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

HERMAN KLEINE

Interviewed by: W. Haven North
Initial interview date: February 14, 1996

TABLE OF CONTENTS

INTERVIEW

Q: This is February 14, 1996 and an interview with Herman Kleine. Herman Kleine retired from AID in 1976. How many years were you with AID?

KLEINE: I started in '49 with the Marshall Plan and retired in '76, a total of 27 years.

Q: Well, let's start off, Herman, by asking you to talk a little bit about where you're from, your family's early origins, your schooling and then we'll go from there.

Early years and education

KLEINE: Well, let's start with ancient history. I was born March 6, 1920 in New York City, Brooklyn. I was raised there for a few years, through the age of nine, and then the family moved out to Hempstead, Long Island, which is about 25-30 miles from New York. It was then a rural location. Most of my schooling through high school was in Hempstead.

Q: Where were you in high school?

KLEINE: In Hempstead, Hempstead High School, which served Hempstead and a large surrounding area. When I graduated, the graduating class numbered over 450 students. I did well in my schoolwork, graduating as valedictorian. The family had always assumed I would go to college; the question was where to go and what to study. At that time the idea of becoming a high school teacher was very appealing, a respected profession, relatively good salaries, steady work, and summers off. So, my first career choice was to become a French teacher, because I had a cousin who was a French teacher in the New York City school system, and he really lived a life that was a very enjoyable one. He spent every summer in France, and income in those days for high school teachers was remarkably good compared to what other people were earning.

At that time what is now State University New York at Albany, N.Y., and was then called the New York State Teachers' College, was reputed to be the best teachers' college in the country at preparing students for secondary level teaching. So, I applied there, and I went there with a four-year New York State Regents Scholarship and an American Legion Scholarship. With room and board at $7.75 per week, I was in pretty sound financial shape.

Early on I decided that a French major was not for me. It seemed more practical, given the times, that I major in something like economics and accounting. So, I chose a double major in those areas. Graduation approached and the opportunities for school teaching jobs, particularly, I regret to say, for Jews, weren't there. We were in the midst of the "Great Depression." The first opportunity I had was a suggestion from the head of the Department of Economics, Dr. Tom Kinsella, who had done his graduate work at Clark University. Why don't you go to Clark University, I can recommend you for a fellowship? I applied and was accepted. I received a Master of Arts degree in economics in the spring of '42.

Military Service

I entered Clark in September '41, just before the war began with Pearl Harbor in December of '41. I remember December 7 very clearly. I was studying. It was Sunday in the late morning, and the radio was on. Suddenly the news about the attack was announced. That was right before Christmas. Shortly afterward, I went home for Christmas, and I went to the East River in New York City where a navy ship, the *U.S.S. Prairie View* was stationed as a recruiting office. I sought to enlist. At the end of a long day in lines and interviews, I was rejected because of eye problems.

I went back to school and I finished my Master's degree studies. Somewhere along the line I got my draft notice. I broke an ankle, fractured it, prior to the induction date, and I showed up with the draft notice on crutches and cast. I was told to return when I was healed. That allowed me to finish my work at Clark. That was in June of '42.

I was inducted in July at Camp Upton, N.Y. and was assigned to the Air Corps, which was part of the U.S. Army. (After the war, it became the U.S. Air Force, a separate service.) We did our basic training in Miami Beach. In the midst of basic training, we were asked what we wanted to do in the Air Corps. Prior to that, before we shipped out from Camp Upton, we were given a battery of tests. Anyway, down there we had interviews to find out whether you wanted to be a radio man, or an airplane mechanic, a weatherman, etc. I said, "I'm not mechanical. What do you have in administration?" They said, "We do have an administration school in Denver, but it's very difficult to get in, and right now they're all filled up." I replied, "Well, I'm not in a hurry." After checking my test scores, they said, "Well, you scored very well and we'll see what we can do."

Meanwhile, everybody else who had arrived in my group graduated. While I waited, they had me police or clean up Flamingo Park, a beautiful public park. I would go out

everyday and pick up litter. Finally, after Labor Day, I was shipped out to the administration school located in Denver, Colorado.

Q: What did you cover in the administration school?

KLEINE: In administration school they taught me how to type and the system of record documentation, military correspondence, personnel records, all the backup stuff. When I graduated, before Christmas, 1942, I was assigned to the 326th Fighter Group made up of Thunderbirds (P-47s). That fighter group assembled squadrons to go overseas to the European theaters. My job was in the Special Services Office as an administrative clerk. What is Special Services? Finding and creating recreational opportunities for the enlisted men.

We were located in Massachusetts, at Westover Field. While my boss, Second Lieutenant Richmond, was away for a few days, over his name I sent letters to all the girls' colleges in that area. Wellesley, Mount Holyoke, and Smith were relatively nearby. The letters said we have a number of men who are anxious to continue their interest in cultural activities and that we'd be glad for them to attend any events, such as concert or plays that might be open to them. Soon we started to get letters back saying, "Wonderful idea." We then started to get invitations. It was my job to select groups. I was very careful to select those that I felt confident would fit in. Other activities we started were a base newspaper, glee club, etc.

Then we shipped down to North Carolina. Later, I applied to Officer Candidate School and was accepted. I went off to Texas for training and graduated in August of '44. Qualified as an Administrative Officer, I was assigned as Personnel and Classification Officer to an air base in Dalhart, Texas. Initially I was the Assistant Base Personnel and Classification Officer; later I became the Base Personnel and Classification Officer. The main activity of the base was to assemble and assign crews to man the B-29 bombers that were being produced.

