

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

CLARENCE SWIFT GULICK

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Initial interview date: February 1, 1996
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Development Cooperation Department, OECD/DAC Secretariat

Overview of international development assistance

INTERVIEW

Q: This is an interview with Clarence Gulick on February 1st 1996. When did you retire from USAID?

GULICK: I retired in '78 because they were sending me to Paris, you know, to work in the OECD, and I would have been over 60 before I came back. At that time we had to retire at 60, so I retired before I went. That was technical, then I actually retired when I left Paris.

Early years and education

Q: As a start, tell us something about your background: where you were born, went to school and college and early work experience.

GULICK: I was born in Brooklyn at Kings County Hospital, lived in New Jersey my first - well until tenth grade. First briefly in Englewood and then in Milburn; between Milburn and Maplewood. Technically in Milburn. Later I went to the Littauer school; predecessor of the Kennedy school. We called it the Littauer school; it wasn't really technically called that; it was called the Graduate School of Public Administration. During my college years at Swarthmore, I worked one summer in an overall factory in Indiana and another summer in the New York City Department of Investigation. I worked on several little projects and the one I remember most; probably took most of my time was a study of the Borough Testing Laboratories in New York, which I remember, showed that they overlapped five world testing laboratories as well as the Central City Laboratory. They overlapped terrifically, and each one had identical equipment that was used like ten hours a year. I tried to show what the inefficiencies were. It fed into a report recommending consolidation of these laboratories.

Q: What was your major?

GULICK: Economics and government, economics and political science I guess they called it at Swarthmore. In the summer of 1941 I started work in the war department; the civilian personnel division in the Office of the Secretary of War. It was expanding very rapidly then and they were setting up a lot of field offices to short cut the Civil Service procedures. That was in the summer of 1941 and then in the fall I went back to Harvard. I had come down - it was a regular Civil Service job but I was also part of the Government Affairs Institute program I think it was called. We had some kind of an Internet and some meetings and training programs along with our jobs. I had decided - I guess by the time I got here - that I would go to Harvard...for a year there and of course the war started in the middle of that

year. In 1942, I decided to join the Navy and it was pretty well understood that I would go on active duty about the first of the year of '43. Meanwhile, I had an interim job in the Budget Office of the War Production Board.

I actually went on active duty in the Navy in January '43 and I had three months or four months temporary duty in the supply department of the Washington Navy Yard; Naval gun factory, before I went to Naval Supply Corps School at Harvard Business school and that was about a three month course. When I left there I had orders to report to the Commander of North African Waters in Oran for assignment. We got to request what we would like and I had requested foreign shore duty, thinking that might be the most interesting sort of thing to be involved in. That looked like that might be it, because the Commander North African Waters Headquarters was in Oran.

Q: In Algeria?

GULICK: Yes, and in fact it looked as though that was going to work out, because after a couple of weeks waiting there for assignment I was called in and told my orders had come through and I was going to be the Disbursing Officer for the US Naval Hospital in Oran. All it was was a big empty field, so there was going to be construction and so on and it would have been quite interesting, I imagine. But that went astray; they suddenly needed a Disbursing Officer for a group of LSTs, because the Disbursing Officer had had a falling out with his Commanding Officer and his immediate relief had been requested.

Q: And where were they?

GULICK: They were in Oran at that moment. They had just finished invading Sicily.

Q: So this was a big headquarters operation?

GULICK: Oh yes. Oran was a big headquarters, even though it didn't have a hospital yet. One of the things - this is just funny - one of the things that I did when I was on a few weeks of temporary duty awaiting orders was supervising a warehouse in Oran. They had decided to consolidate in this warehouse. When they originally started functioning in Oran they scattered supplies all over the cities, so they wouldn't be vulnerable. By this time they decided they weren't really vulnerable so they decided to concentrate all the supplies; my warehouse was going to have all the non-fouling bottom paint. They had decided that this was going to be a big center and they were going to set up a dry dock. First thing they did was to order all the non-fouling bottom paint they would need for all the ships that would come into this dry dock. They had enough non-fouling bottom paint to paint all the bottoms of all the ships in the US Navy there in Oran and it was all sent to my warehouse. (laughter)

Q: Did you have any contact at all with the Algerian people?

GULICK: I played chess with some folks downtown along the waterfront there; they used to play chess on the terraces overlooking the bay. We just drifted down there and picked up

a game a couple of times. I got a little bit acquainted with a couple of people; my warehouse had a locally recruited labor gang to move all these cans of paint and the fellow who ran that was half French half Algerian. He was kind of an interesting fellow; I got acquainted with him a little, not much though. No real contact. So then we went up to England immediately. I went aboard and we left practically the next day. Left all my laundry in Oran, which I hadn't been able to send out, because I didn't know where I was going to be until those few days before that when I was finally getting ready to stay there.

In England my group actually - a group of LSTs, 12 LSTs, but we had a 13th because we had an unattached Coast Guard LST. It was sent over to be helpful I guess, but didn't have an organization, so they attached that to our group. So I had 13 LST's that I was supposed to pay. That was the main job; I was supposed to be the Supply Officer for the group. When something was issued to LST's it was expended, so there was really no role for any group records or controls or anything. Sometimes I would go on shore and make arrangements for some of the ships to collect stuff from the British supply bases on reverse lend lease.

Q: The LSTs are fairly large, aren't they?

GULICK: Yes, they are a pretty good size ship; 300 and something feet long but the crew - the British used to run them with 3 officers and 12 men. We had about 7 officers and 100 men, because we had much more anti-aircraft than the British did. To man anti-aircraft took a reasonably large crew, so I had about 1,700 people to pay every couple of weeks ideally. Of course, you had to find them. Whenever my group was operating out of a port I would be put ashore and given an office-usually by the British Navy-and catch the ships as they came through. I had to get money from the British banks. But all that was set up so it was really very simple; we got our money on reverse land lease from the British banks. I don't know anything about how the accounting was handled-I'm sure it was-and then I would pay the troops. But sometimes I would have to travel around to find my ships if we were operating out of different places. So that was quite a period there before the invasion; about a year during which I was doing that.

Then after the invasion for a while half of my ships were equipped with railroad tracks and shuttled back and forth out of Southampton taking railroad cars across, because they needed railroad cars. I was in Southampton during that period ...stayed for periods of time in Falmouth, Portland, Southampton, Milford-Haven and Cardiff. When that phase of the war- when you needed landing craft to carry things across the Channel-was over we were sent back. We were waiting in Belfast harbor for our convoy to go back to the States to be refitted to go to the Pacific when D-Day happened. So there was a huge party, but we went along in our convoy anyway back to Norfolk. The ships had to be extensively rehabilitated. One of our ships almost broke in two coming back across the ocean. They spent the whole trip welding plates of steel across gaps, but none of my ships had any casualties except one. On D-Day two kids were killed, they had just arrived, 17.5 year olds joined the crews. Otherwise there were no casualties. Anyway, that is probably too much of this.

Q: What happened after you got back to the States?

GULICK: Well, I never got any where else, because we were still waiting for our refitting to be finished when the war ended in the Pacific. Meanwhile I was assigned to the naval supply depot in Norfolk and I got out - as soon as I could - in the beginning of January 1948 just about three years after I had gone on active duty, and I signed up...to go back to graduate school to finish my graduate work, beginning right then in the middle of the year '46/'47. I went back to the same school and got my Ph.D. in '48.

Q: In economics?

GULICK: Again there was a new degree they had just set up at Harvard; a so-called joint degree in political economy and government and you could either do 3 in macroeconomics and 3 in government or 4 and 2 either way, I did the 3 and 3. I did my dissertation in tax policy, specifically on the feasibility of countercyclical tax adjustment which I concluded was feasible - if everybody agreed to it, but probably wouldn't work unless there was a very large consensus in the Congress. So I was heading towards working in fiscal policy and that sort of thing up until then. But then the Marshall Plan came along and I came down to Washington before I really got my degree-early '48, while my thesis was still being considered-and went to work temporarily in the Budget Bureau working on bits of the Hoover Commission Report, which was sort of a follow-up, or another go at the organization of the Federal Government that Herbert Hoover was heading. I worked in the Budget Bureau...

Q: The Commission was doing what?

GULICK: It was working on the organization of the federal government, top level organization; in fact it went on for a couple of years and did lots of studies, but that was it's major focus. The Budget Bureau had some money to support the Hoover Commission and I guess the Commission used it mainly for recruiting people to work on bits of its study that it wanted to recruit outside people for.

Joined the Marshall Plan working on UK/Ireland/Iceland - 1949

So I worked on that for several months-but meanwhile I had gotten very interested in the Marshall Plan and, of course, the Marshall Plan legislation was working its way through Congress at the time. Interim aid had already started-I guess that started in the fall of 1947 as such, maybe earlier. The Marshall legislation was passed in April of '48 and almost immediately I got a job in the Marshall Plan Organization in the UK and Ireland, Iceland Branch.

Q: Why did it appeal to you?

GULICK: I just thought it was important. Actually I had taken the Foreign Service exams when I was in the Navy more or less as an idea this might be a way to get out of the Navy faster at the end of the war. But I didn't have my heart much in it, because by the time-I

guess I had passed the written part, but when I got to the oral part I didn't really want to do it. In any case I did not succeed in getting into the Foreign Service if I had wanted to. Possibly my attitude had something to do with that, because I was already back in school. By the time the orals came around I was already out of the Navy. But anyway I thought of taking the Foreign Service exams again, but I really got more interested in fiscal policy and controlling depressions and that sort of thing during my graduate work and didn't do much -didn't do anything; had no international trade or anything. But I did get interested in the Marshall Plan because I thought that was very important and so when the chance came... I started exploring that as soon as I got to Washington and got on their lists. Immediately when they started hiring people for ECA I was probably one of the early ones to be hired from outside.

Q: What was your first job?

GULICK: I was in the UK/Ireland/Iceland branch-of course most of our work was on the UK. We had one young fellow who sort of specialized on Iceland on the side, and I specialized on Ireland on the side. I guess it was that fall they began to set up missions-maybe during the summer, yes during the summer they began to set up missions-in the European countries. The Mission to Ireland came later. I believe this is right, this is what we heard: One day someone called Paul Hoffman's office - Hoffman was the head of ECA - and said, "Who is going to be the Mission Director in Ireland?" and the secretary who took the call, called back and said, "We are probably not going to have a Mission in Ireland, we'll handle that from London." It turned out that it was Representative McCormack's secretary (McCormack was the chairman of the House Appropriations Committee) who had called and by that evening we had a Mission Director nominated for the Mission in Ireland. The idea of handling Ireland from London was just intolerable to people like McCormack. The Mission Director that was selected was from Vermont; Joe Carrigan who was Dean of the School of Agriculture of the University of Vermont and head of the extension service in Vermont. He-I guess simultaneously-acquired a special assistant who was Bill Taft; Senator Taft's son who had been teaching English literature at Yale with a specialty in middle Irish. So they were going to the Mission in Ireland and they wanted to get them over right away. I was the one who had to brief them, of course, and before they went, Carrigan decided I should come along and be there on temporary duty while he got set up in Ireland, so that's what happened. I got there a day or so after he and Bill Taft did.

Assignment to the ECA Mission in Ireland - 1949

Q: What was your function? What were you trying to do?

GULICK: Well, we were trying to figure out what we might do that would be helpful to Ireland. Of course, the big thing was the dollar deficit which we were financing. I remember I was working in Washington on it, we had sort of figured out that the simplest thing to do might be just to let the British handle it- the British aid covered the whole sterling area pretty much. The British needed dollars to convert for people who held

sterling and had sterling earnings and Ireland of course fit right into that. But it was decided that it would be better to handle Ireland's dollar deficit directly. Ireland, although it had not suffered any war damage-actually it did a little bit, but hardly any war damage-was sort of neutral against the British. There had been some attitudes like that, but they actually cooperated very well with the British on economic matters. A lot of Irish entered the British services, but the country didn't itself actually get involved in the war. Anyway they had a huge dollar deficit. They always had had, because their exports mostly went to Britain and it got much more so during and after the war. They needed all sorts of essential things like tobacco from the United States. So we ended up right away deciding-the ECA agency did-to provide dollars directly to Ireland. It was quite a large amount for a small country. As I recall our first quarterly program-we had quarterly programs for the first months of the Marshall Plan-was based on an estimate of \$140,000,000 for the first year. The actual amounts-I think they got \$120,000,000 in the first year, I can't really remember the figures and it went down rapidly-were substantial.

Q: Were you raising any policy issues with them or...?

GULICK: Not at first, no. They were pretty responsible fiscally. We never really had any problems with them on domestic policy, but we had some problems with them on what they were using their dollars for- although our efforts to eliminate less essential items were not always successful. My boss, in particular, when we were figuring out our first figures, struck out tobacco. When we got to Ireland the first thing that happened was we got taken in tow by the Minister of Finance and the Minister of Agriculture, who explained how absolutely essential the tobacco was to their entire fiscal and monetary program and so on and so on. Meanwhile we also heard from the Hill that this was not a very wise idea. So we tried to figure out what they would really need and scaled down the dollar import requirements. We also looked into where they might need some technical assistance in helping rekindle their economy, which had suffered quite badly during the war from lack of supplies of all kinds of things.

Of course, Joe Carrigan being an agriculturalist-and Ireland being predominantly an agricultural economy-was interested in the country's agriculture, and he very quickly identified the need for a major liming program. Their biggest "crop" was cattle. The fields tended to be very acid and they had good limestone deposits. That was the thing we devoted the most effort to in terms of encouraging and assisting; the Irish always knew they needed to do that. There wasn't much we could do money wise. They didn't really need money for it except their own money.

We had several other interesting technical assistance activities. Probably the most significant one was that they had a resource-they had no coal to speak of but they had a resource of peat, which was used already, of course, by the peasants. There was an Irish Turf Board which had some fairly large scale operations. This was fairly important, since they were dependent on imports for most of their fuel except for what they got from peat. We did support the Peat Board with our counterpart funds and some of its projects and also they hired Bechtel to help them with some major studies of improved methods of

processing and combustion of peat. That was probably the most interesting technical assistance that I worked on. I also worked on some dollar export things which were mostly just surveys and junkets and that sort of thing. Bill Taft got interested in the mining of which there was some and industrial productivity.

Q: So you had some latitude for dealing with specific development issues.

GULICK: Yes, it was very small in money terms, like the big money would come strictly out of these...

Q: That wasn't in a form of just plain cash transfer; it was, of course, hidden in products...

GULICK: Yes, but not really much. It was all relatively few commodities that we financed and we sort of leaned on the total requirements, but we had no fault to find really with the way they were managing things.

Q: The funds were limited to imports from the US?

GULICK: Yes, I guess substantially. The Inter European Payments Plan was being set up, of course, along in there. There was, of course, a lot of conditional aid for extending drawing rights to the other members who needed internal aid. But the Irish had all these sterling reserves they built up during the war so they didn't need any more like that, and I guess they didn't contribute anything much like that. Their main surpluses were with Britain; it all washed out in the sterling area. They did participate a little in a major study that Larry Hebbard and his gang in London-Joel Bernstein was involved-did of the sterling area and the likely impact of devaluation. We contributed some stuff on what the effect would be in the Irish part of it which of course is very small, but that was very interesting.

Q: Did the devaluation take place?

