in the field of agriculture, etc. which was fundamental to the development of these countries.

I might add as an aside that I am not particularly enamored with the use of universities in the United States on a carte blanche basis. You have to realize that the Land Grant College and University Association is a very strong lobbying group here in the United States. They were able to get some very lucrative contracts from the AID agency to train people.

One university, Texas A&M, had a team operating in Latin America. When I got to Argentina to run the mission I met with the head of the Texas A&M team, a very nice guy. I told him that while I had been in Texas I had never been to Texas A&M and wondered what kind of campus they had. It was a friendly conversation. He said, "I don't know." I said, "What do you mean you don't know?" He said, "Well, I have never been there." I said, "But you are heading up a Texas A&M team here and you are sending students up there to get advanced degrees. And you are having some of them work with Texas A&M people who are down here in Argentina working with you and you have never been to Texas A&M?" And he said, "No." I said, "Well, how did you get this job?" He said, "Well, I was working at the University of Utah and got a call from the Texas A&M people and they offered me the job. They said I had to get down there right away so I came right down here to Argentina." I said to him, "Well, next week you are going to go up to Texas A&M and at least look at the place so that you can say you know what it looks like." And he did.

The land grant colleges at the beginning of the Alliance did not have enough people, particularly project manager types. They got contracts from AID but they didn't have on staff people to implement those contracts. So they just hired people. We probably would have done just as well or maybe more economically hiring a regular head-hunting company, who do the same thing. They just go out and hire consultants. So I am not persuaded that in the future government organizations should give carte blanche to universities just because they are universities.

But we did a lot of that sort of thing, training. I will give you a specific project. We decided that one of the big problems in Argentina was a need to improve their Customs Service because there was a lot of smuggling going on in and out of the country. One of the things they needed was a lab. Now a Customs laboratory is a very sophisticated setup. So we first sent some people up here to the United States from the Argentine Customs Service, trained

them, etc. using grant funds. Then, when they were back in place, we built the lab using loan funds. It is still functioning well.

But I think part of the problem was, as you pointed out, a lack of trained personnel to implement these loans. It is easy to get people to build a road. Every country has road building operations. But when you talk about more sophisticated things that will have an institutional change, you need different kinds of people.

Q: You moved down to Argentina from 1966-68. What caused that and what were you doing?

GRAND: I ran the AID Mission there, which was the natural thing to do. You have to get out of Washington eventually. I was actually there until 1970. I left Argentina in 1970. I went down there initially as the assistant Mission director handling the lending operation. Then I became the Mission director. We were in the process of ultimately phasing out the program in Argentina. We felt that Argentina had graduated and didn't need to be part of the Alliance operation then. We were wrong, but we had done a lot of institutional building programs in Argentina. And Argentina was a different kind of place than the rest of Latin America.

Argentina was probably the only country at that time in Latin America that had a real middle class. It is still the only Latin American country that has a middle class as a majority. Mexico had a middle class which was somewhat different. I think the main difference being that Argentina was and is the country with the highest literacy rate in Latin America.

Q: It really is an European country isn't it? I mean there is not much of an indigenous Indian population is there?

GRAND: It is mainly Italian and Spanish. The Argentines did to the Indians exactly the same as we did. They either killed them off or put them on reservations. They still have reservations. The only Argentine twist on this is that in the front lines of their troops when they were fighting the Indians they put the few blacks that they had. That and chicken pox in the port area killed off all the blacks. You don't have many blacks in Argentina. If you see a black in Argentina he is probably from Brazil. It is basically a Spanish and Italian country with a small amount of English and German input.

Very fortunate things happened in Argentine history. A man was elected President in Argentina by the name of Sarmiento, who was elected President while he was in the United States working with Horace Mann. Horace Mann is the person who set up our public education system. Sarmiento went back and set up a similar public education system in Argentina. It is unique in Latin America. There are many other ways in which Argentina is very different from the rest of Latin America. And its problems as a consequence are quite different.

Q: When you got down there, who was the ambassador?

GRAND: I had three different ambassadors. One was Ed Martin, who is a brilliant man. This is an example of what you are dealing with. Ed Martin was in his early '50s when he was assigned as Ambassador to Argentina. He didn't speak Spanish, although he had been Assistant Secretary for Latin America for a short time. He went to the Foreign Service Institute for three months before going down to Argentina. When he got down there he could communicate in Spanish, and could and did read everything...just an amazing guy. An absolutely top flight human being. One of the really outstanding career ambassadors that the Foreign Service has.

Q: He was an economist, wasn't he?