There are two items of special interest from that period. One, it was during the time of the Battle of the Bulge. We didn't realize it at the time, but it was a very serious threat to the success of the whole Western Front in Europe. Quotas were assigned to the Air Corps to transfer men from the Air Corps into the infantry. These were men with no experience in that kind of military operation. They were airplane mechanics and air crew members. The base commander said, "Kleine, this is your job to select the men. You make the selections. I want your choices to be fair. I'll back you up." It was a horrible experience. Many came to me with all kinds of reasons why they shouldn't be sent. This went on long enough that we started to get word back that people we had sent were already wounded and killed. They were just being recruited as cannon fodder, to plug up those holes in the front lines.

Q: This was in 19..?

KLEINE: It was just before Christmas of '44. Everybody was feeling relaxed at this time, that things were going well in Europe. Then this threat suddenly arose. This was the last gasp effort of Hitler, and it almost succeeded.

Then another role I had that is of interest occurred when the war started to be wound down in earnest, and they started to demobilize. I was in charge of demobilization from the base in Dalhart, including the crews of squadrons from Europe that came to Dalhart. Discharges were based on number of points that you had accumulated. You had points for length of service and points for decorations. I processed the aviator who got the greatest points of the U.S. Army. He was a young Lieutenant Colonel who had flown I don't know how many missions and had earned many medals. He had 300 plus points when the number needed was 36.

As a footnote, long after I left the service I learned that I was in charge of putting the crews together for the bombers that dropped the atom bombs on Japan. The crews had been selected and assigned at Dalhart Air Base.

Q: This, you say, was after?

KLEINE: This occurred in 1945. The bombs were dropped in August, 1945. The Japanese surrendered in September.

Q: I see. You didn't know it at the time.

KLEINE: We knew there were B-29's involved and that was all. We were told the kinds of people to put together, top notch people. I learned about it when I read the book, *Enola Gay*.

Q: You were really in the center of the Army Air Corps.

KLEINE: Not long after I was discharged.

Q: Your rank was what?

KLEINE: I was first lieutenant. I was in at a time when the military was starting to shrink and they had a lot of senior people. The job I was in was a Major's job as a base classification officer, but promotions had been frozen for quite a while.

I was discharged in April of '46. I didn't know what to do. At some point before I was discharged a notice came around saying that the State Department was opening up the Foreign Service exams, after having been closed down during the war period. It gave information as to what kind of eligibility requirements, basically a college degree. If you were interested you applied. The location for testing in that area was El Paso, Texas. As El Paso is just across the border from Mexico, I thought, "Gee this is an opportunity to

see Mexico." I applied and was accepted. I went down to El Paso for the toughest four days of testing I ever had before or since.

Q: All written exams?

KLEINE: All written at that stage. Those who passed would go to Washington for oral exams. It was a grueling experience, particularly as I'd been out of school for a number of years. But I wasn't very interested in joining the Foreign Service. I didn't want to go away from home after having been away from home for almost four years. It was an opportunity to see Mexico, at least a small part of it. And I did each day after all-day exams.

Later I was advised that I had made the cut, but I said that I wasn't interested at the time. After discharge, I had no specific plans. During termination leave after discharge, I got an introduction for an interview at the National Industrial Conference Board located in New York. They were looking for some young economists for a research project. It was clearly a short-term project preparing a study of the New York State Health Insurance Program. I was given the task of doing the background history on health insurance there. I was there for about three months.

Teaching economics and graduate studies - 1946

Fortunately, towards the end of summer, 1946, I got a call from Dr. Al Schwieger of Worcester Polytechnic Institute. He had been given my name from the head of the economics department at Clark University as a possible candidate for an economics teaching job at Worcester Polytechnic Institute. I was delighted. He came down to meet me for an interview, and he offered me the job. It was perfect for me, as I had been thinking that probably the best thing to do would be to go on and complete my work for a doctorate in the field of economics. I would be able to do that as Worcester Polytechnic Institute was located in Worcester, Massachusetts, where Clark University is located.
I had a full load of teaching at Worcester Tech. It's a small, very fine engineering school, but all students were required to have a hard core in non-engineering subjects. There were two subjects they all had to take as juniors and seniors: Principles of Economics, and Business and Government. I was an instructor in a small department of three. So, I had a full teaching load. I was, however, also able to continue part-time graduate studies at Clark University. In addition, I was also a faculty advisor in the freshman dorm, which was an experience in itself.

Q: You were a busy person.

KLEINE: Yes, I was. It was very convenient because I was living on the campus.

Q: You were teaching a basic economics course?

KLEINE: Yes, basic Principles of Economics and the textbook was the first edition of Samuelson's. I enjoyed the experience very much. I thought this would be fine as a career. At the end of the second year I was promoted. I became an Assistant Professor. I was about able to complete all of my preliminary course work, completed the comprehensive exams in various fields of economics, and was at the stage of beginning my dissertation. That brings us up to about June of '49. I recall I was grading final exams when I got a call from Dr. Maxwell, the head of the department of Clark University. He asked if I would be interested in being considered for a year's job with the Marshall Plan.

I had heard of the Marshall Plan, but I knew nothing more than what I had read in the papers. The possibility of actually working in the field of economics was an appealing idea. I was teaching economics and all I knew was what I had read in books. Here was an opportunity to practice what I had been "preaching."

Q: Is there any particular area of economics that you had concentrated on?

KLEINE: As far as course work, it was long before there was a great knowledge or interest in international development. At the time the traditional areas were foreign trade, public finance, labor economics, economic theory, etc. I decided labor economics would be a field of interest for specialization. For my doctoral dissertation, I had been working on the subject of the economic impact of the legal minimum wage.

Q: What was your response to Dr. Maxwell?

KLEINE: He said, "Well, if you're interested, I'll give them your name. The Washington agency is collecting names of people that might be considered. I responded that I would be pleased to be considered. I said, OKAY, fine. I forget whether I had to send in a formal application or not, but in any case, I heard nothing from them all summer. I had gone home for summer vacation and I was working on my dissertation. A lot of that work was done in the New York City Public Library, to which I commuted from Hempstead, Long Island.