GULICK: Oh yes, it took place while we were there and the pound no longer was at \$4.03; it was dropped overnight to \$2.90. One of the things they tried to do and we tried to do, was to estimate what would be the effect on trade with the United States and the distribution of Irish trade. We found in retrospect, as they did generally, that the effects were quite a bit more on exports to the United States, dollar exports generally, than you could arrive at by estimating commodity by commodity which you knew about, because all kinds of things came out of the woodwork when the rate changed.

Q: Was there a large acceleration of exports?

GULICK: Oh yes. Even meat products we would have never even considered would be going to the States instead of going to the continent and Britain. Anyway, I got, if I needed it, more enthusiasm for market mechanisms as a result of that than I might have had before. I finished there after a couple of years. The Irish Marshall Plan program was short lived and really was pretty much over in two years. It did continue a little.

Q: Was there a lot of congressional pressure from the Irish representatives?

GULICK: I don't remember very much. There may have been but it didn't strike me particularly. I used to go back and forth to Paris a lot, because I was the Program Officer and the Trade Officer and the Finance Officer and the Small Business Officer and the Dollar Exports Officer and each of these roles had a whole little unit in Paris and they all had frequent meetings of their people from all the Missions. I always used to go with the Mission Director when he went for his meetings, so I could have spent most of my time in Paris if I had gone to all the meetings I should have, theoretically.

Q: Where did you go from there?

Return to Washington and the Turkey desk-1951

GULICK: Back to Washington and to work on Turkey. I was the Turkish Desk Officer for a couple of years beginning in '51 and that was very interesting.

Q: Working as part of the Marshall Plan?

GULICK: Oh yes. It started out in 1947 with Greek/Turkish aid, but by then it was part of the Marshall Plan. The Turkey program was much more capital projects and technical assistance, quite interesting; although they also had substantial commodity aid.

Q: What was the main thrust of the program?

GULICK: Again agriculture was a big part of it; it was not perfectly managed, as we learned later. We had the so called Starch Group, which was Elmer Starch -I don't remember where he came from but-he was also a former Dean I think and Extension Service Head. He headed a group, quite a large one-maybe 10 people- which was working with the Turks on increasing grain production. What they ended up doing, in effect, was to plow up and sow wheat on much of the Anatolian plateau. Hugh Richwine was our Mission Agriculture Officer responsible for reviewing what the Starch Group was doing. He began to say that what they were doing was not really very well supported by adequate studies, because they were just plowing up most of Anatolia to grow wheat. It seemed to be working very well at first; but it turned out as he had warned that what they were doing was mining water of which there was not very much and which was quickly exhausted. So that turned into not a wholly successful effort; but it did produce very rapidly increasing grain production for several years and, then, they had to go back and decide what made some sense in the long term. I don't know what happened but I do know that the yields dropped off very rapidly after the first couple of years. That had really been pretty much predicted by Richwine and others. I guess I learned something from that too. We also had some work with the coal mines up in Zonguldak on the Black Sea coast, where the coal mines were below sea level and very near the sea, so there were all kinds of dangers there. They needed some good advice and we were able to recruit for them. We had a lot of detail on that.

Q: With fairly large equipment?

GULICK: Oh yes, it was a big-by that time our aid was tied in with supporting the military too, because Turkey was obviously a sort of a corner stone of NATO and needed lots of help. It was a relatively poor country, so it got a lot of military aid and a lot of our aid was indirectly supporting military activity.

Q: It was a political military objective related to...

GULICK: Tied in with NATO, yes. They had a border with Russia obviously and, in fact, there had been some threats. Well obviously Greek/Turkish aid was set up early on with that in mind and continued into the Marshall Aid period subsequently. Anyway I worked on Turkey for a couple of years as the Turkish Desk Officer.

Q: Were you in Turkey?

GULICK: Yes, I visited there several times.

Q: Did you meet with the Turkish officials?

GULICK: Yes, I had a very good Turkish counterpart here in Washington, Nahit Alpar. He was not-I guess he had been in the government in the finance ministry. He was head of the Turkish Economic Mission here in Washington. He was a very nice guy. We had connections, some family connections because he was closely connected with Roberts College; later became a member of the Board of Roberts College. I have remote cousins who were long time professors at Roberts College.

Q: Roberts College was what?

GULICK: It's a Christian college in Istanbul. I think it has another campus too in the south, but Istanbul is the one I know about. Yes, so I got along very well with Nahit and there were some other good people here at TEM. Of course, I met others when I went to Turkey.

Assignments to work on Italy and Spain

I worked on that for two or three years I guess, beginning in '51. Then they needed a new Italian Desk Officer. The Italian program was pretty far along by then. There were a lot of remaining loose ends, so for a while I was the Italian Desk Officer. I never really got much into that. Then, it became necessary to have someone working on Spain. We had no program in Spain; in fact we had nothing at all in Spain. But Senator McCarran started putting money into the aid bill that could only be used in Spain.

Q: Why was there no program in Spain?

GULICK: Well, because we still had at very distant relationships with Spain. Franco was still in power, and, of course, they had pretty much been on the wrong side. We had very little relationships with Spain. The change was precipitated by Senator McCarran's efforts. He was interested in Spain because of the Basque shepherds. Colorado needed shepherds, and the Basque shepherds are the best in the world; they can and are willing to live out in nowhere with a bunch of sheep. I'm sure his Catholicism had something to do with it too, but he talked about how helpful it was to have the Basque shepherds come in to help with the Colorado sheep ranches.

I forget what year he started, but he put money into the aid appropriation-I guess probably in fiscal '52. He put in a limitation that of all the aid appropriations, such and such amount, could only be used for aid in Spain. By that time our agency was called FOA. It was decided we should have someone working on Spain. Back up a minute. It was actually after the Eisenhower election when the FOA was set up in 1953. The Eisenhower government very early on decided and agreed with the NATO that we should renew relations with Spain and not maybe get them into NATO; but get them cooperating with NATO in the first instance and particularly get some bases there. The NATO military people had always been uneasy about not having Spain part of it, because Europe was rather thin. Now they have a little more depth; particularly for air bases and, to some extent, for naval purposes. Meanwhile, McCarran had already put in this appropriation so I became the Spain/Portugal Desk Officer. Portugal's program was phasing out at that point. There was practically nothing left to it. There was some interesting technical assistance activity actually, but mostly it was just phasing out. We still had a Mission there and there was some overseas territory activity; at that time, Angola and Mozambique were part of Portugal. The main thing was to have someone working out what to do about Spain and about this money that McCarran was earmarking...

Q: How much money was it?

GULICK: Well as I remember it was \$300,000,000 the first year. Not chicken feed exactly and more the next year, not as much more because the first year's hadn't been used, but remained available. He saw to that too. So I think we had half a billion dollars stacked up by the time we actually started doing anything. Anyway we all agreed-I worked with the people in the State Department and the Budget Bureau and to some extent Defense. I didn't have much to do with the negotiations with Spain, but one of the first things they decided to do to rekindle relations was to invite the Spanish Minister of Commerce to come over for an official visit. Not the Foreign Affairs guy or the military guy, but they thought that was a nice way to start and so we did that. That was after we had decided to go ahead with the program. We didn't really want to give a lot of aid to Spain as much as McCarran had provided, so we worked out a plan under which we gave them the dollars all right; but I think we started out with 80% and it got to be 75% of the local currency proceeds came to the United States and were used by the Defense Department for building bases. This cut the net cost to the US quite a bit.

Q: The dollar generated...?

GULICK: We exchanged dollars for pesetas for our bases, which we otherwise would have had to spend dollars on. So from our standpoint it was a good deal and to some extent the nominal amount of aid was window dressing. We had to supervise the use of the dollars and we also had, of course, the other quarter of the peseta sales proceeds very little of which was needed for our administrative expenses-so we had some local currency projects too. Most of the dollars were just used like most of the old Marshall Plan money for import financing and they had lots of needs for US imports, so there was no problem in using that. The chief sort of project that I remember that we got interested in, was reforestation and there was a terrific need in Spain. Ever since the 17th century they had really denuded Spain including large areas that never should have been used for anything else, that were completely useless by then. We really helped them get going on a big reforestation effort, which I think has been very largely successful and still continues. I'm sure it isn't finished by any means. That was one thing that we got involved in substantively there. There wasn't much else that I remember.

There was one interesting thing on Portugal though. As I say the program was really winding down there and pretty much finished during the first year I was working on it; but we had a technical assistance project in Portugal for coffee-rust research. It turned out that this was of great interest, not just to the Portuguese-in fact probably less to the Portuguese-although the fellow who ran it was well regarded in Portugal and a Portuguese fellow. He had started this program and, of course, it was of some interest to the African colonies-but we got all kinds of interest from the US coffee industry and other countries that were interested in coffee too. Apparently this was a wonderful place to do coffee-rust research. There were no commercial coffee activities there so you could have coffee rust without worrying about it getting loose. I remember the first time I went to Spain and Portugal, I stopped in Lisbon and was taken out to this place. It was rather fascinating and attracted a lot of interest.

Q: You mentioned something about some overseas territory programs in Angola and Mozambique. Do you remember anything about...?

GULICK: No, I don't remember a thing, except some studies of minerals particularly in Angola that, I guess, we financed. The program had started, in fact it was really finished before my time, but we were getting the results and our Mission Director Jimmy Monotto, who was in Lisbon at the time, made some trips down there. I don't think we had any program to do it, but we were trying to interest American firms in taking interest in the minerals and agriculture and so forth, in the possibilities down there. I don't really remember much of anything about them. If there was any detailed program in any case it was pretty well over by the time I came back.

Observations on the Marshall Plan

Q: Well, given you are moving out of the ECA world, it would be interesting to get your views about the Marshall Plan operation and its significance. Since that time there have been controversial studies on its contribution. What was your perspective?

GULICK: Of course, I wasn't directly involved in Italy and France, and I guess from the overall standpoint what might have happened there went our way. It was probably the most important thing that resulted from the Marshall Plan; of course then leading right into NATO. My understanding was at the time-I still think it may be true-was that there was a real danger that Italy, Greece, Turkey and maybe even France might have fallen under very heavy Russian influence, if not direct Communist control, if it hadn't been for both the economic and, probably even more, the political and psychological results of the Marshall Plan. I've heard, in fact I remember, a lecture that one of the professors at Trinity College gave when I was early on in Ireland; his general point was that the main function of Marshall Aid was to refill pipelines-economically speaking that's almost right. The various strategic surveys and so on all show that really the productive capacity of Europe hadn't been very badly damaged by the war; in fact given refilling the pipelines they came back very quickly to prewar levels. It certainly could not have been the result of large new investments, because there just wasn't time for it to come to fruition. So I think that's very largely true, but the sort of psychological and political implications of that were tremendously important. I was very enthusiastic.

Q: Do you recall much of the controversy about it in the States?

GULICK: No, I don't, really. It had bipartisan support. I'm sure it was a fairly large amount of money and it was large in relation to our current Foreign Aid Programs in terms of GNP, but even then it wasn't huge, it wasn't a large percentage of our GNP or anything, but it was substantial money and it made a big difference especially in the timing, the early stages. There was certainly a lot of enthusiasm and that was sort of the high point of my career in terms of how much I felt part of something that was really making a difference. I was working with a lot of other people who all had the same frame of mind. I never worked so hard in my life. I remember in 1948, after I got back from Ireland, I went over for two months temporary duty and came back just when we were getting ready for the fiscal '50 budget... winter of '48. I remember I was in the office every day except Christmas Day from about the end of October until the end of January and worked many nights and every weekend. I wasn't the only one; everyone was working like that.

Q: What was so demanding?

GULICK: Well, they were cooking up figures and analyzing submissions. You had long-term predictions with the somewhat conflicting predictions of all the different European countries, of what their trade would be with each other, and with the different currency blocks and so on. It was a tremendous amount of pretty sophisticated calculation. I remember talking to my friend in Ireland, the fellow later was Secretary of Finance, he said that he had looked back one time to see what their long-term... they had to make long-term program predictions which included GNP and agricultural production, industrial

production, trade and all sorts of different currency blocks, but luckily a number of them to some extent countries. Those were all reviewed in Paris and integrated and sorted out with the OECD nominally playing the key role -actually a quite major role-to get a consistent projections for when they would finish needing Marshall Plan aid. I remember my friend in Ireland looked back at their submissions to the long-term programming exercise and found that every figure in them for the fifth year, whatever it was-I guess it was '55 when it was going to be the end- were wildly wrong except the dollar deficit; that was exactly right, but, of course, that was forced.

Q: Were there regular annual reviews...?

GULICK: No, there were not just annual reviews. It started out as quarterly programs, but that was before...

Q: Reviews in Paris...?

GULICK: Well, in Paris and then again in Washington. We went over all the figures. It was a lot of work.

Q: Was there some effort to get the Europeans to do their own analysis?

GULICK: Oh yes, all this came together to the OECD, which was European and they came up with something and our people in Paris, of course, worked with them, and then it came to us, but Paris was the center.

Q: Was there a collective European presentation in effect? Was that required?

GULICK: Yes, the countries presented it directly too; but the Europeans reviewed the presentations in the first place; there was a lot of interaction, so when a country's presentation finally came to us it was not what they had originally started out with. Then came overall recommendations from the OECD to them. A major aspect was to take account of Inter European Payments Plan. That produced real effects quite aside from the overall levels of aid, affecting who got the dollars and who had to make reciprocal contributions to each other. The Turks were major beneficiaries of that. A lot of the aid dollars that went to European countries ended up being aid to Turkey through the drawing rights, which they were awarded.

Q: You were going to Paris and you went to these meetings. What were most of these issues about?

GULICK: Well, I remember the first meeting I went to in Paris from Ireland was a Mission Directors meeting and there each country's Mission Director was called on to comment or review the situation in his country and what were the priorities. I remember, in particular, the man who came from Portugal at that time was saying how terrible their situation was, which was a surprise to everybody because they hadn't been badly affected by the war. For

some reason for several years the herring weren't running properly and so he went through all of their problems and he says, "What's to be done?" and he says, "Well, those damn herrings have got to run!" To some extent there was some of that sort of thing, but it was always something different.

I would say that probably the most important ones, certainly the Intra-European Payments Plans, were very important. There were a lot of complications. Talking about either the mechanism and how it would work in each country or the figures: who needed what from whom and so on. There was a lot of serious work on that. In some countries getting their agriculture going was pretty important and we did contribute quite a bit and more than just money. I don't know too much about that in other countries except Turkey and Ireland. Ireland..., well we used quite a bit of counterpart for a major contribution to the liming program, which I think was very successful.

Q: As I understand it there was a massive accumulation of counterpart funds which we still controlled or that hadn't been used.

GULICK: Yes. The grant aid, of course the grant aid declined rapidly after the first years and certainly did in Ireland-it may not have as much in some other countries-so we got less counterpart in mostly loans in the last couple of years in Ireland. Meanwhile, we had plenty to do, anything we could usefully do. In Turkey, I mentioned the Starch mission and there was quite a lot of support for agricultural programs. So I think agriculture was a fairly important. Maybe the most important overall-which we didn't have much of in Ireland-was trying to stimulate and encourage and assist something about restructuring and change in attitudes on industrial management and organization. I don't know too much about that really. In Britain we had the Anglo-American Productivity Council, which was a very high level industrial group and lots of trips back and forth and I'm sure it had an impact. It's pretty hard to put your finger on it and say, "What wouldn't have happened, if we hadn't done that?" But the general push of course was to encourage more openness, more competition, more efficiency. I'm sure it had some effect, maybe quite a lot of effect. I've heard arguments even recently from someone who thought that that was terribly important.