GRAND: Yes. And he knows how to run an embassy. I remember right after I got down there we had a revolution. In the morning staff meeting about a week or two afterwards, Ed said to me, "Stan, what do you think of so-and-so who is the new Secretary of Housing?" I said, "Well, I don't know him." In kind of an abrupt fashion he said, "Well, it seems to me you certainly ought to know the person you are going to be working with." I went down to my office and pulled out the newspaper where he said it was printed. Actually it was the secretary for some kind of a social organization that had been named. So I wrote him an memorandum saying, "Mr. Ambassador, I don't know so-and-so whom you mentioned and who is going to be Secretary in the Ministry of Public Welfare. It is my understanding that so-and-so, who is a friend of mine, will be named shortly as Secretary of Housing." Before the next staff meeting this man was actually named Secretary of Housing. Ed, to his everlasting glory, in his next staff meeting apologized to me publicly to all the members of the country team saying that he had made a mistake. I thought that was marvelous. A top flight guy.

He was followed in turn by a rather strange man, Carter Burgess who was a political appointee. He had been President of TWA, American Machinery and Foundry and was a big financial supporter of Lyndon Johnson. A very interesting person. He succeeded in dividing the Embassy very quickly into groups. A majority group who hated his guts and a very small group of us who were his favorites. The favorites at the Embassy then were myself, Len Saccio the DCM, and Herb Thompson, both of whom went on to be ambassadors. We had a very pleasant time as a consequence. Carter Burgess felt that he didn't know anything about international relations, but he knew how to handle people, and he did. He gave marvelous parties and spent a lot of his own money. But those parties were working parties and he saw to it that people in the Embassy worked. A lot of people didn't like that. A lot of embassy people used to go to Embassy cocktail parties and stand around looking pleasant. Carter didn't let that happen. He made people work. He was a very tough guy. I liked him. He lasted a short period of time because of an error that was made by Nixon's transition team and he left there when Nixon came in.

In due time he was replaced by John Davis Lodge. John Davis Lodge is a person with a tremendous career. He had been a Congressman. He had been Governor of the State of

Connecticut. He had been Ambassador to Spain and was finally named Ambassador to Argentina.

Q: He was also a movie actor. I saw him with Marlene Dietrich in the "Scarlet Pimpernel" just a couple of nights ago.

GRAND: I think he was also in "The Good Ship Lollipop" with Shirley Temple.

He was also interesting. He and his wife, Franchesca, were a strange pair. I got along exceeding well with him. He was probably one of the best, if not the best, early 20th century ambassadors. This was a man who was made for minuets and things of that kind. It was not his fault that he was living in the late 20th century. I don't think he should be castigated for this. He had a lovely social style. He didn't have the slightest idea of what was going on in Argentina besides the social scene, and he really didn't care. I was a bachelor at that point and as a consequence I moved around in high society Argentine circles and was well aware of what was going on in terms of society gossip. Invariably when I would go up to talk to him about something, we would end up discussing who was sleeping with whom, etc.

But I had his complete support. I remember I was going up for an annual country review of my program in Argentina. I went up to see him about this and we talked about the program a little bit and then got onto the usual gossip. Then at the next country team meeting, a day or two before I was going to leave, he announced that, "Stan is going up to Washington with his Argentine program. It is a top notch program and has my complete support." He hadn't the slightest idea what I was doing. But on the other hand, and I think this is something that people might want to keep in mind, when he was a Congressman he became a very close friend of Richard Nixon and he said to me at one point, "Stan, if you have any real problems up there, give me a call and I will call the President." And he was the kind of guy who would do just that.

When I got to Washington and had problems with my bureaucratic equals in Washington on some aspects of my program, if it was something that I really wanted, I would just say, "Well, you know the Ambassador feels very strongly about this and you all know how erratic this Ambassador is. He told me that if I had any trouble, to give him a call and he would call the President." And of course the whole bureaucracy was terrorized and I got what I wanted. He was very useful.

I got along with him all right because, as he pointed out to me early on, "Stan, I know you are a Democrat but on the other hand you worked for Lyndon Johnson and Lyndon Johnson was a good friend of my brother [he was, he appointed him as Ambassador to Vietnam] so you are a good guy." I had a wonderful time.

Q: Tell me, on the AID program you said that you were there to phase it down because you felt things had moved along, but yet that was a mistake. What was the reason for that?

GRAND: Well, we decided to phase out Argentina at that point because we felt that it had gone along economically and was advancing socially as much as we could assist with bilateral aid. Argentina was eligible for lending from the IDB and the World Bank, through its normal window rather than through IDA, which is its soft loan window. We felt that it was a country in which there wasn't really much more we could hope to accomplish. It was under a military government. It was not going to be moving out of this as far as we could see for a long time. It just seemed that with our own funds being reduced and needs elsewhere in the world, this was one country that could make it on its own. As a matter of fact, Argentina was feeling its economic oats to the point that it announced it would become a donor nation of its own through the IDB.