It was September, just before Labor Day of '49, and I had heard nothing. I was getting ready to go back to Worcester to start teaching. One day while I was in the library, a librarian was looking around in the big room. She comes up to me and asks, "Are you six feet tall?" I said yes. She then says, "Oh, there's a call for you from Washington."

Q: You were the only six foot tall person in the room.

KLEINE: Perhaps so. In any case, the purpose of the phone call was to inquire if I was still interested. I said, "Look, yes, I'm interested, but I'm supposed to start teaching very soon." "Well, if you're interested, there are three being considered for the job in the Netherlands." Interviews were being arranged for the next week immediately after Labor Day.

I said OKAY and went down to Washington where I was interviewed by several people including Mr. Clarence Hunter, the Mission Director who was on consultation at the time in Washington. At the end of the day I was told, "We'll let you know." "How soon?" The response was, "As soon as possible."

I went back up to Worcester, Mass. as school was about to begin. I had to decide whether I was going to continue on or not. At a certain point I was informed that my appointment to Holland was about 95 percent certain, but that I shouldn't burn my bridges because, after selection in Washington, it had to be referred to the field. In those days there was a regional headquarters in Paris that had a role and the Mission itself in Netherlands; both of them had to agree.

Q: You were waiting for a call.

Joined the Marshall Plan Mission to Netherlands - 1949

KLEINE: Waiting for a call, yes.

So, I decided that I would take the chance and resign from Worcester Poly. If it didn't work out, I figured I would use the year to finish my dissertation.

I discussed the matter with Dr. Schwieger, the department head, who said, "That's very good for you, but what am I supposed to do with classes about to begin in two weeks?" He agreed to let me go if I found a suitable replacement. That was a bit of a task. I spoke with Dr. Maxwell at Clark. He worked out an arrangement for a graduate student to assist at Worcester Tech. He with an extra load for another faculty member, Ernie Phelps, would cover my classes.

Particularly helpful was the president of the school, Admiral Cluverius, who called me in and said, "Look, we like what you've been doing at Tech, and we're happy you have this opportunity, but you may find that you don't like it as much as you think. Why don't you take a leave of absence rather then resigning?"

I readily accepted. There's a footnote. I later met a Wat Tyler Cluverius IV, who was a Foreign Service Officer and who became an ambassador. He was a grandson of the admiral.

I took the leave of absence and went back to Hempstead. Early in October a letter came from Washington advising me of my appointment and to get in touch with them as quickly as possible.

So, I went to Washington for a series of meetings and orientation. It was an exciting time. In those days we went by ship in first class. I was booked on the New Amsterdam, a real fine transatlantic liner.

Very early in November I arrived in Rotterdam, and proceeded to the Hague, where the mission was headquartered. That was the beginning.

Q: What was the position you were assigned to?

KLEINE: The specific position was Assistant Finance Officer, which has nothing to do with the finances of the controller operations, but dealt with Dutch public finance. It was as an economist working as an assistant to Weir Brown, who had been detailed from the Treasury Department to be the Finance Officer for the mission. He was authorized one assistant. The mission was a small mission, as they all were in those days. I doubt if it exceeded more than twenty five or thirty people, including local staff. We had a mission director, deputy mission director, a program officer, finance officer, industry officer, agricultural officer, productivity officer and a controller and that was about it, plus some secretaries and local staff.

Q: What was the mission? What was its function?

KLEINE: Under the Marshall Plan there was a process of allocating funds to each of the participating countries. The process involved primarily study of the balance of payments and the balance of payments gaps. What kind of changes were necessary to import the level of goods necessary to get the economy rolling? If I recall, the level for the Netherlands during the four years we participated was about $250 million a year.

In addition to that program, which was where the large funds were, there was also a productivity program. It was the forerunner of the Technical Assistance Program. That was primarily a program of organizing groups from industry and agriculture, people to go to the States for short term tours to see what has been going on in the various fields, and come back and try to put what they could into operation. That was a society which had been out of action, so to speak, for five years or so. So, we had a productivity director.

Q: What was your function?

KLEINE: I worked some on the analysis of the balance of payments initially, but mostly on programs for releases of counterpart. Each Marshall Plan dollar that was made available for import had to yield the equivalent in local currency from the sale of the commodities. The goods were not given to the economy, but they were sold into the economy. That yielded proceeds, ninety percent of which were to be programmed for the use of the country, ten percent was to be used by the U.S. for its purposes, including administrative costs of the mission in country, as well as to buy strategic materials for U.S. stockpiles.

Q: That got you involved in negotiating with the government?

KLEINE: Yes, a great deal with the government. As time passed the mission finance office and the program office were merged. Weir Brown became the program and finance

officer. I continued as his assistant finance officer. Bart Harvey was the assistant program officer. When Weir left (he was only on detail from Treasury for a fixed period) I was promoted to finance officer and Bart to program officer. At a certain point when Bart left, I became the mission Finance and Program Officer.

By the end of 1952, the program in Holland began to wind down. The Dutch economy was in strong recovery. We were in negotiations for the final year. The process of negotiation began with the presentation and analysis of data from the government. The mission made recommendation to Washington that the U.S. contribution for the final year should be about $15 million dollars. It so happened that I was sent to Paris for a meeting on the Dutch program with the people in Paris that were involved. In Paris was a fellow who was on detail from the Federal Reserve Bank, whom I got to know quite well. We were having a get together and were talking about the balance of payments to the Netherlands. He mentioned that there had been a sharp increase in gold and dollar reserves held at the Federal Reserve Bank in the account of the Netherlands.

This was startling news. There were 90 million dollars that we hadn't heard of or rather, had not been informed about by the Dutch Government.

Q: Which would have reduced the level of assistance.