Q: Did you had any connection with Paul Hoffman or any English leaders?

GULICK: Not much. He came to Ireland once when we were there. I remember we had a big dinner, but we weren't twisting their arms on much. They were very oriented towards liberalization and free trade, because it could be very much in their interest and they knew it and had very limited industry to protect and a very limited market. So if they were going to develop industry, it would have to be probably, mostly in the export market.

Q: What kind of impression did people have looking at Paul Hoffman and his government?

GULICK: Oh, stiff. I remember when he came to Ireland, the Finance Minister had a big dinner for him-maybe his Prime Minister-anyway the Finance Minister gave his little

speech and said besides saying nice things about Mrs. Hoffman, he said, "You're always welcome. Someone who comes and is going to help us. Reminded of the old saying of the Greeks," -or was it the Romans- "...someone who feared the Greeks when they came bearing gifts, we are a hardier a lot!" He also said so many nice things about Mrs. Hoffman and how important her role was backing up her husband and strengthening his resolve, being helpful and so on. She finally got up and said, "You know, let me be clear that I'm his wife, not his mother!"

Q: Where was the State Department in all of this about this agreement?

GULICK: Oh, well I don't remember anything except benign interest from the State Department in the Marshall Plan period, except-I mean on the country, on Ireland. On Turkey I worked very closely with the State Department Desk and I don't remember any problems. They were just encouraging us and they supported the appropriations, of course, very effectively. We had good relations with the Embassy in Ireland. We had our offices initially in the Embassy, and then we moved into a separate building right nearby -well, not quite so nearby-but we always had close relations. The Embassy was not strongly staffed on the economic side. There weren't any real economists there, so they used to look to us for help when they had an economic report of some sort, or an agricultural report or anything like that. I remember one young man, he reported to the embassy and he had to do a report on some economic subject. So he came over to pick our brains and we got to talking. What he had been doing before. Well, he had been in Germany in the occupation working at some provincial office tying in with the local provincial government, and he "specialized in political and economical affairs." So they needed quite a bit of feeding at least of what they were doing; but no problems. We had very close social relations, because it was a small enough American group so that we all went to each other's parties.

Q: Well then after Turkey you moved on to...?

GULICK: Oh Spain. About then, let's see, we had combined with the TCA (Point 4) when Stassen took over Foreign Operations Administration, and that was in '53 after Eisenhower was elected. I was getting interested in South Asia at this point.

Assignment in Washington with the South Asia Division-1956

Q: Why was that?

GULICK: Just got interested, no special reason. I have some missionary antecedents and so forth, although not particularly in South Asia. I particularly got interested in the - I guess I had always been impressed with Gandhi, non-violence, etc. and the world's biggest democracy and so forth, and he seemed like an important, constructive leader in the world. Anyway, I got interested in India, so I began to explore moving over into India. In '56, I guess, I got an opportunity to do so, and switched over into the South Asia -actually I was India Desk Officer and Deputy Chief of the South Asian Division, which at that time included: Afghanistan, Nepal, Pakistan, India and Sri Lanka. The head of the division was

Nelson, who had come back from being the US member of the Iraq Water Resources Board, which had been a TCA operation in Iraq. This was just after the take over in Iraq, when Saddam had taken over, murdered and exiled the previous government, and abolished this organization which had a US chairman of the board. So he wasn't interested at all, he was just waiting to retire, so I really became the Division Chief. I had some excellent people in my office.

Q: What was the major part of the work?

GULICK: Well, of course, we had different sorts of programs; but they had all started out as TCA programs. The first big thing that happened after I had started working on this area was that the Indians had run out of money. They had been coasting along on sterling balances left over from the war. They had accumulated very large sterling balances, because during the war they kept shipping things to England but couldn't buy anything. So they piled up huge sterling balances. For the first 5-year plan, '51 to '56, they hardly made a dent in these balances, even though they were spending vigorously; but then it began to catch up with them. (I'm a little confused on the timing here.) I started working in India in the fall of '56, and by '57 into '57, it began to be clear that they were going to run out of sterling balances; that we were going to have very serious foreign payments problems. I got into that right away, and it was a matter of general interest in Washington: the State Department was interested, the Treasury Department was interested and the White House was interested, and Congress was interested. There was a lot of figuring out what could be done more than the big technical assistance - they had a huge technical assistance program under Point 4; but not financial aid. There was a lot of work done all over and pulled together on how one could give substantial financial aid to India. All kinds of approaches were combined: EX-IM, PL 480 and the DLF. DLF came along about then.

Q: Development Loan Fund?

GULICK: Yes. So I was mostly working with South Asia Division people on various bits and pieces of the India program.

Q: Were you analyzing Indian's balance of payments?

GULICK: Yes, Indian balance of payments, which we hadn't done much of, if any, before.

Q: Were there any negotiations with the Indian Government on policy?

GULICK: Al White was my India Desk Officer and I remember he and I worked for months (Now when was this? Timing is bad in my memory, it must have been about then) trying to get a cable out to the Mission and Embassy, really not telling them, to start telling the Indians what to do; but asking for some kind of assessment of the Indian's policies that might have something to do with balance of payments and other needs that they seemed to have. It took us all year to get anything out, and when it did get out it was so watered down. We were not engaged in influencing Indian policy. Overall, we were very much involved in

all kinds of things on the technical assistance level, of course, and the most important were the agricultural universities and extension work. I worked closely with the Ford foundation on a lot of things like that. The Ford Foundation had a big program in India, and they were very much involved in community development and agricultural demonstrations and technical assistance. Our big contribution was to finance, I think, five US agricultural universities working with the Indians to set up agricultural universities in India. That went on for quite a few years. We contributed some money to them; but mostly it was the technical assistance, and that was quite successful. We had all kinds of other technical assistance.

Q: But this issue about getting a cable out, was that because there were technical differences or policy differences?

GULICK: There was reluctance to rock the boat and intervene, and it was mainly political considerations.

Q: To pressure the Indian government on policy issues?

GULICK: Yes. I think there was a legitimate feeling that there was a danger that we would get way out in left field and have a negative backlash, if we seemed to be too anti-socialist. See, at this time the Indians had bought the Mahalanobis Plan to start out by developing heavy industry in the public sector, machines to make machines; then you wouldn't have to import all these machines. You would make the machines, so you could make practically everything, so you wouldn't have to import anything else. A sort of superficially attractive theory that got Nehru pretty much down that alley and it was pretty ideologically sensitive. A lot of our people would have liked to be much more aggressive than certainly I wanted to be. On the other hand, it was also true that the related controls and price manipulation and so forth were inhibiting private sector growth which could have been much more effective, and on the agricultural front it was getting to be; they were depressing local farm prices in order to keep food costs down; resulting in not very vigorous expansion of production and rising needs for imports, which were getting beyond what could reasonably be sustained. So there are reasons for-there were plenty of Indians who were saying so to-extensively overhauling their control program and probably shifting the major focus from this model. At least at first, we were being very cautious on this. There were continuing problems of this sort all the time I worked on India.

Q: Because the message that you were working on was...?

GULICK: We were just asking questions trying to get us some analysis of what the effects of some of these things were. I guess the State Department was feeling already, and we did to some extent, pressure from really extreme anti-socialist business groups and so on to not do anything for India, because India was socialist and practically communist and so on. I remember when Bunker was sent over as -and we had some people in AID who weren't too far from that too from the industry and people from outside. Ambassador Bunker came over to AID for our briefing and we had a fellow from the AMA, who was the head of our

Industry Division-can't remember his name-who began to hold forth about the evils of the Indian industrial policy. And you know they didn't know it well enough to be reasonably selective and judicious, and I remember Bunker sort of brushing it aside and saying, "Oh, I don't think any of us believe that anymore."

Q: In reference to what?

GULICK: Some of these rather extreme anti-public sector views; but there were such views around, and I'm sure that that was what the State Department was sensitive to.

Q: Were there some issues on PL 480?

GULICK: Yes, let me see now on the timing on that. I missed the most interesting two years on that, which were the mid '60s, because I went to the War College '62/'63, and then I was back, not working on India, in Hollis Chenery's (AID's chief economist) office after that. That was when Johnson had the short tether and Freeman (the White House Coordinator for Food Assistance) was very active. They were really using PL 480 as a major instrument for encouraging better policies in agriculture. I wasn't much involved in that. I learned about it ...

Q: Anything else on the Indian experience at this point?

Views on the Afghanistan program

GULICK: Oh well, endless things. Let me talk a little about the rest of South Asia. At that time in Afghanistan, we had quite an active program, and the Russians also had an active program. Some of the Europeans, Germany in particular, they had some kind of long standing ties with Afghanistan, so the Germans were fairly active. Our activity was-we got drawn into the Helmand Valley program, which was something that the Afghans and Morrison Knudsen had cooked up. The Afghans too had sterling balances when the war ended for the same reason as India's; but they decided, I guess, with some help from perhaps from Morrison Knudsen, that what they needed was a big irrigation development down in the lower Helmand River. So they started off on that with their own money. Well, they built two good size dams and started some canals and so forth, and then of course they ran out of money. Then Morrison Knudsen got the Export/Import Bank to put in - I don't know, it probably was \$20,000,000 or something like that. It wasn't really enormous, but it was still a lot of money for Afghanistan. Nevertheless, they were running out of money again. Meanwhile, we had been active in technical assistance under Point 4 there; but the Afghans began to come to us for Development Loan Funds to finish it. That was a major focus of concern in Afghanistan while I was working on Afghanistan. I think we did finally-the whole thing was misconceived because no one had done adequate studies of the soil conditions and so forth. Maybe also to some extent of the social and economic conditions in the valley. The soil conditions were most obvious. They started irrigating: a) the canals wouldn't hold water, and b) when you did get the water out onto the fields, it promptly salinated. There was no drainage and no percolation.

Q: Why was there this lack of understanding? They had a lot of experience in irrigation prior to that.

GULICK: I don't know. Of course the Ex/Im Bank it was really no question that it was Morrison Knudsen's fault. They saw the money and grabbed it and painted a beautiful picture of the desert flowering and didn't do the work they should have done before they started. So that was that. We also had a pretty important program in teacher training, and that went quite well. There were a few problems, but I don't think that really came to much; possible potential problems of proselytizing, because we had some American university groups which included some fairly evangelistic types, who were interested in the Afghanistan affair.

Q: That was kind of a controversy then?

GULICK: It never really became one. There were some rumblings, but they were controlled pretty well; except maybe one or two cases they had to move people out. They were quite successful programs.

Q: Any interaction with the Russians at all?

GULICK: No interaction. Mutual interest, I think. The Russians paved the streets. There was a lot of feeling that they were doing more spectacular things and getting more credit than we were. They paved the streets of Kabul, which if the streets had lasted more than a couple of years would have been a very big improvement. They built a big bakery, bread bakery, which I guess worked pretty well. But not much, no interaction really. There projects did help the feeling, to some extent on the Hill, that we weren't doing things that were exciting enough, dramatic enough to compete with the Russians.

Q: What was the basic theme of what we were trying to do?

GULICK: Education mainly. It started out education, then we got into these other things. One of the things we got into which started out with advising the Afghan airline-we had a Pan American team training and assisting the Afghan airline to staff itself and get organized. That led to the bright idea of building Kandahar airport into a major crossroads of international air travel. The Pan American guy used to glow when he told us about how it's just here between Tokyo and some place and Australia and L.A. and so on. All the world's air traffic was going to concentrate there like a great commercial and tourist center and so on. We wrestled with that, but we never did that. An other interesting thing that came up in the Afghan/Pakistan context was: there was a fund in the aid appropriation for regional projects, that was supposed to contribute to improve and intensify the economic relations between Asian countries. So we evolved a project-I don't remember where it came from originally-to improve transit arrangements through Pakistan. Some help to the Pakistan railroad, a little mostly rolling stock and some strengthening of the line up to Quetta and also up to the border at the Khyber pass, and also an agreement between

Pakistan and Afghanistan for improving the customs free and the lack of Pakistan obstacles to the traffic going through. The cobble Kabul-Kandahar road, that was the biggest single piece of it and was also improvement in the road up through the Khyber pass, but the Kabul-Kandahar road was the most important part. This involved a transit agreement and so the Embassy had to help on that, and there was quite a lot of work on that as well as on the technical aspect. The technical aspects weren't really very complicated.

Q: What were the main issues?

GULICK: Well, you know. To get thoroughly set on procedures and everything so that there was no Pakistan administrative, customs, etc. obstacles to free movement of the goods that were coming in at the port of Karachi and going either up the railroad all the way to the Khyber pass or up to Quetta and across the border without any obstacles. Actually Pakistanis were not too enthusiastic at first. They decided it was a good thing from their standpoint, quite aside from anything they got out of it in terms of this railroad stuff. The Afghans, of course, knew it was a good thing for them and they got this road out of it, which they had wanted to do anyway; but getting them to actually agree on actual language that the Paks could accept and proved to be very tortuous. We had to round up the Afghan legislature from the steps of Central Asia to come in to ratify it. There was some kind of deadline as a result of the appropriation language, so that was quite an interesting operation. As far as I know reasonably successful. The road was certainly very useful and a good project by itself.

Q: Did you have any dealings with the Afghans?

GULICK: Yes some.

Q: What was your impression?

GULICK: They were very diverse. The ones we dealt with, of course, were mostly ones who spoke English, and many of them had been trained in the United States. The one that I got best acquainted with was Doctor Kayum, who came to the States, I guess we sent him, to study education at the University of Illinois. He had an American wife and he went back expecting to be maybe some kind of Dean or something of the Department of Education at the University of Kabul. He got there and cooled his heels for a while. Mr. Daud was running the country at the time, he was the king's nephew or something like that-maybe he was actually king. So he waited around the university and they said, "Well wait, Mr Daud wants to talk to you," and so after a couple of weeks finally he was summoned and went to see Mr Daud and ended being appointed Head of the Helmand Valley Authority and some kind of provincial dignitary of that province, because Daud had decided he needed someone who knew the Americans to deal with Morrison Knudsen and with the American officials. Anyway, I got to know him pretty well. Another Afghan with an American wife was running the airline and I got somewhat acquainted with him. Those were the main ones.

Q: They were reasonably professional?

GULICK: Oh yes, they were capable. Oh, I also met the fellow who was the planning guy at the time. He was a sad case, because he was totally frustrated, nobody paid attention to him and he was probably an alcoholic and gradually deteriorating. He was also, at least, one with American connections. Someone I knew who had been USAID's Washington Division Chief-I can't remember his name. He had gone over to work with the Planning Commission and the Industry Ministry. I think, after he retired from USAID, he became a consultant, and he reported that this chap had gone to pieces pretty badly.

The program in Ceylon (Sri Lanka)

Q: What about other countries?

GULICK: In Ceylon, I guess. The Ceylon program was just starting. Jim Grant had just gotten back from his survey mission and had been named to go out and be our Mission Director there, when I started working on South Asia. He had a number of interesting projects, I don't remember anything special about them: one of them was feeding school children, one was malaria control. The malaria control program for Sri Lanka was kind of an extreme case of what happened, I guess, more widely. Initially, it was extremely successful, practically eliminated malaria; maybe just a few cases a year, and then it went all to pot.