So we felt that we could move out of there without any real problem. And we did. I think I said it was a mistake. I don't know whether it was a mistake or not. The kind of fundamental change which Argentina has gone through in the last three or four years, which is bringing about tremendous economic advance, is the kind of change that could only have been accomplished as a consequence of a kind of weird internal development. That is fine. In other words, what I am saying is that Argentina, until the last four or five years, has been suffering as a consequence of Peron and all that Peron did in terms of the taking over of industry and nationalization of things, etc. He has been replaced by a so-called Peronista who in the last four or five years has reversed everything Peron had done under the same banner. I am sure that whenever the President now opens his mouth Peron turns in his grave. But we could not have done very much more to improve Argentina economically at the time we phased out.

Q: What was the political situation when you were there--1966-70?

GRAND: You had a military government that had taken over. However, most of the people in the government at the Cabinet level were not military people.

This reminds me of another example of how you get things done. People think that when you are working government to government it is an easy thing. When you get a military government into Latin America they are very strongly Catholic. All of a sudden crucifixes reappear in government offices. In most countries, with the exception of Mexico, Catholicism is the official religion of the country. When you have civilian governments that is sort of down played.

We had had in Argentina a planned parenthood program, a birth control program. It operated very well two levels below the ministerial level. Everybody including the minister knew it was going on. We were providing materials from the planned parenthood operation out of London, which is the place which AID used to buy its materials before the program was curtailed in recent years here. We would distribute loops, intrauterine devices, pills and things of this nature. The way we did it in Argentina was sort of amusing. We obviously could not, with a government that was officially opposed to this sort of operation although backing it fully, bring it in and get this stuff through customs as the US government. So

what we did was have it all shipped from London via the diplomatic pouch to me. Then we just distributed it.

Everybody knew what was going on and there wasn't any problem until one time we almost had a disaster. We got a cable from London which stated that they were going to send, on such and such a ship, thousands of intrauterine devices, pills and condoms all shipped to me. When things are shipped to you and you are in the diplomatic service, as you know, the Ambassador sends a Note to the Foreign Office certifying that whatever it is that is coming in is for your personal use. Well, I was a bachelor at that point. I called London and got the thing stopped and then went up to tell Carter Burgess. He almost fell on the floor laughing. He said, "My God, you should have let this happen. We would be giving this country an inferiority complex."

Q: Tell me, Stan, this will straddle your time in Washington and part of your time in Argentina, one of the things that has been said is that when Kennedy died the Alliance for Progress died. That Johnson had no particular interest. From your perspective and having known Johnson and worked with him and the people around him, how do you feel about this?

GRAND: One of the first things that Johnson did shortly after the Kennedy funeral...it was a very moving thing as I happened to be invited there...was to call a meeting for all the Ambassadors from Latin America to the White House, it was the first big meeting that he had, and its purpose was to reassure them that the Alliance would continue. Mrs. Kennedy showed up for the meeting. It was unexpected. It was a very moving experience for all the Ambassadors.

Now Kennedy and his people operated on a very activist level. In other words, Kennedy was not adverse to picking up the phone and calling a State Department desk officer. Half of them almost died of a heart attack when that happened to them, because you don't really expect to be called by the President of the United States.

Johnson had a different approach. He was interested in the Alliance. As a young man he had hitch-hiked through Mexico, etc. He had the kind of Texas paternalistic view about Latin America...they are all our boys. He was content, in terms of the Alliance and a lot of other things, to give the support to something, get the people in whom he thought would do it and then let it go.

He made several trips to Latin America and he came across in a different way. Interesting things happened on his trips to Latin America. I was not on those trips with him because I had already moved out. But the Latins reacted to him in a strange way. They had loved Kennedy. And they were sort of, you know, here comes this long gangling, not very handsome Texan, who doesn't have any of the charm and charisma of a Kennedy. But after a while they suddenly found when talking to this man that he was really interested in them. Johnson had the ability, you know, to listen as well as to talk...when he wanted to. Very often he would drive people crazy because he wouldn't listen to people. But he was

interested in Latin America and backed it, used his prestige and ability to manipulate Congress, or to control Congress, to keep the Alliance program going and funded well.

We didn't have any of the flashiness, but the program went on very well.

Q: Did you experience much White House staff interference when Johnson was there?

GRAND: Practically nothing as compared to the time when Kennedy was there. But then again, you know, Kennedy had bright guys that had ideas and they had just taken over. A lot of them were gone when Johnson took over, although Johnson did keep an awful lot of the Kennedy people. He was fascinated by the Kennedy people. He thought they were real bright, and I think that was one of his errors that ultimately led to his down fall. Because he listened to people like McNamara. There was, however, very little interference from the White House as concerned the Alliance.