KLEINE: It would have wiped it out. So I went back to The Hague and told the mission director. He recognized that whatever case there was for the final 15 million was gone. He went to the Ambassador. At that time, the agency was called the Economic Cooperation Administration, headed by Paul Hoffman. It was completely separate from State Department, but it had a loose relationship with the Embassy in country but there was no direct line of authority.

Q: It was not under the Ambassador?

KLEINE: No, it was not under the Ambassador in those days.

Q: It is now.

KLEINE: Exactly. It was always expected that we would keep the Ambassador informed. At that time the Embassies were, however, extraneous to the interests of the host government. They were mainly interested in the Marshall Plan and its resources. So their relationships were very strong and deep with the Marshall Plan people and very marginal with the Embassy people. That created a lot of hostility and there was that hostility between the Ambassador and the Mission Director Hunter.

The Ambassador wanted very much for that final contribution to be made to the Dutch Government. We insisted that there wasn't any basis for it. Finally, he agreed. The negotiations focused on trying to convince the Dutch that it would be to their interest to voluntarily renounce further aid. They did and received a lot of favorable publicity in the

papers, including *The New York Times*, as the first country that voluntarily renounced further assistance under the Marshall Plan.

Q: Were you a part of that decision?

KLEINE: Very much so. *The New York Times* reported that the termination resulted from financial sleuthing. So, that was the end of the infusion of Marshall Plan funds to Holland.

Q: Did you ever find out where that 90 million dollars came from?

KLEINE: Yes, I did. I should have mentioned that it came from their relationships with Indonesia. Indonesia had been part of the Dutch empire. It was just about at that time that disengagement was well underway, but they were still getting large financial transfers.

Before I left Holland, we had the first case of U.S. responding officially to a foreign natural disaster. In February of '53 there was a big storm in the North Atlantic and the dikes gave way with tremendous inundation of large areas. Half of the Netherlands is below sea level, protected by an enormous complex of dikes. When that occurred, we reported on this to Washington. We started a campaign to get foodstuffs, medicines and clothing to help the victims. Much assistance arrived and was distributed. It was extremely well received by the Dutch population.

Q: That was financed by the Marshall Plan?

KLEINE: Yes. A little later I got a query from Washington inquiring whether I'd be interested in becoming the French Desk officer in Washington. I accepted.
Q: How did you enjoy your time in the Netherlands?

KLEINE: It was a wonderful time. The Netherlands was almost in the heart of Western Europe. On the weekends, you can go to Paris, to Brussels, about an hour flight to London. I used to do a lot of traveling and had the opportunity to deal with the foreign representatives. We were very close. It was a small mission and it was a small country. I got to see practically all there is to see in the Netherlands and a good deal of Western Europe.

Q: How were your relations with Dutch officials and the people?

KLEINE: The people were very friendly and very warm to us. It was a totally positive experience and relationship.

Q: You had to make a lot of trips, I suppose, to Paris to the Overseas Headquarters.

KLEINE: Yes, and I had to go to the annual regional reviews and from time to time for special meetings. During the period, I also went back to the States. One of the advantages

of being located in The Hague, was the presence of the International Court of Justice. It was just around the corner from where I lived. I mentioned earlier that I had been working on a draft of my doctoral dissertation when I joined the Marshall Plan. I was able to finish a draft in my spare time. After I sent in the final draft to Clark University, the defense of the dissertation was scheduled. I went back on personal leave in May of '51 and defended the dissertation successfully. I received my degree and returned to the Netherlands.

Q: These annual reviews what were they like? What were they about?

KLEINE: They were meetings at which representatives of the Mission, the Regional Office and Washington headquarters participated. Mission representatives reviewed the country economic situation and made program proposals. The meetings resulted in recommendations that were ultimately considered in the final reviews by and in Washington headquarters.

Q: These were just within the American group?

KLEINE: Yes. They were personnel of the Economic Cooperation Administration.

Q: This was all within the ECA structure.

KLEINE: Yes.

Q: But the European countries didn't get involved in any of these negotiations? It was always one on one?

KLEINE: One on one.

Q: Was there any sort of collaborative effort of the Europeans on the allocations?
KLEINE: Not directly. Among the European countries, were the movements toward working together. The very first was Benelux, which was made up of the Netherlands and Belgium. From the beginning, the policy of the U.S. was to encourage such collaborations. From that came the Coal-Steel Community and ultimately the very complex European systems which exist today. Later came the formation of the Organization for Economic Cooperation and Development (OECD) and the Development Assistance Committees (DAC) which really became operational after the Marshall Plan period, which gave further impulse to the Europeans to work together on the economic side.

Q: But there was no comparable effort on the European side to deal with this dividing up of the resources, the ECA's assistance?

KLEINE: I don't remember anything other than the bilateral relationships.

Q: So they weren't reviewing each others' situations at all?

KLEINE: Such reviews became an integral part of the OECD and DAC. You had these annual reviews on these country performance, including the U.S. The reviews covered performance in and giving to the developing countries as well.

Q: At these meetings all of the country representatives were there participating together in one big forum or did you each have to go separately?

KLEINE: It was one on one. We'd go to Paris for "our" country review.

Q: You had your time.

KLEINE: We had nothing to do with what was being proposed for the others, such as Italy or France.

Q: What was your impression of Harriman, chairing the processions?

KLEINE: Well, he was very aloof, a big picture man, who wasn't very interested in the details. He wanted to make sure that the money came in and went out. He was very much an advocate for the program, but he left the operations to his lieutenants.

There were some very distinguished people who participated. I was impressed with the caliber of people all through the whole process, at mission and regional levels. People came in for the short term, not for a career. It was not meant to be a career; everything was temporary. As I've said a number of times, the career that I ultimately had was a career that had not previously existed. Growing up to be an international development officer just didn't exist at the time. It was very exciting to be a part in the development of this type of a career. From what is going on now in terms of new appropriations, it may be that the possibility of having a career in international development is being sharply curtailed.