Q: Went to pot?

GULICK: Yes, it reverted. Same thing happened to India although much less extreme.

Q: Why was that?

GULICK: I'm not sure exactly. I guess to some extent it was a question of mosquitoes getting resistant to DDT and maybe somewhat more hesitance or inability to keep up the spraying as intensively as was necessary. It wasn't going back to the way it was, but it was still a very serious problem. That was a new program. The other thing he had was the school feeding program...

Q: Then Grant was the Mission Director?

GULICK: Yes, he was our first Mission Director. He had been the Legal Advisor for South Asia stationed in Delhi, and when they decided they wanted to start working with Ceylon he was head of a survey team that went out and worked up with the Ceylonese some things to do, and then went back to do them. Very sensible procedure. He was a ball of fire if he was your Legal Advisor. What he used to do from Delhi was-of course, he had plenty of work in India more or less normal legal advisor work-but he would go to Kabul and Karachi and Kathmandu. There we had missions which were, I guess, all about the same; they were County agents, who had been sent out to do technical assistance work, and

became Mission Directors. This notion of program/documents/ justifications and so on and agreements was Greek to them, so Jim would go when they were ready and late in the fiscal year, and they would agree on what they wanted to do. He would go and negotiate all the agreements and write them and get all the project agreements written up and signed in a couple of weeks when he went up there. Of course, he had a lot to do with what was in them. I don't know what they would have done without him in Nepal. The program in Pakistan didn't start out that way, but they had been switched to a sort of an AID program, including a substantial grant, not just the DLF because of the military business.

Assistant Director for Program in Pakistan

The Defense Department wanted bases in Karachi and up country in Pakistan and so we had a substantial money program there before we did in India.

Q: Economic assistance?

GULICK: Yes, as well as some DLF loans. It turned into quite a big program. We had lots of agricultural technical assistance, of course, and some small industry technical assistance and then some major work on the irrigation and water control. And there was this regional project which did something about the railroads. We didn't do too much on roads.

Q: Was this the beginning of the program?

GULICK: No, no, it had been going on as a Point 4 program before FOA was set up. I didn't start until '56, but...

Q: The main thrust then was...

GULICK: Well, there were these major projects. Of course, at that time East Pakistan was part of Pakistan and we had a huge project there. The Karnaphuli dam-there was a lot of other money in there too, World Bank money, power and irrigation, mostly power dam in Karnaphuli. By the time I started working one of the big problems was - what was it called? There was a big canal pumping irrigation project on the Brahmaputra River and the Ganges, below where they combine. That had been started by the Pakistanis on their own on the basis of the recommendations of a Dutch guy from the UN. We got into it. We agreed to finance the pumps for this project and they were coming from Japan. About the time that I started working, Jack Bell came back. He had been the Economic Minister in Karachi, and came back to be our Assistant Administrator for the Near East and South Asia. He came in about the same time I started working on South Asia. The pumps had been built under some special program, but I forget what it was, some special money. That was some years before, and we had been committed to this as part of an international program that we didn't really study as a project. We just bought the pumps. About the time Bell arrived, the Japanese announced that the pumps were ready and that they were going to ship them. Then, our people discovered that nothing much else had happened; in particular no pump house. The canals had been started, but they were no where near ready. So we got

all excited about that, sent out a team to study the problem, and the team came back absolutely flabbergasted. They picked up a fellow who worked on water projects and he had never seen anything like this. Each one of these pumps would pump enough water on the average to pump the Potomac River. There were three of them, and the place where they had to build the pump house was on a sea of mud 1,500 feet deep. The river, where they had to pump it out of, would change course by several miles every year and get hundreds of feet deeper and shallower seasonally.

Q: Did it ever happen?

GULICK: Well, eventually it got partly finished. I think the pumps were actually used, but it took a long time and a lot of agony getting to that point. The pumps were fine, but nothing else had worked. The Karnaphuli dam, as far as I know, went reasonably smoothly; except that there were a lot of problems on resettling. People who were displaced by the reservoir. Not that there were very many of them, but it was kind of acute.

Q: Anything else on Pakistan? You were in Pakistan later on?

GULICK: Yes. I worked on South Asia from Washington from '56 to '59 and then from '59 to '61 I was in Karachi. It was an ideal time to be there, because it was late '58. Ayub took over the government which had been floundering and unpopular under General Mirza. There was nothing really wrong with him exactly, but he just didn't cut it. So when Ayub took over it was universally welcomed. It was a coup really, but there was no opposition and he was very popular. He was also very well oriented; he had a Harvard group advising him on planning, which was a very good one. David Bell was the head of it from fairly early on and later they had some other good leaders. We had excellent relations with them, of course, so it was a good time. Everything we tried to do worked pretty well. By the time we were there for two years-when I left '61, there were already some rising dissatisfaction with the Ayub regime, but most of the time there it was very amicable situation.

Q: What were you working on mostly?

GULICK: We had a substantial commodity import program which I was very much involved in. Figuring out justifications for what we thought they needed. We had an active agriculture program, an active health program, an active education program. I don't remember anything terribly distinctive about them. We tried to get some community development program going. They were behind the Indians on that. The Ford Foundation was stimulating them in that direction.

Q: What were the main efforts of the Harvard group? Were you working with them on policy areas?

GULICK: Yes, they were supporting the Planning Commission. They had a good group in the Planning Commission. It was pretty general. I remember toward the end of the time I was there the new Ford Foundation man had taken over, Dick Gilbert, and he thought they

were being much too cautious in development programming. They should be charging ahead much more; make a case for a much bigger aid program and so on, and I was rather skeptical about that. I would have been happy to have their aid a little higher, but I thought they were probably going about it as fast as they could with their manpower and institutions. So we had a small issue with the Ford Foundation on that.

Q: And your position was?

GULICK: I was Assistant Director for Development Policy or whatever you call it. I had the program office essentially. I worked quite a lot with the Chief Controller Imports and Exports on import policy and allocations. We were trying to get them to liberalize quite a bit, particularly for spare parts imports. I remember we actually earmarked some money to liberalize imports of agricultural equipment and spare parts. That may have been the most important of that sort of issues that I got into very much. It worked pretty well I think. I don't remember too many commodity issues that we had with them except questions like 'how much?'

Q: That pretty well completes the discussion of Pakistan for the moment. We'll come back to that, and now we move as you said to Washington. Is that right?

Reassignment to the Asia Bureau in Washington - 1961

GULICK: Yes. I went back - I think I may have said this already - and moved into the program job in Near East/South Asia office in Washington. This was in 1961. I was in Pakistan from '59 to '61.

Q: So you there just at the beginning of the formation of USAID?

GULICK: Yes. Of course that was interesting.

Q: What was the image you had of the ideas of USAID at that point? What were people trying to do?

GULICK: Well, I was all for the general orientation of the program. As a result of the major study that drew Max Milikan and various other people to the administration. I also was long enough in that job to begin to get fed up with the annual big new idea phenomenon that seemed to beset us from then on. Practically every year there would be some new earth shaking discovery. I remember one year in particular it was nutrition; we revolutionized the world by stepping their apparent nutrition efforts. It was always something. That first year the watchword was "turn-around." I remember one meeting of the country program officers who came in for their orientation; I remember Alex Lachman in particular. He gave a sort of tongue and cheek response to the - "Look, turn around!"

Q: What was his position?

GULICK: He was in Turkey, the Turkey Program Officer.

I was there one year in that job and then I went to War College.

Q: What did you have to do in that year, what was your...?

GULICK: We were pulling together for the regional bureau the programs and particularly congressional presentation for that year. It was the new format and very new legislation that we needed to deal with. There was quite a bit of increased emphasis on long term planning. The Long Range Assistance Strategy (LAS) was one of the tools that was advanced by the new administration.

What was the idea behind that?

GULICK: Look ahead five years roughly and develop a plan for where we thought the country was going, and how we could make the most effective contribution to that. It was, in effect, a practical concept that would make it possible to make commitments of assistance over a longer period.

Q: A five year commitment?

GULICK: Yes.

Q: That's quite unusual.

GULICK: Yes, it was unusual and it didn't really happen very often, but there were a few cases I believe.

Q: Were there any in the Middle East area where you were?

GULICK: I don't really remember getting to that point or anything. We had a number of LASs - maybe I'm a little ahead of myself on this. I know I was involved when I was working later for Hollis Chenery; we went out to consult with several missions on LAS initiatives. I guess it really started then.

Q: You said you were only there one year and you went of to War College.

GULICK: When I came back from the War College...

Q: How did you find the War College program?

GULICK: I thought it was quite good. I would have actually welcomed a little more. The military content, the defense; there was very little of that. It was almost entirely international affairs and international economic relations and world situations, mainly

designed quite properly to give the military people- three quarters of the students were military-a broader world outlook, for those who were about to move up.

Q: Was it useful for your own...?

GULICK: I found it pretty useful. Quite a lot on political and historical areas where we didn't have programs particularly and where economic aid wasn't much involved.

Q: Did you have to write a paper?

GULICK: Yes. I wrote a paper on customs unions with Canada.

Q: Customs unions in Canada?

GULICK: Yes, way ahead of our time. At that time, I guess, the automobile tax unification had just been completed so there was just an interest at that point in possible customs unification.

Q: How did you get that subject?

GULICK: It was a subject that I was interested in, and I was generally interested in trade policy although I hadn't really studied it much in graduate school, except incidentally in theory and so on. I knew it was important in the Marshall Plan. There was a major emphasis on supporting the Intra European Payments Plan. Quite a few aspects of the Marshall Plan were designed to support reduction of tariff barriers and increased intra-country trade. I was abstractly/philosophically convinced that it is important for most countries to exploit comparative advantages as much as possible.

Q: Did you travel?

GULICK: Yes, I originally signed up for the Europe trip. The class was divided into groups to take a fairly long spring trip, three weeks or so, in different regions. I signed up for the Europe trip hoping especially I'd get a look at Russia. The Spring trip came along in '63, but, of course, what happened was, the fall of '62 was when the Cuban missile crisis came off. There was quite a lot of tension and as I believe I remember hearing, the State Department didn't dare ask the Russians whether we could come until it was so late that they didn't have time to answer. These things take time. So Russia was scratched and we went to Yugoslavia instead, but that was also quite interesting. It was a very interesting trip. We got briefed by very senior people in all the major countries. Lord Mountbatten in England... he was sort of semi-political and we met very top military people in each country.

Q: Any particular issues that people were emphasizing at that time?

GULICK: No, first the cold war was still very much on and the NATO collaboration was high priority in everybody's mind. Everybody wanted to reassure us and encourage us to continue to participate actively. I don't remember anything very radical; I do remember the stay in Yugoslavia was rather interesting. Of course, they had a little different slant.

Q: What was your impression of Yugoslavia at that time?

GULICK: Well, I certainly wouldn't have gotten any inkling that there was anything cooking like what has been going on there lately, but I guess that was because it was under the surface. It seemed pretty orderly and the best impression that we could get was that the regime was quite popular and certainly firmly in control, which was, I guess, true. They are obviously poorer than most of the European countries, but they seemed to be making some progress.

Q: Were you aware of whether there was a technical assistance program going on at that time?

GULICK: I don't believe so. If so we sure didn't get much exposure to it. I knew there was one earlier. My wife had visited there and did an evaluation of some aspects of the Agricultural Program out of Stassen's Evaluation and Research Office when Jim Killen was Mission Director there

Q: And then after you ended the War College?

New role heading development policy planning

GULICK: Then I became the head of the Development Policy Division or the Development Planning Division or something like that of Hollis Chenery's office; the central Assistant Director for Development Policy for the agency. We prepared the overall material for congressional presentations and for annual guidelines and so forth. He was the secretary for the Development Advisory Committee. Rather interesting, we had a very well qualified and competent...

Q: An advisory team for the agency?

GULICK: For the agency. Ed Mason was the chairman. Max Milikan was on it for a while. There were five of them, but I can't remember all of them.

Q: What were they mainly discussing?

GULICK: To some extent they generated their own agenda. We always had some things we wanted to try out on them and seek their guidance. One of the main things that I remember was an issue within the agency, I think, Dave Bell was wrestling with, was particularly on India and to some extent on other countries. This was a question of trying to develop a case for, and generate resources for, a big push approach to development. I think really India

was the case that people mainly had in mind when they talked about that. Of course, the size of the problem there and the amount of money that was involved in what might have been relatively modest adjustments in other programs got to be important. So we had a lot of presentations by people who had been there. The Indians were in the throes of producing with the World Bank a major multi-volume set of studies of policies, plans, and programs to be tied in with their next five year plan. The World Bank was trying to organize the India Consortium to study and endorse India's plans and to seek understandings at least, if not commitments, of the need for increased levels of aid..

Q: What were the main features of the big push?

GULICK: Well, it would have involved more aid, stepped up investments in all kinds of fields: in particularly agriculture, infrastructure, irrigation and health and education. Sort of a general significant increase in their effort.

Q: This was a multi-donor deal?

GULICK: Yes, the intention was that it would be a multi-donor approach.

Q: What happened to the idea?

GULICK: Well, I say the discussions within AID were somewhat inconclusive; but we did go in for fairly major increases in help, and we did participate in what turned out to be the so called 'Bell-Mehta agreement' (Mehta maybe, I'm not sure.)

Q: Were there conditions on policy, reform conditions?

GULICK: Yes, lots of them.

Q: What were the main ones? Do you remember?

GULICK: Mainly a degree of liberalization, quite an extensive degree of liberalization and particularly in agriculture: agricultural pricing, agricultural markets, all things that the Indians had announced they wanted to do, but this was trying to firm up their commitment to do it and provide the support that was agreed they might need if they were to go this route.

Q: Were there other topics at the advisory group?

GULICK: Oh, yes. I remember we had so many evaluations of technical assistance. Jack Ohly had been functioning for some time by then and had accumulated quite a volume of studies and had come out with a fairly substantial report, as I recall, of his own. He was set up as sort of the Evaluation Office within AID some years before. I guess that was right from the start of AID.

Q: I think he was a head of policy for a while in the pre-USAID time.

GULICK: That's right. He used to be Mr. Next year, while Dr. Fitzgerald was Mr. This year.

Q: And then I think Jack Ohly retired from that function, he went on to do this interviewing people from the field. I don't know what happened to all those records.

GULICK: My recollection is: very little happened to them, but there was this one report on technical assistance, which I think they produced. It was intended to, and did present pretty clear conclusions that 'not the one shoe fits all'; there were different types of projects.

Q: Do you remember any other of the major conclusions?

GULICK: Well, I remember the main one was don't be in too much of a hurry on major institution building projects. That was the main conclusion. Expect to go in there and work with them for a period of time. I think Ohly in summarizing said, "in 10 years"... but he generally thought you should be thinking relatively more rather than relatively less time for at least that sort of project. That was probably the most substantial general conclusion that he was pushing. The Advisory Committee - of course many of them had been involved one way or another in institution building activities - generally endorsed that.

Q: Do you remember what year this report might have come out?