Q: In Argentina you had these various ambassadors. How comfortable were we with them. Was there any feeling that we should do something about the military government?

GRAND: We had passed through that phase. When the Alliance first started one of the first governments to be taken over by the military was Peru. We had an ambassador there by the name of Loeb who owned a newspaper in New Hampshire. He was a liberal appointed by Kennedy. When the military government took over in Peru the Kennedy reaction was...freeze the AID program, get the ambassador out of there and bring him home. Which is what we did. By the time the late ‘60s came around, most of the governments of Latin America were military governments. There was no real problem with them, as a matter of fact, in working with them and accomplishing many of the Alliance's objectives.

Q: Were there problems in Argentina when you were there?

GRAND: We didn't have any substantial human rights problems in Argentina at that time. We had some problems in terms of US-Argentine relations as a consequence of the fact that there was, there still is, a substantial amount of anti-Semitism in Argentina. Argentina has the second largest urban Jewish population outside of the United States. In other words, as I recall the order of Jewish populations in cities is New York, the largest, Argentina the second largest and Tel Aviv the third largest.

Q: Was this a result of leaving prior to World War II or had this gone back many generations?

GRAND: Did you ever see the play "Fiddler On The Roof?"

Q: Yes.

GRAND: "Fiddler On The Roof" in the United States ends with everybody leaving the Soviet Union and going to the United States. "Fiddler On The Roof" in Argentina ends with

everybody leaving Russia and going to Argentina. And that is what happened simultaneously. At that particular time in the late 19th century, Jews leaving Russia went to two places. They went to the United States or to Argentina. They settled there in the Mesopotamia area. They set up kibbutz the same as they do now in Israel. So you had that large migration of pre-World War I Russian Jews. Then you had the pre-World War II influx of German Jews, just as we did in the United States. That is where you get basically the same pattern of immigration as we had here in the United States.

There was and still is latent and sometimes active anti-Semitism. It was, I think, to some extent exaggerated when I was there by the New York Times. But you know, if I were the New York Times representative in Argentina, what kind of stories would I report to the New York Times? I would report anti-Semitic ones, they sell well in New York. I think the New York Times correspondent, in all fairness, did do an unfair job of emphasizing the anti-Semitism in Argentina.

But, we didn't have any of the problems that developed later on in Chile, for example.

Q: Then you left in 1970 and came back to Washington.

GRAND: I came back to Washington and took over the direction of the technical assistance program for Latin America. I did that for three years and then I retired and went back to live in Argentina. I had married an Argentine lady and decided I wanted to go back there. I went back and got involved in international banking with a large family conglomerate that owns banks, ranches, textiles, wineries and all kinds of operations. I was involved in the banking operation. They have banks in the Bahamas and in Uruguay as well as their main bank in Argentina. I ended up being president of one of the banks and vice president of a couple of others.

Q: Just to end on the government side, the time you were doing technical assistance...1970-73...what were your particular areas of concentration?

GRAND: When I first came back I was appointed as special assistant to the person who was running the Alliance program in Latin America, to handle export promotion and capital markets developments. These were the so-called Nixon initiatives for which money was made available. I have a feeling, quite frankly, that the reason I was named to this job was because I had a large Democratic tag on me and everybody figured that the programs were going to fail and they could blame it on the fact that they were sabotaged by a Democrat. And I think that was probably a fair way of doing things. Unfortunately, the program worked. Those two programs, I might add, were basically programs which we operated through the Organization of American States and they worked out reasonably well.

I then moved into the technical assistance job in which we complemented the lending program as we had been doing in the past in the fields of agriculture, education, housing,

things of that nature. We had staffs in Washington and large numbers of personnel in Latin America carrying out grant-funded operations.

Q: What was the atmosphere of the Nixon period in AID in Washington and the Kennedy/Johnson period? Was there a difference?

GRAND: Yes, I think so. Obviously there wasn't as much emphasis on the operation. Nixon had no particular love for Latin America in view of the way he was treated when he went down there as Vice President. He hadn't much interest in Latin America. Nevertheless it was continued. There was no emphasis on it particularly as a part of US policy, at least I never felt there was much of an emphasis on it. The people who were running the AID program were, I think, focusing on other areas of the world rather than Latin America. The Latin America program sort of ran on its own without any real interest on the part of the White House.

Congress continued it pretty much at the same level. It was a moribund program. There was none of the excitement that had been around earlier. Maybe it had been around too long.

I retired then because there was the possibly that by retiring before July 1, 1973 one would get a pension that would have required you to work another ten years to equal if you stayed in.

Q: We kept having these so-called windows as a great inducement to get people out.

GRAND: And since people had been after me to go back to Argentina and work in private industry, it seemed like the right time to do it.

Q: Well, Stan, I want to thank you very much. It was great.

GRAND: Thank you.

End of interview