Q: Were there any particular issues that stood out during this time, economic issues or policy issues where it became contentious with the countries?

KLEINE: Holland was in sync with U.S. interests and vice versa all the way through. There weren't any major differences that I can think of. There was considerable harmony.

Q: The allocation of counterpart was mainly attributions to items in the budget, but one issue was the issue of controlling so much local currency. Was it an inflation issue?

KLEINE: We recognized the danger of inflationary pressures. We supported the use of counterpart on a neutral basis. In fact, we sort of worked out a system whereby the funds were attributed to budgetary items such as education and agriculture.

Q: In the agricultural sector, were there are some ideas or input from the U.S.?

KLEINE: We worked very hard in building the export industry in flowers. The export of tulip bulbs became a very important part of their export trade.

In general it was a happy period in the relationship. Everything went well. We were able to say we were the first country to get off the dole. It was very good PR for the Dutch.

Q: So, you went from there back to the States. You were showing me this picture that you bought while you were there.

KLEINE: When I arrived in the Netherlands, and for some time after, housing was very tight. There was a housing authority called "Husvesting," which got involved in finding and allocating space for foreigners as they came into the Netherlands.

At one point, I learned that space would be available in a house which was under the housing authority. It was owned by a man who had controlled the flour industry in the Netherlands during WWI, and, as a result, he became a very, very wealthy man. His home was palatial. He was in his '80s and had no immediate family. He was told that he had to have somebody live in his house because of the space that it had. I was it for more than two years.

Q: The house, it was in Amsterdam?

KLEINE: It was in The Hague, where the U.S. mission was headquartered, about two miles away. At that stage, he was barely getting out. He spent most of his time in his suite of rooms on the second floor. He had two full time housekeepers. I was the other occupant and had the run of the place. And he wouldn't accept money from me. My meals were served as in a restaurant three times a day. While I was still there, he passed away. His family, wanting to leave things as they were for awhile, asked if I would stay on, which I very willingly did. They were very pleased and I was very pleased. In his will, he left that painting for me because at one time I mentioned what a lovely painting--it is this one here.

Q: Oh, I see--this one

KLEINE: It's a painting of a flower market in Brussels. The family was so pleased with my staying on and overseeing the two maids that they asked if there was a painting in the house that I would like to have, other than this one or that one that the other members of the family wanted -- and I said there was. They'd let me have it at the state valuation which was minimal. That's how I got that landscape painting of Dordrecht.

Q: The painter's name was?

KLEINE: Kosters. It's been a joy to have, but because of its size, it's certainly a problem in moving around.

Q: Oh yes, very difficult. What a wonderful story. Great!

KLEINE: When I was single I'd never occupied an apartment of my own; it was a fraternity house at school or the faculty house at Clark or in the faculty advisor's room in the dorm at Worcester Tech. I decided that I'd better get some furniture before transferring to Washington. So the last couple weeks in Holland, I picked up a number of items -- all through the house, I still have furniture that I purchased at that time.

Q: Well, let's continue; you had more to talk about on your experience in Holland?

KLEINE: You asked what were our objectives during the four years or so that we were in the Netherlands. One was to provide additional resources, financial resources, with which they could purchase more imports than they would be able to do with their own depleted resources. Second was to build up the human capital which had been depleted through the war experience in a couple of ways. There was, of course, the actual loss of manpower, but there was also the loss in technical and professional skills while under the domination of the Nazis. And for that need the productivity program was devised, which dealt primarily with short-term study teams. They were organized to go two ways. There were teams, for example, in the coal industry, the steel industry, in agriculture, etc. There were also labor productivity teams. The selection of team members was coordinated between the mission and its counterpart organization in the Dutch Government. And they came to the States where complex, intensive programs were organized for them, all around the country, to see what was going on in this country that might give them ideas in their particular fields. And we also organized short-term productivity teams of U.S. leaders of these industries to go to the Netherlands and to make recommendations. This kind of program was carried out in all of the cooperating countries.

Q: And was it successful?

KLEINE: Clearly. Overwhelmingly successful. And, we could talk, perhaps later on, after we do the whole experience, as to why we were so successful.
Q: We'll do that when we get to your other assignments.

KLEINE: Right. What happened later was an experience in an entirely different set of circumstances, i.e., the Third World or the Developing World.

Q: Right.

KLEINE: Related to these programs, we had the objective of encouraging, nudging the Netherlands leaders, as well as the leaders of other countries, to broaden their markets. I mentioned earlier that the Benelux economic union was an early example, then there developed the coal-steel community, followed by the whole European Union. And it took, it wasn't something everybody agreed to, either on the U.S. side or on the European side

right away. There were strong protectionist interests. In fact, they still exist, especially in agriculture.

I have some random thoughts about my Dutch experience. One, I was very impressed with the facility that the Dutch had in the use of many languages. It was because Holland, such a small country, recognized that to survive they had to deal with the rest of the world. And so, in the schools, the study of languages other than Dutch was everywhere--French, German, English. I don't think any one American that I met spoke Dutch, either when they arrived or after being there, but there was no problem in communication because they all spoke English, particularly those that we dealt with in government. When I arrived in '49, which was not long after the war, the anti-German feeling in Holland ran very deep. If one had a knowledge of German, which I did, one learned quickly not to use it, as it would cool the atmosphere. German and Dutch are very similar languages. I remember hearing that one way in which the Dutch were able always to tell who was German was in the pronunciation and use of a test word, the name of the beach resort just outside of the Hague, Scheviningen. Germans for some reason, cannot pronounce "Sch..."