GULICK: Well it must have been just about that year, which would have been '63. It might have come out in '62, no I think it must have been '63, because I was involved there for almost two years. Another subject I remember, which was both one that we worked on in my little office and in Hollis' office, and then it was discussed by the Advisory Committee; it was the question of conditioning aid, should you condition aid on activities/policies program decisions/ priorities and so forth in the country. We generally concluded-not that you should do it every time you have a bit of aid, but it would often be appropriate to have an understanding on the terms of the actual project and how it was going to fit in. There were all kinds of conditioning. No one doubted that you should have the project carefully worked out and have the mutual responsibilities for conducting the project, that's conditioning in a sense. Beyond that relevant policies in the sector in which the project was functioning, if they were likely to render the project ineffective. Then, of course, you go on to more broad fiscal policy and so on. There was more doubt about that. Certainly the Advisory Committee agreed that, if broad policies were not likely to result in progress, that the country was trying to achieve and would achieve if you gave it large amounts of aid, that you couldn't ignore that. I remember John Lewis...

Q: He was the Director in India at that time?

GULICK: Not yet. He was still in the Council of Economic Advisors at this point.

Q: But he was on the Advisory...

GULICK: No, I'm just remembering ahead, because this subject kept coming up! He always liked the formula: where you don't have an agreement; but the country announces what it is going to do, then you announce how you're going to support it. That was articulated rather later...

Q: Were there other issues at all, you remember?

GULICK: I'm sure there were, but those are the ones I remember.

Q: Did you have other tasks in that department that you were working on?

GULICK: I mentioned that from time to time we would be asked to do a little analysis or maybe a more in-depth analysis of some particular problem. I remember a lot of times we were commenting on proposals being made by other people. We also helped develop policy guidelines for the regional bureaus and Missions for the annual program submission and program approvals and contributed to the overall congressional presentation documents.

Q: What was Hollis Chenery's main interest or agenda? What was he trying to do?

GULICK: He was interested in this long range assistance planning, and he was all for the Big Push. Eckons and others at MIT did an elaborate computer study of the model for India which - that was another thing the Advisory Committee looked at eventually.

Q: Hollis Chenery was very interested in computer model - econometric systems?

GULICK: Yes. I remember that study came up with a very strong conclusion to the effect that the original philosophy of the Indian five year plan, the Mahalanobis model, was wrong, and that they would be much better off not concentrating on highly capital intensive heavy industry. Also giving more scope for private enterprise and free markets, relatively free markets, and realistic exchange rates and trade liberalization and so forth. Generally very liberal in the old fashioned sense, and their model strongly supported this. I remember Hollis assembled a group of his specialists on this sort of thing to look it over and tell us what they thought of it. Then their comments plus the model went to the Advisory Committee, and they looked it over. Generally-I was a little surprised-there was quite a bit of skepticism over this model. I was sort of a convert to modeling at that point, I learned from these various comments. You can't possibly get into the model everything that affects what happens.

Q: What was your view of that whole approach of doing modeling?

GULICK: I was interested at the time. I had sort of toyed with it a little bit in Pakistan way back on a very crude basis. I was not a mathematician. It is interesting in attempting to sort of justify aid- not really justify but estimate the effects of aid-starting out in the Marshall Plan, several different sort of models seemed appropriate at different stages. The early

Marshall Plan days the dollar deficit must have been the short thing, the problem, the limitation. So you'd figure really very clearly that the initial dollar of aid would permit the increase of income and production, show it as a multiple of the percentage of the cost of the production that was imported. So you got very large multipliers for aid and I think that was probably right in the short run; but, then, when you get into a little longer run thinking that isn't really realistic anymore. The structure of the economy can adjust, and it really is more a question of savings and investment. That's quite a complicated forecast, because it depends so much on what's done within internal policy.

Q: How did you find Hollis to work with?

GULICK: Very good. I liked working for Hollis. He had his core convictions, but he was always open to any sort of analysis that seemed plausible, respectable and sophisticated from a technical economic standpoint.

Q: Did you have any dealings with David Bell at the time he was the Administrator then?

GULICK: Yes, quite a lot. He chaired the Advisory Committee always. Well, that's not quite true, we had a chairman, but when he was there which he usually was, he chaired. We worked with him quite a lot on the congressional presentation, the general parts of it; the broad approach and the overall justification argument and also on guidelines.

Q: What was David Bell's primary interest? What was he trying to promote?

GULICK: He was kind of eclectic. I remember he had-not that he didn't have some points of view. This was one of the reasons why we were focusing on India and the Big Push sort of thing. Once, he said that his attitude was that Latin America doesn't need the aid, Africa can't use it, so we can give it all to Asia. Asia really meant largely South Asia in those days, well that's not true. The Far East, Korea, was still getting large amounts of aid and so on. He was quite eclectic. I remember we came up with a first draft of the congressional presentation one year, and then we had a big meeting about it. Dave asked quite a lot of questions, other people asked questions and so on and when the meeting ended Dave said: "Well, it's a start." He thought we had lots more work to do!

Q: But did he have any particular development policy interests or approach?

GULICK: Very broad. He was interested in the financial side; the savings investment sort of consideration. He was interested in technical assistance. He learned a lot about the India program in particular.

Q: Any particular sector?

GULICK: Well, I think he agreed with most of us that the agriculture sector was one where we ought to be able to contribute, and that the agricultural universities were a key, almost

essential. The Ford Foundation had a huge program in India and he was not unfamiliar with that and wanted to make sure that that was supported.

Q: But this interest in agriculture was worldwide, not just India, right?

GULICK: Right.

Now I haven't mentioned, I guess that came earlier, one of the major issues on India, that became rather awkward was the big steel plant. Let me get my timing straight on this, I guess it was while I was still head of the South Asia Division before I went to Pakistan. The issue that came up was whether we should support a major steel plant. The Indians had built three big public sector steel plants. There was one big private sector plant, which was the oldest one, and they built three more big ones. The Russians had helped them with those. I don't know who's idea it was, whether it was their's or maybe some of our embassy people or the USAID mission or Ford Foundation. Anyway, we should help them build a big much better steel plant and planning got pretty far along for that. I don't think we were insisting that it would be in the private sector; but we were insisting that it be largely autonomous and have sort of semiprivate management. The plans were far advanced. USAID financed a lot of training, a major training program with the US steel companies for the prospective staff and management of this big steel plant, and a lot of the capital for it. DLF was to be involved, I think. This was a time for some reason when the Indians weren't terribly popular on the Hill, as often was the case and Congress put a provision in the USAID appropriation that we couldn't support-I don't think it said 'this particular plant'-but it said 'industrial things in the public sector over a certain size', which in effect cut it out. That was along about the same time the Aswan dam issue was floating around. So we had to back out of that, that was a rather bad show from the standpoint of relations with the Indians. They went ahead with it.

Q: Was this mainly a congressional attitude about India or was it a mainly a congressional attitude about major infrastructure?

GULICK: It was an important, specific thing that was discussed in this connection. As I say, I think they used general language, but what they had in mind was the India situation.

Q: You were in the development policy line. Any other aspects of that relationship for that whole operation of USAID policy?

GULICK: No, I don't think so.

Q: This was for what period?

GULICK: That would have been '63/'64/'65, two years in there.

Q: How did you happen to get onto that assignment?

GULICK: This is kind of a funny story. I was beginning to look for an overseas assignment, and I guess the agency thought I should be going overseas pretty soon anyway. Bob Mossler must have indicated some interest in me as a candidate for Nigeria, in fact I'm sure that's right. He was a Deputy Mission Director at the time. I was coming out to India and oh , that's an interesting thing.

Well, that's one thing I did while I was in Hollis's office. As part of the Indian long range assistance strategy (LAS), the Mission wanted to do a study on defense production because of the Chinese border squabble that the Indians had, where they realized that they might be at the mercy of the Chinese militarily, and we got more interested. We had stayed away from Indian defense support because of actual and potential India-Pakistan conflict over Kashmir. US attitude changed and we began to think in terms of providing some support for Indian defense production facilities. It was decided that we would do a study on how we might do so. Specifically it tied in, but was sort of separate from the long range assistance strategy, which was being worked on at the time. Colonel Jordan was a political scientist who was teaching at West Point. He and I worked on this report. So for a couple of months we were out there and developed a report and recommended transferring to India some ammunition factories which were in surplus. I don't really know why they were surplus, but they were. I think one of them was from the Boston Watertown Arsenal and moves were far advanced to actually transfer this equipment. It was to produce standard low tech munitions, not very advanced stuff.

Q: Who would finance defense/military...?

GULICK: Well, USAID wasn't going to finance it, the Defense Department would have provided this. We might have financed some equipment for some of it.

Q: That wasn't part of the AID program?

GULICK: No. Of course, they were getting balance of payment support by that time under the World Bank coordinated programs and that might have financed some of the equipment/supplies, I guess.

New assignment to Nigeria - 1965

Q: So then you went to take a position in Nigeria?

GULICK: Yes.

Q: And this was in 1965?

GULICK: Yes, from '65 to '67 I was in Nigeria.

Q: What was the main thrust of what you were doing there?

GULICK: What I remember about Nigeria most clearly, was the general deterioration of the political situation that was already starting by the time I got there. The first thing was the Western elections that came in-I guess it must have been the fall of '65. This led to the first coup in the following year when three of the strongest political leaders were executed.

Q: The Minister of Finance, Festus Okote Ibo...

GULICK: Yes, and Tafawa Balewa, the Prime Minister, and the Northerner.

Q: In January 1996?

GULICK: I think so. Then, of course, the military took over in January '66. Oil revenues were beginning to build up rapidly. That of course had started some years before, but really became major. Intertribal, interregional hostility built up rapidly. In the second coup, Gowon took over from the Ibo, Ironsi at the center. I guess that was at the time of the Northern massacres. Finally, Ojukwu took over in the East, and led the split, the secession and Civil War. So all this was happening while we were continuing very interesting programs.

Q: Who was the Director then?

GULICK: Well, Bob Mossler was the Acting Director for most of the time I was there. Then Don McDonald came out to be Director. Just about when he got his feet on the ground he got jerked off to Vietnam, and then Mike Adler came and took over. Mossler left and I was serving as Acting Deputy for the last few months that I stayed there. So the war was underway and we began to close up the program.

Q: To close up the whole program, or were there only parts of it or what?

GULICK: We closed up the whole program in the East. Quite a lot of it was there: the Michigan State University team at the University of Nigeria in Nsukka, especially.

We were always pushing to Nigerianize everything. In practical terms that meant 'ibo-izing' them, because they were the ones who were qualified. The second coup and the massacres in the North halted that. I don't know that we really contributed to Northern resentment; but we surely were not very sensitive to what was happening in terms of Northern attitudes. I'm saying 'we' meaning the Embassy generally.

Q: Were there any major development activities carried out and accomplished in that period at all?

GULICK: I remember there weren't very many new activities. Most of the program was following on from what was already under way. There were several new things sort of cooking, but not much became of them before the end. They were talking in terms of setting up a new university in Lagos. Dr. Biobaku, who came back from Kenya I guess, was to be

Vice Chancellor and a project in Public Administration training. We were already involved a bit in that earlier on, but we were increasing our support for that quite a bit up in Zaria.

Q: What was your impression of the main objective of the program in Nigeria?

GULICK: It was a pretty broad across the board sort of technical assistance program. Very large, as you know. We had nearly 500 people in technical assistance, probably more than half in agriculture. The huge Niger dam project, the World Bank was doing that. We did finance some interim smaller electric power expansion, which was very badly needed, waiting for the Niger dam to be completed. There were other initiatives in education. Of course the University of Nigeria Nsukka group was quite important and covered a range of fields.

Q: Nigeria was one of the countries selected for a long range assistance strategy (LAS).

GULICK: Yes. I don't really remember whether that really made much difference to us or not. Probably it did in terms of the funds.

Q: The basis was a \$225,000.000 commitment in '60/'61 for five years related to the concept of long range assistance strategies that you had worked on in Washington.

GULICK: Yes.

Q: That sort of faded away, I guess at the time...

GULICK: I think maybe - I'm trying to remember. I'm sure that we thought about that. Maybe it just got sort of bypassed, because we were going plenty fast to meet it. I'm not sure, I don't remember.

Q: Did you travel around the country much?

GULICK: A fair amount.

Q: What was your impression of the development situation in the country at that time?

GULICK: Well, there was a lot of ferment of activity. That was the impression I had-I remember when I came there from India, I thought, "My God, what a disorderly sort of ebullient economy we have here!" In India everything was orderly and rather slow, and everything seemed to be going madly in Nigeria. Probably partly owing to the oil, I guess. On the policy side, I'm not really sure how well founded this is but I had the impression that as long as Okote Ibo was there, Chief Festus, there may have been some corruption, probably was - the fiscal policy and the climate for private activity was really quite favorable. Things were certainly happening. After he left, things were much less flamboyant. I think they were deteriorating. The government was sticking it's fingers in

more things. There were still some good people working in the government, in the finance ministry.

Q: Did you have any direct dealings with them?

GULICK: Of course, we did on our own matters. We got fairly well acquainted with several of them in the finance ministry. Of course Ebong, Imi Ebong in the Ministry of Economic Planning was our formal contact most of the time; my formal contact anyway. Allison Ayida was next layer up in the Ministry of Finance.

Q: He was the Permanent Secretary of Finance, I think...

GULICK: Yes, well...no. Who was that? Abdul Atta, a big fellow-a Northerner with an Eastern wife.

Q: Was he the permanent secretary?

GULICK: Yes, I think so. Ayida was sort of an additional secretary or something like that? Anyway, he was a strong force. Even though he wasn't technically political, I think he had influence beyond his position. All those three were quite sophisticated and favorably oriented toward encouraging the private sector and so forth, I think. But the government increasingly under the military was trying to run things a little too much and lost track of their fiscal situation. They had these large revenues coming in from the oil-this was after I left-but it is perfectly clear they squandered those resources. Not only that; but they did it in a way that distorted the exchange rate and price structure.

Q: You were there just two years?

GULICK: Yes. As I say, we were preoccupied a lot at the time, particularly toward the end, with dealing with the beginning of the war.

Q: Were you caught up in any emergency operations at that time?

GULICK: Only a little bit with people coming out of the East. Our people in the East were terribly sympathetic with the Eastern cause; they couldn't understand why we were not doing more to assist them and protect them.

Q: Who was the ambassador at the time?

GULICK: Elbert Mathews. He was very good.

Q: Did you have any dealings with him?

GULICK: Sure. He was interested in the program, but not a meddler. He was always interested and wanted to be kept informed of what was going on.

Q: Do you remember anything in particular about the US policy towards Nigeria at that time?

GULICK: The big thing was us not taking sides exactly, but making no bones about the fact we were not supporting Biafran independence though we were sympathetic up to a point. But Ojukwu overplayed their hand badly. I don't know what he thought. He probably expected more international support.

Q: You finished up in Nigeria in what year?

GULICK: '67. I remember a lot of people were leaving, however we were still replacing them, so I guess we were planning to continue the program. I don't really know whether we ever did stop. I don't think we did, but I left in the late summer of '67 and I got to India in October of '67.

Assignment to India - 1967

Q: What was your assignment then?

GULICK: The same assignment; Assistant Director for Development Policy.

Q: So you went from Nigeria directly to India?

GULICK: Yes. In India the office consisted of the program office proper, which mostly worked on the technical assistance program, and an economic office which was fairly large as those went. I think we had four: say one and a half American economists and three or four Indian, quite good, economists in the economic office, and the little unit that ran the non-project loan commodity aid.