The Dutch were very hard working and were very warm, though somewhat formal, in relationship with us in the U.S. establishment. There is considerable use of professional and academic titles. For example, there is a special title for those who have finished their studies for a doctorate but have not yet completed their dissertation. The title is "Doctorandus," and it was used in correspondence. And if you were a doctorandus, you would sign after your name DRS. If you had two doctorates, you would use "Doctor, Doctor." If you were a university professor and had a doctorate, you would be called “Professor Doctor.” And that appeared on all correspondence. One can't talk about Hague without mentioning the weather and it wasn't good. The sight of sunlight was a very rare commodity. The few days of the year when the sun came out were so precious, the whole population would turn out on the streets. There were very long and dismal winters, late springs, and short summers. We used to joke that everyone in the Netherlands used to walk tilting to the south, the photosynthesis effect.

I learned that dealing with the press, particularly the U.S. press, took some skill and understanding in order to avoid getting into difficulty. In those days in Holland, there were two or three full-time representatives of the U.S. media. Their news source was primarily the Embassy and the AID people, as well as the USIA. They developed as close relations as they could with them, but I learned that they were always on the job. One had to be extremely careful in social situations to avoid talking about and making official information available. If one were not careful, one would hear information on radio, or read in the press, in *TIME* Magazine, or in the *New York Times* that shouldn't have been made public. This was their living and they were always working. Some started out as “stringers” whose total income depended on what they could produce that was actually used.

Q: Sure. Right.

KLEINE: Dan Schorr, now the senior correspondent with PBS, started as a stringer in Holland. He was a stringer for CBS at the time and also a freelance reporter for the *New York Times*. And he would use whatever information he could gather. And I was a close friend of his at the time, but I always had to make sure that if he asked questions about my work to learn the phrase "No Comment."

Q: Interesting.

KLEINE: Strangely, I've learned since that it is difficult for people to remember that they can use "No comment" if they don't want to talk to the media.

Also, I thought it might be of interest to mention that, while the Marshall Plan is considered now by most to have been a highly successful program, it was during the time a hotly debated subject in the Congress year after year. It was not wholeheartedly supported by any means. And the uncertainty of our appropriations contributed to making our work more difficult in terms of planning and programming

Q: Can you remember any of the major issues that were on Congress' mind?

KLEINE: First of all, isolationism has never been very far beneath the surface in this country. That was true before the war, and it came back not long after the war stopped. On the Hill, year after year, there were very, very heated discussions and debates on aid and appropriations, and questions of "when are we getting out?" One specific issue related to sources of procurement for the use of appropriated dollars. Initially there was no problem. The goods that were to be bought were essentially only available in this country. There was no threat from the buildup of the economies of Western Europe at the time. As reconstruction took hold, alternative, more economic sources of procurement were available in Europe and the Far East. It's also interesting that in the first years of U.S. foreign assistance, assistance was made available on a grant basis rather than through loans as it did when it shifted to areas outside of Europe.

Q: You mentioned that earlier.

KLEINE: But the belief in those early years was that the economies were in such bad repair, one would have to be considered an idiot to think that they would be able to repay. You will recall, just before the Marshall Plan was announced there was a very bad winter in Europe - there was a real threat of starvation and economic collapse.

Q: That's right.

KLEINE: They didn't have enough coal for heating or for power. I arrived just before Thanksgiving, and that was quite a Thanksgiving. I had three Thanksgiving dinners that day. One was by the U.S. Ambassador, Herman Baruch, another by the Mission Director, and the third by people from the *New York Times* stationed in The Hague. The wife, Flora

Lewis, was a columnist who wrote for many years from Europe. Are you familiar with her name?

Q: Yes.

KLEINE: Her husband - his name escapes me - came back to the States and became President of *New York Times* at one point. And she wasn't a writer at that time, but later did a lot of writing out of Paris.

Q: Interesting.

KLEINE: Shortly after that Thanksgiving, some friends were driving to Bremen for the Christmas weekend. He was with the U.S. Lines, the shipping firm, and Bremen was the main center for the company. He was driving and a friend from the Embassy invited me to go along. It was an opportunity to see part of Germany and was shortly after the war. I had nothing planned, I went along. It was dismal; it was sad to see the scale of destruction. In Bremen there was little lighting, only an occasional light. And every once in awhile, you'd see a scrawny little tree with a couple of little Christmas lights - it was a mess. Yet from that time, the end of 1949, to the time I left, the recovery process was evident not only in Holland, but every place I visited in Western Europe. You could see it happening right before your eyes.

Q: But there was an element of a certain amount of pessimism of whether they would ever really recover from what you were commenting on earlier.

KLEINE: There was indeed a question of how well the program would succeed. There were more questions about some of the countries than others.

Q: I see.

KLEINE: The most problematic were France and Italy. Mostly for political reasons, internal political reasons. There was a bitter struggle between the right and the left. The Communists were very strong in both countries. The U.S. role during that time in Italy was pivotal in keeping the country from going Communist.

Return to Washington as Director French - Yugoslav Division - 1953

Q: Now, you went back to Washington. And this was what year? what month?

KLEINE: This was in April of 1953. In those days we traveled by ocean liner. One time I sailed back from the States on the *Ile de France.* On that ship the Soviet Foreign Minister Gromyko was returning from the UN. He had, if you will recall, a very stern and forbidding countenance; there was nothing light about him. At the time, I'd just gotten out of the hospital from Bethesda Naval Hospital. I had lost a lot of weight, and was advised by the doctor to gain weight. Being tasked with gaining weight on the luxury *Ile de France* was a joy. The first morning out and at the first meal there, breakfast, the maître d'

seated me at a table. When the waiter came to take my order, I went through the menu and I said, "I'll have one of this and one of that, one of that," and on and on. As I was going through the long menu ordering this and this, the waiter kept saying, “Anything else, Sir?” Meanwhile, Gromyko had come in with a couple of his bodyguards and was seated at the table right next to mine, close enough to hear my ordering from the menu. Finally, when I was asked by the waiter, "Anything else, Sir?" I replied, "No, thank you. I'm not hungry." Gromyko laughed - he'd heard and understood. And that's what caused Gromyko to laugh. When I left, he smiled and nodded. From then on, anytime we passed on the ship, he would acknowledge me. It seemed that I was the only non-Russian on the ship to whom he paid any attention.

When I came back in April of '53, I was assigned as the French Desk Officer in the European Region. The French program was the largest program of the Marshall Plan. You may remember in those days, France was called the "sick man of Europe." It was in a mess from destruction of the war and from inflation. The French people were despairing of ever being able to pull out of their economic morass. The French Desk was part of a division made up of France and the Benelux countries, Belgium and the Netherlands. And Dick Lippincott was the Division Head, and a fellow named Johnny Coppick was his Deputy. After the national election in '52, when Eisenhower had been elected, Harold Stassen, former Governor of the State of Minnesota, had been appointed the Director of the Agency, renamed the Mutual Security Agency. Note that "security" had gotten into the title. We were right in the Cold War and national security was the chief concern of our foreign policy.

Q: The beginning of the Cold War concerns.

KLEINE: That’s right. It’s interesting to remember that the Russians elected not to participate in the Marshall Plan, even though initially they had the opportunity. That was a defining decision that shaped much of what happened until the collapse of the Soviet Union in 1989-90.

Q: Right.

KLEINE: Stassen was given extraordinary power to hire and fire. People could be let go without the normal protections of the civil service regulations. There was a special provision written into the legislation to accomplish this. The reorganization process started to perk just after I came back in April, '53. It was announced that there would be exams, written exams, for all personnel and that the results of those exams would be used by Stassen to make his personnel decisions. The exams were given in early summer. There were two kinds of exams. For professionals there were two exams, one for professional content and one for administrative knowledge and skills. And then for non-professionals, just the administrative test. Johnny Coppick, our division deputy, got the highest grade in the entire agency. Yet, he was fired. Yes, those were very trying days for the Agency staff. Notice of firing or retention came around in envelopes. If you got a thin envelope, you knew you were being retained. If it was thick, you were being fired. These

envelopes didn't come all at one time. I remember the first wave of envelopes came around Labor Day of '53. I guess about half came at that time and more than half of the envelopes were thick envelopes. The thickness was caused by documents relating to discharge. Fortunately for me, mine was a thin envelope; I was retained, so the pressure was off.

Q: Do you have any idea what criteria were used?

KLEINE: The exam grades were important. Governor Stassen himself took the test. Practically everybody on our floor got a higher grade than he did, although he did well. But there were political considerations. For example, Johnny Coppick had a brother who had been a senior official in the Department of Commerce. He was an active Democrat. That connection was thought to have been the reason why he, Johnny Coppick, was separated, notwithstanding the fact that he attained the second highest grade in the Agency. Remember that this was during the McCarthy era, when any association with a listed liberal organization could lead to dismissal. After the personnel bloodbath, there was a reorganization of the agency. In the reorganization, initially, I became the Director of the French-Yugoslav Area Division, which combined agency operations in Yugoslavia and France. Why Yugoslavia and France? For awhile there was a tripartite agreement among the U.S. and France and England working on programs for Yugoslavia to support its breakaway from Soviet domination. When I became the Area Division Chief, I had two assistants. One was Al White, who worked with me on France. Carl Mathiesson - you remember him from Ethiopia - assisted me on Yugoslavia.

Q: Stassenization, as it was called in those days, was quite a traumatic event. I recall that the story was that he had fired the whole payroll branch and had to hire them back. I don't know if that was true or not, but that was one of the stories that came out of that operation.

KLEINE: I don't remember, but I know that Stassen took the personnel matter very seriously. I understand that he reviewed every file personally before a decision on the person was taken. I want to say this about Stassen, considering that he became sort of a comic figure because of his running for office so frequently in his years after he left government. When he became the head of the MSA, there was a great deal of skepticism concerning his real interests. He in fact was an impressive man. He worked hard and he studied hard. He was right on top of his job. I respected him a great deal. One time when I was visiting France to attend a periodic review on the French program, Stassen came over for some ministerial-level meetings. He knew that I was in Paris. I was told that he wanted to be debriefed by me on his trip back to the States on his plane. I had come by commercial plane.

Q: Air Force 1?

KLEINE: No, Air Force 2.

Q: Air Force 2?

KLEINE: Air Force 2, which was used by cabinet-level officers. I was supposed to be at the airport at a certain time which I was. As soon as we board and take off, they start to serve dinner. What was memorable is that for dessert - coming out of Paris - they served canned peaches. On that flight Stassen, again, showed deep interest in what was going on in the program.

Of particular interest during the period working on the French program was the program to support France that was launched by Stassen with the President's support. Not that Stassen was the last of the aid agency heads who was independent of the State Department and was a member of the Cabinet. In any case, the program was designed to give financial support to the French in their military effort in Vietnam. The program called for 785 million dollars to be dispersed in, I think, a year and a half, $400 million for direct benefit of the French economy and $385 million through France for the Associated States, Vietnam, Laos, and Cambodia.

Q: This was in addition to the usual program?

KLEINE: Yes, additional to the Marshall Plan, which was rapidly phasing down and out. The special program was assigned to me for implementation working under Dr. Fitzgerald and with Johnny Murphy of the Controller's office and Peter Morse of the Legal Counsel's office. Even though the GAO looked at it several times, we never had a question about the use of the money. To have implemented a $785 million program, disbursed in 18 months and without criticism after audit was an achievement.

Q: What was the money for? What did it go to actually?

KLEINE: For imports, primarily, to buttress their balance of payments and budget.

Q: You mean, for the Associated States?