Q: And that was part of that office too?

GULICK: Yes, three pieces.

Q: You were in India how long?

GULICK: Oh, over five years; from '67 to '72.

Q: What was the main line of your efforts in India? What was the effort there, the policy? What were you trying to accomplish?

GULICK: We were generally pushing for - we were still functioning in the context of the consortium for aid to India. I should have mentioned that earlier, because I was very much involved in starting the consortium the '58/'59 period. We were following along with substantial DLF projects and commodity aid, fairly substantial amounts of commodity aid.

Of course PL 480 particularly, actually the couple of years before I got there was extremely large. The Indians had a severe drought for two years, I think '64/'65 and we had provided them with a great deal of grain enabling them to fend off a famine. Most of our 300 plus people were involved in the technical assistance program which again was pretty largely continuing with the emphasis was pretty well established before I got there. The biggest single activity was in agriculture; especially the agricultural universities. We helped set up by providing university teams to five new agricultural universities in India, which were a new phenomenon for them. We had a substantial team from five US universities working each one of them. Also in education we were helping, along with other people, with the establishment of one of the Indian technical universities. We had some agricultural teams working on research and training and demonstrations of improved practices in several areas. We also had a substantial non-project commodity import loan and a number of DLF capital projects, e.g., a cooperative fertilizer factory.

Q: When was the period of the new rice and Green Revolution?

GULICK: This was in process then, it had started before. The Ford Foundation had always had a very large agricultural technical assistance program there and we were working closely with that, actually supporting them. They had helped the Indians develop the program for rapid adoption of the new rice varieties.

Q: Were you involved in that?

GULICK: No, not directly very much, but, of course, the agricultural universities were supporting it, and the extension services and demonstration teams that we had fit right in with that.

Q: Was there any particular Mission view about the Green Revolution and it's potential or problems or issues?

GULICK: No, no, everybody was very enthusiastic about it. We were a little concerned that, some others were, about the equity and the small farmers and so forth; but it proved to be almost as quickly adopted by them as by the bigger farmers and was equally successful. We had a big capital projects program there, which was ongoing. There were a few major projects: we had a major fertilizer project which was, I guess, the first major fertilizer project done outside the public sector. It was in the cooperative sector.

Q: How did it work?

GULICK: Pretty well, as far as I know. I think it's still working. We got the American cooperatives to support it and an American company, which was very well regarded by all our technical people, who did the design and supervision and another American company to provide the major equipment. So it was very carefully planned and was effective. The nuclear power station that we helped finance was already functioning by the time I got there, but there were some continuing issues.

Q: That was working satisfactory?

GULICK: Reasonably well, Yes.

Q: You were there during the Johnson administration?

GULICK: Yes, the end of it.

Q: I raise this point, because I gather there was some issue of President Johnson and Indira Gandhi over PL 480 assistance that he held up.

GULICK: Yes, the issues on that were before my time.

Q: What were the issues on that?

GULICK: Well, it was also part of this whole business with the Bell-Mehta agreement, the World Bank led consortium, and the major commitment of continuous substantial aid to the current 5 year plan. It included: mainly the liberalization and raising the farmer's price of grain and reduction of the compulsory grain sales to the state and so on. And perhaps most important, the fertilizer: making available fertilizer, encouraging private distribution of fertilizer and encouraging private sector production of fertilizer. Also pushing hard on the small irrigation programs particularly in the Punjab and other areas. There were quite a lot of rather specific measures, but the ones that were controversial were the liberalization type ones. Johnson, really Orville Freeman, who was Secretary of Agriculture at that time, got Johnson excited about insisting on Indian performance on these things sort of month by month and releasing the food that they needed gradually in view of adequate performance in these various respects. It was probably pretty much resented by all of the Indians. Some mixed feelings though, because most of the people, the people above the purely bureaucratic level, agreed that these things should be done.

Q: I understand that Johnson held up the PL 480 agreement, which infuriated Indira Gandhi.

GULICK: I'm sure that's true. I don't know the details on that.

Q: And the consequence she then determined that she would never be dependent on US food assistance. Did you ever hear that story?

GULICK: Well, there were certainly desires to become less dependent announced periodically.

Q: Was that happening while you were there?

GULICK: The dependence decreasing? No,...well, the dependence on PL 480 was decreasing, because the food production was rapidly increasing. Of course that was the whole point.

Q: But there was a big distribution problem wasn't there ?

GULICK: Just before I got there, the end of this drought, there was a major public distribution relief program, which was very well done. No one really starved even though the crop failure was very widespread and very severe. That was really just about over by the time I got there, and by then there was a lot of mutual congratulation about how well it had been handled.

Q: Who was the Director then?

GULICK: John Lewis. I think he had been there for about a year, actually quite a bit more. He had gone there fairly early in Bell's administration. He came over from the Budget Bureau or the Council of Economic Advisors and was sent out there. He had indicated he might like me to come out there before I went to Nigeria.

Q: What was his main interest?

GULICK: He was very much involved in all this Bell-Mehta agreement, and Chester Bowles was ambassador at the time. He and Bowles had know each other before and were very close. He wasn't there yet when Hollis and I went out, I don't think.

Q: Were there any other major issues that you had to deal with in that five year period?

GULICK: Well, family planning became an issue. The whole health program had been developed: a fairly substantial health education and health program planning, rural health planning and so forth. The program had been developed and then one of our all too frequent wind shifts happened in Washington and the whole rug was pulled out from under that. Sort of like the steel mill again - when it was pretty far down the track. All we wanted to do was family planning. John had to handle that, but it was a bad show. Our public health man, who had been working on the health program really, in effect, quit after that.

Q: And this was in the year of the Basic Human Needs emphasis?

GULICK: Yes I guess so.

Q: What was the government's attitude towards the thrust of family planning?

GULICK: They were very annoyed by having the program, which had been carefully planned, all of a sudden jerked out. They were interested in family planning. The Ford Foundation had been working with family planning but they didn't want anything to do with us in health anymore after that. We got involved in an attempt to support a substantial

stepping up their family planning program. We continued with sort of modest technical assistance activities to the extent they wanted it, but they didn't really want it.

Q: You say they wanted out of the health program?

GULICK: The health people in the Indian government felt really betrayed by this business and they didn't trust us. They didn't want to count on us for anything.

Q: They were discouraged with our shift away from health to the Indian family planning.

GULICK: Yes!

Q: We were dropping health ourselves?

GULICK: Yes, they had been just been working up with us quite a major program in health education and rural health and so on, and all of a sudden it was pulled out after really we had pretty much committed ourselves to it. So we had people there trying to develop interest in family planning, and they did to some extent; but it was a rather awkward period for several years there. Then we got involved in an effort to encourage a substantial increase in their budget for family planning. Maury Williams was the Assistant Administrator by then. He arranged, at some international meeting to offer up to \$20,000,000 to support an increase in the budget for the family planning program. So for the last year '71/'72, we were developing a program to try to take advantage of that offer, and it was eventually successful.

Q: Were you dealing with a separate agency in the Indian government, not with the health people?

GULICK: No no, it was the health people.

Q: I see. Were you joining the health and family planning as a common program, or was it just pure family planning.

GULICK: Yes.

Q: And there wasn't a concept of integrated...

GULICK: The Indians did, but we didn't.

Q: I see. So our policy was not to relate the two?

GULICK: Well, I'm sure we were in favor of relating them, but we weren't supporting the health program, only family planning.

Q: I see. Were there other shifts at that time?

GULICK: No. There were three main things that we didn't do, that the Indians felt we welsed on: the steel mill in the first place, and then the commitment to provide non-project aid in support of this Bell-Mehta agreement. We made the first year's level; but we never made the level we were supposed to after that.

Q: We continued, but with a reduced amount?

GULICK: Yes, and then the health program.

Q: So we backed off and they thought we had reneged on our original understandings?

GULICK: Yes.

Q: I see.

GULICK: I don't know, I've never been sure how much that really surprised anybody but they always cited this at anytime...

Q: Did we have anything to do with the community development at that time, or did that pretty much pass by?

GULICK: We never did have much to do with that directly. The Ford Foundation was very much involved in early stages of that and went right along. I remember I went out there in 1957, January, for my first visit. We had one person on mission staff who was following it and that was it.

Q: Were we still working with agricultural colleges? That was still a major activity?

GULICK: Oh, yes. That was the major activity in the agricultural sector.

Q: How was that working out?

GULICK: On the whole very well. Better some places than other places, but generally well. Punjab was very successful.

Q: We had five university contracts?

GULICK: Five contracts.

Q: Which one did you think was most impressive?

GULICK: I think the Punjab project. They had a very dynamic and aggressive Vice Chancellor there, but they were all pretty good. I'm trying to remember there was one that

was not going quite so smoothly, maybe that was Orissa. Of course, there were always from time to time problems on staffing and there were other things that didn't go to well.

Q: Any sense of what the contribution of those programs were to agricultural involvement in the country?

GULICK: Oh, they were very considerable. Everyone agreed that they were very successful, I think. The Indians were very enthusiastic. In detail, I think, through the staffing of the extension service, the research programs and so on. The universities had important research functions too, although the Indian Council of Agricultural Research has its own major program. We helped a little, I guess, setting up the Indian Center for Research in the Semi-arid Tropics (ICRISAT) which was an activity of the global agricultural research program. That became a very good institution. We didn't directly have much to do with it. I don't think we provided any technical people for it, but a number of our agriculture university teams were cooperating with it, and did some very good work apparently.

Q: Apart from the family planning and the agricultural institutional involvements, were there any other main lines of technical assistance and commodity import programs?

GULICK: There were some capital projects: the main one that I remember, the big one that was going on that was being negotiated when I was there, was the fertilizer factory.

Q: What was your experience working with the Indian government? How did you find that?

GULICK: Well, there were a great many very good people, both technically competent and able to take initiative and terribly dedicated. Two people I knew pretty well killed themselves by overworking: one was the Planning Commission chap-P. Pant, and the other was the chap who was the first Indian I met when I started working on India in Washington here. He was the Indian Economic Minister here- Govindan Nair. He later became the Finance Secretary of the Government of India. That's where he was when I was in India. He died very young, both of them died very young from, at least, partly overwork. And quite a few other people I knew in the Finance Ministry and the Economy Industry Ministry were very good. There were a lot of very good people.

Q: What about the bureaucracy?

GULICK: Well, that was the bureaucracy, but they were the top of course. The bureaucracy in India is pretty bureaucratic. And certainly a lot of the bureaucrats in the ministries that had responsibility for running public sector industries and so on, had an interest in public sector industries. Surprisingly a lot of the people with professional training were pretty liberal and welcomed many of the liberalization measures that were being encouraged by the foreigners.

Q: What was your sense of the Indian attitude towards the United States or the Americans?

GULICK: It was pretty good. I guess, the Peace Corps got started fairly early on there. They were generally quite well received. It depended a lot on where we were at with India/Pakistan relations. When they were fighting we were generally not very sympathetic to the Indians, and as I say we never did have a substantial military program there. We kept leaning on them somewhat on Kashmir with some justification. So from the overall political standpoint, and then, of course, the end was really the reason why I left there, when Bangladesh split off from Pakistan. The Indians sympathized with the Bangladeshis and we “tilted”, according to Nixon’s term, toward the Pakistanis. The Indians, I think, really resented pretty much our attitude on that and didn’t believe it was well founded.

Q: Why did we tilt towards Pakistan?

GULICK: Well, just because the Pakistanis were our boys weakening Afghanistan and so forth. We had substantial bases in Pakistan and a military assistance program. When did the Russians move into Afghanistan? So we made gestures even sending a fleet, ships out to roam around the Indian ocean as sort of an implication that we might actually help the Pakistani try to suppress Bangladesh. Meanwhile the Indians weren’t actually participating at all, but a whole flock of refugees, 10,000,000 of them, came across the border from Bangladesh to India and they had to put them all in camps and feed them, and they were scared stiff that they would stay, that they wouldn’t go back.

Q: Were you involved in any emergency...

GULICK: No, no. We weren’t sympathetic and sort of kept treating the Indians as though they were kind of responsible for this insurrection in Bangladesh, not quite that, but our official line was quite hostile to India at that time, and we cut off all aid.

Q: We cut off all aid?

GULICK: All financial aid, not existing technical assistance projects, but everything else. Not food, at least not voluntary agency food; but all the capital aid we cut off.

Q: And the commodity import program?

GULICK: Yes.

Q: This was at the end of your period?

GULICK: Yes, in ‘72. I always thought that the intelligence that the administration based it’s decisions on in that respect was very bad. I saw some things suggesting that we thought that the Indians were actually about to attack Pakistan or get involved in military actions against Pakistan in connection with that, and I just don’t believe there was anything to that at all.

Q: Anything else on the India experience that stands out at this point?

You traveled around the country I guess. How did you find the conditions generally? How would you characterize what you saw?

GULICK: Well, pretty much the way it is. Our attitudes towards India on what's going on economically in India and even politically to some extent seemed to go through cycles. Sometimes everything is great and other times you would think everything is going to hell in the hand basket. The Indians sometimes would allow it themselves, but they always exaggerate it one way or both ways. Generally, I thought they were making pretty good progress, needed to liberalize more; but there were still as many or more poor people as there ever were. The population has more than doubled, since I've been working on India. Much more, almost tripled! There is the top half maybe, or more, doing pretty well, and there's a much bigger middle class and well to do class than there was; but there's still a very large number of people who are at the bottom of no where. Politically certainly the trend over this whole period had been that the Congress party has weakened various other parties that have come along. The present Congress government is really a minority government. It depends on the tolerance of a number of minority parties; it may well not form the next government after the next elections, if things go the way they look like they might. I keep running into people who think India is going to break apart; but I've never really thought any particular break that I could think of was very likely in India. People talk about Bengal breaking away, but Bengal has more interest in a united India than any other region probably. Communal difficulties seem now to be certainly worse than they seemed to be some years ago.

Q: One of the earlier projections about India's population growth was such that it was going to double and triple and so on as you suggested, but that it was never going to be able to feed this number of people, in other words that it was going to be a real disaster case.

GULICK: I remember fairly early on we got a few people from the University of Illinois, I think, regarded as experts on overall economic and agricultural potential, to come out and make a very careful estimate of the potential with current or immediately imminent technology of how many people India could feed. At that time the population of India was about 400 million. Now it's about one billion. At that time they estimated that it could with, like I say, current and maybe available technology and reasonable investment and so forth, support eight times that population. So that would double a few times.

Q: But that is contradictory of what other people were implying at that time, that there was no chance that they could feed themselves.

GULICK: It may have been less than 400 million at the time. But anyway it involved fully exploiting the water potential, the water resources and high yielding varieties and optimum fertilizing and so on. It was probably optimistic, but it was based on the types of land and how much land, and the potential of water and so on. I think it wasn't probably totally out of the ballpark. Anyway, so far they have been keeping up; in fact they are exporting grain now.

Q: What would you say were the major factors in being able to keep up?

GULICK: Well, better use of the water and high yielding varieties. Those were the main things. Fertilizer was important too.

Q: You think that the US assistance program contributed anything?

GULICK: Yes, we and the Ford Foundation together certainly did.

Q: The Ford Foundation and the US together.

GULICK: Yes.

Q: Mostly in which areas, you say?

GULICK: Aside from the policy areas, which were very important, which they might have done anyway. They certainly got some strong pushes from both the Ford Foundation and us and the World Bank. The improved varieties, more and better use of fertilizer, and we helped with some of the irrigation programs. I'm sure the continuing research is important and gets more important as time goes on. I would be skeptical whether they could really get to eight times as much without some really difficult periods. So far the population growth hasn't really slowed down; the death rate is going down as fast as the birth rate, and the birth rate hasn't gone down anywhere near what we would hope that it would. But they are getting more active again now. They had that big reverse on the family planning. It sort of backfired contributing to Indira's loss of power. They really were getting pretty close to compulsory vasectomization.

Q: Was that during your time?

GULICK: Just after it. We had gotten some indications that there were dangerous tendencies before I left.

Q: Had we taken a position on that?

GULICK: No, well, our position was that family planning should be voluntary. That was their policy too, but particularly under Sanjay Gandhi's influence, it got to be so that pressure for performance on the local authorities was extreme - and probably resulted in a certain amount of winking at coercion of various sorts.

Q: Anything more on the India thing?

GULICK: I guess not.

Return to USAID policy planning work and assistance coordination - 1972

GULICK: Then I went back in the PPC. What I worked on there was international assistance coordination from '72 to '78 more or less.

Q: What was that about?

GULICK: There we worked on coordination with World Bank and the other banks and the UNDP and to some extent FAO and WHO and, of course, the DAC- Development Assistance Committee of OECD. A lot of that was in coordination with the rest of aid and these institutions. I guess all that time I was our representative on the National Advisory Council Staff Committee.

Q: This was a US intergovernmental commission?

GULICK: Yes, chaired by Treasury on international economic matters.

Q: To coordinate what?

GULICK: US positions on the World Bank and other international financial institutions and, of course, to some extent US programs; particularly the EX-IM Bank program. the Council was quite active on that. I guess in principle they could take an interest in our ideas too, in very limited extent they did; but mostly we looked at the international institutions.

Q: What were some of the main issues that we were concerned with or trying to promote?

GULICK: Individual loans. The group I was on spent most of its time and met quite regularly and looked at the loans that were coming up in the World Bank; loans that were coming up in other banks for the US representation, and our levels of support to them and the other aspects of our support for these institutions. The Council did not get into the UNDP and the grant programs.

Q: Was there a theme, in terms of the loan reviews and what we were trying to push for, or was it each one.. ?

GULICK: I don't know. I think pretty much it was one by one, and each of us would take back to our agencies the proposals to be considered and get some reactions from our country people and so on.

Q: I guess the State Department had to view some of these?

GULICK: Oh, yes.

Q: Whether they should be provided or not?

GULICK: I'm not sure technically whether USAID was part of State for this purpose or separate. I think we may have been part of State for this purpose; but anyway we always participated.

Q: Did USAID have any particular issues with these matters?

GULICK: There were, of course, issues on the level of support to be sought for the annual budget exercises and the negotiations of the replenishment of the various funds. We used to go to some of the meetings. I remember going to the African Development Bank annual meeting twice and the Asian Development Bank meetings. We occasionally got into some special operations Kissinger offered, or got talked into, agreeing that the US would participate in the IFAD- the International Fund for Agricultural Development. We got very much involved in negotiations on setting that up and what the structure should be, and what its charter should call for, and major emphasis in policies and on the financial burden sharing and contributions; how much we would be prepared to contribute of the total in relation to what sort of contributions from others. I remember going with Phil Birnbaum to the final meeting. The agreement was reached on details of that and that was about the last thing I did.

Q: Did USAID have any particular views about IFAD or why it should be created or not?

GULICK: We supported it; it was just an additional source of possible funding. I think our view was that the Arabs had agreed to take some initiative. They wanted an organization they'd have a little more control in than some of the others to put in some substantial amounts of money, and, of course, we were all looking for ways of getting Arab oil money at that point. I think that was actually Henry Kissinger's idea in proposing the thing.

That job involved getting called on to do sort of special things every now and then. I remember in '77 I was a member of a two man State-USAID team, that went out to "take interest" in the South Pacific. The Australians and New Zealanders at the annual ANZUS meeting the year before had twisted Mr. Kissinger's arm saying; "The Russians are coming and the Japanese are taking over and the US should take more interest in the South Pacific." So Kissinger said, "we would." One thing we did was to send me and Dick Imus out to travel around and try to identify some modest things we could do usefully, to help these countries and take interest in them.

Q: Which one did you go to?

GULICK: We went to Fiji, Western Samoa, Tonga, and we also went to New Caledonia; not that we were looking for aid projects there, but because the South Pacific Commission had it's offices there. We wanted to get their assistance in thinking of things we might do.

Q: Did you get a sense that there was a Communist threat in that area?

GULICK: No, although the Chinese had just opened an embassy in Western Samoa a few months before, and we had nobody there. We had an Honorary Council; sort of a local business man who was the US Honorary Council there. The New Zealanders were mainly active there, they had an embassy. The Chinese had four or five officers in a little embassy there, and they would always go everywhere together. They had very little mixing with anybody.

Q: What kind of a program did you propose?

GULICK: Probably the most useful thing we did, or I think it was useful, was to recommend a major study of the Skipjack Tuna resource. The law of the sea treaty extending the economic zones 200 miles was just in the process of being finalized. If you take all those little countries 200 miles, they get a huge area of economic zone. The only major world tuna population that wasn't already being over exploited was this Skipjack Tuna, which is prevalent in that whole area and beyond, well beyond. That's what the Japanese and to some extent the Russians were doing, increasing their fishing for Skipjack Tuna. Often within these 200 mile zones. But we agreed and, I guess, sort of persuaded the South Pacificers that what they needed was a study of what the extent of this population was, how much fishing it could tolerate, and to some extent the technical aspects. Skipjack Tuna is unique among tuna populations in that it doesn't concentrate in a narrow band. Most tuna is fished by huge drag nets, because the tuna tends to stay in a very narrow band of temperature in the water; but the water is all confused among these islands. There isn't any narrow band, so they fish for them with long lines of hooks. Anyway, I think that study was concluded.

Q: You know what has happened to that study?

GULICK: I don't know what was done with it. I know it was finished and considered to be a very good study. I forget who did it. We had a fellow in Hawaii whom we consulted with we went. He was at one of the US research stations there. I don't know whether he did the actual study or helped organize the team that did do it, but I think it was done and it was considered a good study, and it was made available to them all. I know that many of them have gotten substantial revenues from the tuna.

Q: Were there other programs that you...?

GULICK: Another one was: there was the University of the South Pacific, which had been set up some time before and it had a small agricultural station which was-the headquarters was in Fiji-somewhere else. I think it was in Western Samoa but I may be wrong. We recommended strengthening that and providing some support to it, including a university technical assistance team. I think that was done and as far as I know worked out all right. Then there was some participant training we recommended for all the countries.

Q: That was the beginning of our program in that area?

GULICK: Yes, except for the Peace Corps. We already had some Peace Corps there. In Tonga we had 100 Peace Corps volunteers. Of course, it was an awkward period, because one had just murdered another one when we were there. Not a very positive event.

Q: Were there other special studies or initiatives like that?

GULICK: Well, I took leave without pay actually to work on a World Bank basic economic report on Pakistan for part of one year. That was really off the beam.

Q: What report was this?

GULICK: It was one of those they do every now and then. Not an annual report, but a major one.

Q: What did you work on?

GULICK: I worked on the overall balance of payments and so forth. I also worked on public sector industries.

Q: What was the general thrust of the report then?

GULICK: Oh, it had few intense concentration areas; it was across the board. The Bank had a broad program there already. We tried to encourage the more liberal tendencies in the government of which there were some at the time. There was some concentration on trying to make some sense out of the tariff/subsidy/foreign exchange rate aspect which had gotten quite a bit out of whack. They knew it, but one of the members of our team did some estimates of the real cost of their exports and imports showing that it was being very inefficient, the way they were...

Q: When did you then leave that job?

GULICK: When I went to Paris. They were looking for someone to go to Paris to become part of the OECD staff backstopping the DAC in the Development Cooperation Directorate of the OECD, and they decided that I would be a good candidate.

Q: You were part of that mission to DAC?

GULICK: No, I would have been detailed except that by then I was CC. At that time we still had to retire from the Foreign Service at 60, so I was 58+. I would have had to retire before I finished my tour there anyway, so I retired technically at that point and went on the OECD staff.

Head of the Policy Concepts and Analysis Division
in the OECD/DAC Secretariat - 1978

Q: What were you working on?

GULICK: I was head of a little unit in the Development Cooperation Directorate called the Policy Concepts and Analysis Division (PCAD), which meant mainly backstopping the Development Assistance Committee. Although the theory is that the whole OECD Secretariat backstops all of OECD, de facto the Development Cooperation Directorate largely backstopped the Development Assistance Committee. So whatever was on the DAC agenda we would develop background papers.

Q: What kind of subjects did you work on?

GULICK: I should go on and say, however, during the period I was there, a major focus of not just the DAC but also to some extent the rest of the OECD was a North-South Conference. It was a major conference stimulated mainly by the third world countries. Major attention, not just the DAC, but also some of the other major committees and the Council of the OECD was focused on developing constructive but not too dangerous positions for the series of international meetings tied into this operation. We got a lot into developing background and position possibilities for the consideration of the various committees in the OECD on North/South issues. I guess it was called the North/South Summit or something like that. Actually our little group spent a lot of our time on that.

Q: Any particular policy line that they were pushing for or just...?

GULICK: Our role was pretty much to consult with members of the OECD and pull together and summarize and to some extent comment on the positions proposed. The Secretary General and the Secretariat generally were also always invited to suggest possible lines that would be constructive and might be well received. We did a lot of that. It was across the board on international economic policy. Of course the rest of the OECD Secretariat was working on some of these things too.

Q: What did you think about the DAC operation? Was it a useful phenomenon?

GULICK: Yes, I think in some areas it had some useful influence. Of course we still were providing the chairman and the US was looked to for leadership to some extent; but meanwhile many other countries were doing much better than we were in terms of contributions to international development in relation to national economic size. Our leadership was not quite as important as it had been earlier, although we were still providing the chairman.

Q: What were some of the areas you think it was most effective in?

GULICK: I think on the terms of aid and trying to reduce the fairly commercial element in aid-encouraging an untying and better terms especially for the poorer countries, there was a certain amount of mutual pressure that was helpful. I'm never sure how much pressure from an international organization is helpful, but in some countries it seemed to be quite

helpful. The Japanese seemed to be coming along quite rapidly in improving the quality and quantity of their aid. Some of the members were way ahead of us; the Scandinavians and Holland in terms of effort in relation to ability. The focus from time to time on particular aspects of aid. There was a special focus on aid to Africa where I think some of the people in the Secretariat played something of a role. That probably had some impact. It provided a forum also for getting together on specific things, not necessarily in the formal context. My wife, for instance, became secretary of a little group of countries that were providing assistance in Africa to forestry projects and reforestation and attempts to stem the exhaustion of forest resources. It was a technical group of people from countries that had programs in that area, and they met fairly often usually in Paris. That sort of thing grew out of consultations in the DAC, I think, quite often.

Q: Anything else on the DAC at this time, or you want to add to it later?

GULICK: No, I can't think of anything.

Overview of international development assistance

Q: Well, let's continue with the last session and talk a little about your overall experience with international development work and what you think are examples or circumstances that would lead to successful programs and situations where things were not so successful, and generally the environment in which you were working. What proved to be of special interest to those who will be thinking about these countries like Pakistan and India and so on?

GULICK: Starting from basics: one of the problems, I think, of our aid programs generally has been that aid can support quite a range of different objectives and, in fact, does so in different parts of the program. The focus on the real reason for the aid is quite diverse: it may be political; it may be to support military effort; or it may be to promote development; or it may be sort of humanitarian semi-relief without necessarily much emphasis on long range progress. This has certainly contributed to our difficulties in justifying programs and explaining them. These different objectives tend to get mixed up. All I can really conclude from that is, that it's important to try to clarify and distinguish the different objectives that are the primary concern in different parts of the total program. It is very difficult at best. It certainly sometimes has been confusing. Of course, there are always subsidiary objectives; you can be providing aid primarily for political and military reasons, but if you're providing economic aid you certainly can and should make it as useful as possible. People should realize that sometimes the dominant objective will really override considerations that would be most important if you were primarily seeking one of the subsidiary objectives.

Q: Do you think that the Cold War environment, the concern about the containment of Communism was helpful to foreign assistance as a development instrument?

GULICK: It may have made it easier to get more money for some cases. In quite a few cases, it certainly did, but it also made it more difficult to insist on standards of

performance and policy considerations bearing on the effectiveness of the particular activities.

Q: Did you see this in...?

GULICK: Well, to some extent. When I was involved in Pakistan certainly, and in Spain, of the countries that I worked on mainly. I can't point to any simple clear cases, where one objective called for one thing and the development objective called for something else, but there certainly were cases where we didn't push as hard on some of our concerns on policy as we might have if we weren't overall wanting to get along and fulfill our commitments. That is very broad. It seems to me it certainly has been a problem on public understanding and support of our programs.

In terms of program planning and negotiation, the thing that I considered absolutely essential is the broadest possible understanding of the countries we were working in. Attempts to apply across the board priorities and emphases and so forth may serve a useful purpose in some ways: possibly in program justification, possibly in program administration. Especially, if you don't follow the line, it certainly does become more difficult to develop the expertise and competence and organization that you need to be effective in a lot of particular fields. From the standpoint of making sure overall-if you have an overall objective of supporting overall development progress in the country, there is just no substitute for having a complete, as complete as possible, and as well as much competence as possible in understanding of the total economy.

Q: Do you think USAID tends to have that understanding?

GULICK: Well, I think we have gone up and down on that. I have the impression maybe it is a little better now than it was for a while. I think there was a time when we were tending to focus on pretty partial aspects of our countries and trying to apply global priorities. It isn't totally inconsistent. We can have an overall priority for what USAID will do and fit it into the country's context, but it may result in focusing on really rather peripheral issues in the country, if the individual country's problems and most acute critical needs happen not to be in your area of concentration. In general, you can easily slip into thinking you ought to tell the country what it ought to be doing. In extremes you may have to come pretty close to that, but generally that won't work where the country knows, understands what it needs to do and has a feasible plan for moving forward. Any sort of effort to tell them they have to do something else won't be successful: In the first place if they are reasonably self-confident, they won't do it, and in the second place if they're going to play along and agree, it won't be done effectively. Also the idea that there is only one way for a country to go is obviously-or I would say 'obviously' anyway-probably a delusion. You have to try to understand the country as thoroughly as you can and try to make a judgment of what they want to do and think they are doing and whether it can work. If it can, whether or not it is exactly the pattern you would suggest, it's worthwhile to support it. Meanwhile try to encourage any policy reviews and considerations that seem likely to move things in the right direction, a better direction.

Another thing that keeps coming up -and this is sort of a jump to a different kind of consideration-is that we learn over and over and have to keep reminding ourselves that resources are really very fungible in most countries' situations. We put money in one place, because we think that's a great priority. It may or may not result in any increase in total resources going to that field, and, in any case, certainly a major aspect of its net impact is likely to be elsewhere. That is another argument for having the broadest possible understanding of the total economy. The general point is: to really know what effect a program is going to have, you have to have a pretty sophisticated understanding of what the overall budget and so forth, import program and so forth, is.

Q: USAID has gone through , during your experience in USAID ,cycles of macroeconomic policy emphasis, private sector emphasis, etc. What does this suggest to you in terms of what makes sense, what's the most important? Or has the swing truly been that great?

GULICK: I think sometimes we certainly have had the annual "bright idea," that gets touted on the Hill and is, more or less, worked into our program guidance. We can afford to do some of that and probably in terms of concentrating organization and effort, there is some justification for concentrating in parts. You never forget that the recipient country can't really do the kind of on-again-off-again sort of thing that tends to result from our fads; they have to continue to work on all their problems. While it probably can be useful for us, certainly in a given country to direct attention and try to emphasize areas which we believe are particularly critical and should require more emphasis and so on, it is totally unrealistic to expect-and it would be very undesirable to try to get the country to stop doing one thing and start doing another thing. Even for our operations, we can't change gears too quickly or often effectively in terms of competence and organization and implementation of methods.

Q: Which are the different various emphases that we have had over the years; Which are the most sound or is it always situation specific or time specific?

GULICK: I think taking it just from the standpoint of development, I really believe that you should have as thorough as possible a country analysis and really try to establish priorities in each country program. Now that may not be totally realistic and there probably are some areas, generally speaking: education and agricultural development have merited priority in most of the developing countries, maybe all of them. Some countries are probably doing more than enough-well, not more than enough, but relatively compared to some other areas. They are maybe doing more than they should be in some parts of those things; maybe big irrigation projects, for instance, have sometimes been over emphasized in some countries. If you can start from a country analysis continuing and constantly updating, of course, and interacting with how the recipient country is thinking, that would ideal. It may not be totally practical. It may be that you really want to concentrate in an area where you think we're particularly likely to be helpful, even though it's not on the whole their most urgent priority. I would generally wish that it were feasible to start off mainly with a country analysis and establish country priorities for what you do. It is like I say not always feasible, and in any case your program may not fully reflect your assessment of country

priorities because of other influences of what we can do and how it fits in with the programs of other aid organizations.

Of course one thing I haven't said anything about much was donor coordination and that really does provide, should provide quite a bit of scope for some specialization by different sources of aid, so that even though we may have a common sort of assessment of the overall country situation, we may not necessarily all concentrate our programs in the same priority areas. Even then it can work all right if they are reasonably well integrated.

Q: You were experienced with OECD in the Development Assistant Committee. How effective do you think the coordination efforts are in terms of getting countries to take on these roles and so on?

GULICK: Most of my experience was with World Bank led coordination efforts starting right back in '58 with the Indian crisis, and coming right on through the Indians' consultative group. It is functioning, as far as I know, and became increasingly useful really, I think. Maybe not very useful right at first, sort of mobilizing resources for a really well defined problem, simply a money problem. The OECD doesn't really do much in the way of country coordination, country aid program coordination, although it strongly supports it, but it isn't involved in providing aid to countries and doesn't want to be, has no resources of its own. They have given a lot of attention to the importance of coordination, but mainly to the end of urging the support of World Bank and other donor led groups.

Q: Has the US through its involvement in the OECD and DAC been able to influence other donors on programs and policies or have they influenced us more?

GULICK: I don't know, I think earlier on it was organized pretty much at our initiative and we've provided the chairman right along and still do, I guess, although we're no longer the star performer on the aid business. Of course the initial push with the DAC was to encourage the other countries to get into the business of providing aid. In that regard, it certainly played a useful role; there were probably other forces involved too. There's been a lot of discussion in the DAC about sometimes quite detailed sector areas and techniques of providing aid and aid conditions and terms as well as pushing for more adequate levels and less commercial terms for aid. I think those discussions had some influence; it would be hard to measure and probably easy to exaggerate, but nonetheless that was definitely constructive. I think the US has been probably-this is a vague impression, because I haven't really studied the intricacies of how it has actually worked in other countries-less responsive to the pressures from DAC. Perhaps not entirely; some of the terms...

Q: You think it's a fair criticism that the US provided one of the lowest percentages of the GNP to aid?

GULICK: We certainly do and I think it's a legitimate criticism. We have various excuses: We have carried more than our share of the world security programs which I think are important. Not everybody agrees, but I think many of the DAC members do agree and have

been perhaps less critical, although still critical, of our purely development aid performance than they otherwise might have been. I think it's still legitimate.

Q: One of the rationales for US foreign assistance is it serves US national interests. This has always been an issue and yet it seems to be very difficult to convey that to the population in general. How would you see the years looking back - has the Foreign Assistance Program served US interests?

GULICK: Well, certainly in some cases it has: the security interests. And you can make a pretty good case, I think, that increasing the development and growth and outward orientation and trade. If you believe in comparative advantage and free trade as I very strongly do, the more productive trading partners you have the better off you are. This has always been a hard thing to prove in respect to any of the LDC's relevant policies. I firmly believe it. From that standpoint it's a little easier to make the case by developing higher standards of living in other countries than it is by purely trade policy. Those concerns, I believe, are closely intertwined.

Q: You think our assistance has helped produce this?

GULICK: In some cases it certainly has. The dramatic ones are: Korea, Taiwan. I think in other cases, too, it has contributed, including South Asia. Of course, India, in particular, is so large that to argue that takes a lot of aid; you need a dramatic change/difference in effectiveness of their total programs which may never have been very plausible and certainly isn't now at the levels of assistance we are talking about. Still small changes at the margin are pretty important in cases like that.

Q: What about the benefit to the United States in particular sectors: in agriculture, health and education, industry and so on?

GULICK: Well, that's a good question and I haven't really thought too much about that. In health there might clearly be some advantages. The eradication of small pox, if indeed really eradicated, saves us something. In terms of dealing with a country there certainly are many cases where substantial involvement and assistance efforts seem to have gone down the drain for one reason or another, often political. I remember after the Russians moved into Afghanistan, the meeting with some of the German people at DAC, whom I had known from when we were both working on South Asia, and one fellow had tears in his eyes practically as he said - Germany had had aid activities in Afghanistan for a long time back before the war even- and he says, "Fifty years of effort down the drain", which was certainly true...almost true, not entirely. I don't know what we would say now about Nigeria; but even there.

I remember going with a little team to Somalia. The US had decided to renew our aid program there, which had been swamped by the Russians moving in. The Russians decided to move out. They preferred to bank on Ethiopia and we decided to move back in. I went out with a small team to discuss what we might start doing. I was really rather impressed

with the number of people we met and the number of even actual projects that were still going on that had been started up the in earlier aid program, with no contact or support for quite a few years. They were still functioning effectively. So some individuals and institutions to the extent they really get going can outlast even very adverse periods; but there is no question that, in some cases, it seems as if a substantial effort has been wiped out by subsequent developments.

Of course, there are other cases where you want to try provide aid, but you find that the country's programs really are deficient in major respects: usually fiscal, and often excessively and ineffectively publicly controlled programs of one sort or another, either socialist or excessively regulated. Perhaps most seriously by irresponsible fiscal policies. Real progress will have to wait for fundamental reform. Meanwhile, the country seems doomed to serious negative growth. Yet you want to try to be helpful. In those circumstances you have to try to find particular activities that may over the longer run, after things get straightened out, still be useful and be a basis for better progress later, such as some of the training programs, or working on particular educational institutions or agricultural programs. But even for narrow specific projects and programs, success often requires context and success requires a policy environment and support, so you can't totally ignore the broader aspects of the countries situation in the program.

There have been some useful cases where things started off under unfavorable circumstances and ended up making a contribution later, when the environment improved. I mentioned the Somalia case, of course, that went up and down again. That's an interesting case really from a political economic standpoint. They were such a likable people and many of them very confident and well motivated; but they were caught up in a surrounding political situation that eventually swamped the whole thing. I don't know what would be left now...some things will be left. I think those were the main lessons I thought I learned.

Q: What about the USAID's organization that you worked in? How did you see it before or maybe the organizations prior to the USAID's coming? Then we start back in the Marshall Plan and so on. What view did you have of the agency as an effective development organization?

GULICK: The Marshall Plan in a way, I think we've discussed this a little earlier, was unusually fortunate and maybe a bad model for later efforts in less developed countries, because it really was-maybe filling pipelines is a little too simple, but the productivity of the countries we were aiding, for the most part, not a few of them, was very quickly restored. They just needed to be provided with enough resources to get themselves back into production. That's you know an exaggeration in any case. There was certainly development going on, but much less basic than long range.

Q: Well, did you find USAID creative?

GULICK: Oh yes. In those days I think the agency, for what it was doing, was very well equipped and organized and staffed. We had people working across the board on

relationships between the countries we were dealing with and on the broad substance of their economic programs. We didn't need a lot of technical stuff. We began to develop some of it pretty early on. Meanwhile, of course, TCA had been going on. Actually technical assistance had really started in Latin America, I guess, even before the war, on a small scale and got picked up and swallowed into Point 4 and TCA. I don't really know too much about that. The India program started out as such a program; in fact they still called our Mission TCM well into the development loan fund era. I think the World Bank experience is relevant. As I understand it, they built up very strong technical staffs in the country departments and supported country programs from there. Then they decided at some point that they had gone too far in that direction and they stripped the country divisions of their technical people. I think they eventually decided they had gone a little too far on that and began to return to at least having a limited number of country specialists in basic major technical fields, concentrating and participating closely on the country program planning and assessment in the regional offices. Either extreme is probably wrong on that; you can't afford to have really top flight technical people focusing, as a matter of relative emphasis, narrowly on a few countries when the need is much more widespread. On the other hand, you do need, if you're going to have major technical area programs in a particular country some continuing technical support and monitoring of them. In all I don't think either extreme is right.

Q: How did you find the USAID as a place to work?

GULICK: I always liked it and enjoyed it. I never had any serious problem with it, not really. I thought that sometimes we were better focused on country priorities, and sometimes we were tending to be taken up with the annual bright idea and losing track of real priorities and program commitments. As I say, at least in one case: the Indian health program, this resulted in a really bad sort of betrayal of people and programs we had been trying to build up and support.

Q: The program was bad, you think?

GULICK: Our decision to back out of the health program that we had agreed on and had worked hard to sell and to get the Indians to move forward on.

Q: Why did we back out?

GULICK: Just because there was a flip-flop on the Hill, so we couldn't do anything that wasn't mainly family planning. From having been rather hesitant to get into family planning, all of a sudden nothing else was of any interest.

Q: Was there any project or activity that you were associated with that you found was particular successful?

GULICK: We're going way back: In Ireland, I think I mentioned the peat development there and I was very much interested in that and no one else was. I think that worked out to

be quite useful. It was not a huge thing, but it was pretty important. Also we had a technical assistance project there where we sent two young statisticians to the States to study national accounts. They went back and established the national accounts, and one of them became the head of the Central Statistics Office, that sort of thing. I'm sure there were similar cases, maybe many cases in Nigeria, India, Pakistan. I was less directly involved usually in the specific cases there. I couldn't get too committed to particular projects where I had broader responsibilities. We had some local currency programs in India that I got quite interested in, in some of the agricultural credit programs.

Q: In what area?

GULICK: The agricultural credit programs tied in with small scale irrigation and rural electrification. I wasn't really responsible for them.

Q: But you found that they worked pretty well?

GULICK: Well yes, I think they worked pretty well. I certainly thought they were very important and tried as much as I could to push them both in the mission and in the government. Anyway, one of the most satisfying things about aid programs is working with the local people. At least my experience was; there were always or have always been some awfully dedicated, capable and competent people to work with. We keep hearing about the corruption and bureaucratization and so forth; but there were some wonderful and extremely able people, terribly dedicated. We've really had pretty good top-level political appointee, top-level personnel leadership in the agency. Surely Paul Hoffman was a wonderful choice.

Q: Who else stands out in your mind?

GULICK: Bill Gaud, who was the Assistant Administrator in the Near East for a good bit of the time I was working in the Near East, was certainly outstanding.

Q: People that you found were particularly effective, what were some of the characteristics that you felt...?

GULICK: Well certainly in a couple of cases. Bill Gaud was a case; he came in positively oriented, positively motivated and without any hang ups about the people he had to work with. Right from the start he backed up his organization, not totally uncritically; but very unreservedly, and made things move. He went to bat for things that we felt were important and he would study it quickly and decide to agree. He was effective in the agency.

Q: Paul Hoffman, what about him?

GULICK: He was sort of an older statesman, well not an older statesman, but he was very effective in dealing with the rest of the government and I guess with foreign governments. Of course, a lot of that load was taken by Averell Harriman and his organization in Europe.

That worked quite well. Hoffman was sort of Mr. Homefront and Harriman was Mr. Europeanfront, and that worked.

Q: I see. Did you ever meet with Harriman?

GULICK: Yes, of course he had a big staff, and a fellow from Harvard Law school, Katz - forget his first name. Within the USRO, Katz was Mr. Inside, he was the one you mostly dealt with, but Harriman was very much on top of things. The people who came into the early Marshall Plan and the various missions, they were a mixed bag. Few of them were terribly well qualified in the purely economic sense, but that wasn't the whole thing of the program. There were some certainly outstanding people generally. I always found the Treasury Attachés as a category usually very good and very helpful. We had one in India.

Q: And what was your experience with Mission relations with Embassies?

GULICK: Diverse. We had very different arrangements in different places where I was or knew about. In some cases we were actually integrated: In Spain we set up the mission - and we wanted it to be integrated, because development was really a very subsidiary objective of our program there, but not negligible. We wanted it to be very closely integrated in the embassy, so it was sort of integrated at the neck there, and that didn't work perfectly. We started out with the Embassy Economic Counselor as the Mission Deputy and he really had a nervous breakdown, quite understandably. Then we got another fellow in there from the State Department and that worked fine. It shows that things that don't look as though they are going to work very well and don't always work very well, can work well if you've got the right people

Q: Would you say it was largely a personality question among relationships, or was it an organizational issue.

GULICK: Well, I mean, the organizational issue created strong pressures to develop personality problems. The tensions between the embassy and our Mission Director were almost inevitable unless the individuals at the nexus were extremely balanced and capable.

Q: You see that in the USAID relationships later in Pakistan and India?

GULICK: No, not much. In Nigeria it seemed to me -I think that pattern had been established before we got there-that the relationship with the embassy was fine and the embassy was interested in what we were doing; but they didn't have any tendency to meddle. The Mission Director or acting Mission Director had good relationships with the ambassador. They didn't have a strong economic staff, so that may have helped. In India it was more complicated. The embassy did have some very good people and the Treasury Attaché and the Agricultural Attaché, who had a staff and a program of his own from rupees; agricultural research rupees and so on, but at least all the time I was there, and to the extent, I was aware of it earlier, our Mission Director had good enough relationship with the Ambassador to forestall problems. There were times when some of the embassy people

got very interested and weren't entirely enthusiastic about the priorities we were trying to exercise; but that was always able to be worked out, because of the good relations our Director had with the Ambassador.

Q: This concludes the interview. Thanks for an excellent exchange and interesting insights.

Note: Clarence Gulick passed away before having a final look at this transcript. He made a number of modifications that have improved the text and information provided but he did not have the opportunity to make any major additions that he may have wished to.

End of interview