KLEINE: As I recall, the imports financed by the program were sold on the economy. The sales proceeds in French francs were used by the Government to help finance the military budget for its forces overseas in Indochina and to support expenditures for the local forces in the Associated States of Indochina.

Q: Well, what were the issues? Were they straightforward kinds of programs?

KLEINE: It was a political and financial support to the French at the time to help them maintain their costly efforts in Indochina. You may remember the domino effect theory which held that if one area was allowed to fall to communist power, the neighboring states would begin to fall like dominoes.

Q: Right. Okay. But the content of the program was fairly straightforward?

KLEINE: Yes. Primarily moving dollars, but to make sure that the dollars were fully accounted for.

Q: In terms of commodities bought from the U.S.

KLEINE: Yes

Q: They weren't thinking about cash grants in those days.

KLEINE: Yes. We made it complicated for ourselves.

Q: These were grants?

KLEINE: These were grants.

Q: Right.

KLEINE: An interesting aspect about the aid program over the years is that, to the countries who potentially were in position to pay back the programs, they were grants. But later, after the Marshall Plan, when we started dealing with the poorer countries of the world, we shifted to loans. Worries persist about the repayment of those loans.

Q: It makes sense the other way around.

KLEINE: But we just didn't know at the time. It's a more powerful case to Congress to talk about a loan program with the idea of getting money paid back. The problem was attenuated over the years by rolling over and renegotiating old loans.

Q. *I see.*

KLEINE: As I mentioned, when I went back to Washington, I was initially assigned as French Desk Officer. Shortly after, there was a reorganization. The Economic Cooperation Administration became the Mutual Security Agency under Governor Stassen.

Q: Under the Mutual Security Agency.
KLEINE: MSA.

Q: Did Stassen report to Dulles?

KLEINE: No, he was directly responsible to Dwight Eisenhower. And we were a separate Department with a Cabinet level officer. But Stassen went into a political decline when he challenged Nixon as Vice President for Eisenhower's second term. He raised a question as to whether Nixon should be continued. Nixon won out and from that time on,

you know, a lot of bad things happened to Stassen politically. But one of the consequences was that the agency was placed under the overall policy guidance of the Secretary of State. From then on, the gradual erosion of agency independence rubbed down to the country team level. There was a lot of ill will on the part of State Department people overseas during the Marshall Plan because the host country leaders were interested in the aid resources. There was little that the U.S. embassies could offer. Skillful Mission Directors recognized the potential problem and consulted the Ambassadors regularly. Usually a focal point of problems were the Economic Officers of Embassies; they wanted to be cut in. We tried in Holland, but it didn't succeed. There was a lot of hostility between our Mission Director, Clarence Hunter, and the Ambassador that succeeded Baruch, Selden Chapin.

Q: Were there any particular issues for the French of special note that you worked on?

KLEINE: France in those years was considered the "sick man of Europe" - economically and politically. It was severely burdened by domestic problems and the conflict in Indochina and growing unrest in North Africa. Our programs involved not only mainland France, but their North African colonies, Algeria, Tunisia and Morocco, before their independence. We had programs for them through France.

Q: What was the U.S. interest in Yugoslavia?

KLEINE: The sole purpose of our program was the political objective of enabling Tito to maintain his independence of the Soviet Bloc. Different from other programs, it was part of a tripartite umbrella arrangement working with the French and British. They shared our objective of Yugoslav independence.

Q: They were the other two?

Deputy Regional Director MSA Europe and the addition of the Africa programs - 1955

KLEINE: They were the other two. We kept them informed. When traveling to visit Yugoslavia, I'd usually stop off in London to brief our Embassy and to talk to English officials and similarly in France. I liked dealing with the Yugoslavs. They're extremely practical, no-baloney types. They said what they felt and meant. Agreements with them reached orally or writing could be relied upon. I confess, I didn't sense the ethnic divisions that existed, that ran so deep and that have come to the surface in the last four years. Tito was extremely skillful in being able to keep his country together. But the hatred, the self-destructive forces that we see now were not readily apparent. There was another change in the organization back in Washington, and I became the acting number two in the European Region, under Stuart Van Dyke who was promoted to the Regional Director.

Q: What year was that?

KLEINE: That would have been late 1955.

Q: That would have been FOA (Foreign Operations Administration)?

KLEINE: I forget when the MSA became the FOA and not long after we had the ICA, International Cooperation Administration. In that period before 1957 there was a reorganization in which the European region also received responsibility for operations in Libya, Ethiopia and Liberia.

Q: They had a desk for Africa.

KLEINE: Right. An Africa Desk. The European Region became the European and African Region. A lot of the time during that period I devoted to the phasing out of our programs in Europe. We weren't providing new resources, but we wanted to tie everything together with bows and ceremonies so that everything could be accounted for. We sent out negotiating teams to various capitals to negotiate closing down of operations including residual counterpart. That was done country by country.

Q: Do you think the program in Yugoslavia was successful in helping Tito preserve a certain degree of independence from the Soviets?

KLEINE: Yes. Our program was critically important in getting the financial resources he needed for basic imports. They had been highly dependent on the Soviet Union, and we provided that needed relief. It was a poor country when we started, and it remained relatively poor--the whole southern European area was poor in terms of economic development compared to the northern European area. In our productivity program, a good deal was done to encourage the tourism industry in Yugoslavia. The potential was and is enormous. In that connection, it was sickening to learn about the bombing of Dubrovnik.

Another event that comes to mind from that period was the Hungarian uprising. You may recall that the Hungarians thought that they were going to be able to obtain independence from the Russians. And there was some favorable supportive noises from the West, including the U.S., that encouraged the Hungarians. There was an uprising. It was cruelly stamped out by the Russians. A lot of Hungarians fled, and there was a wave of refugees that swept west, primarily into Austria. Austria was still very, very far from its economic reconstruction. The U.S. decided to provide direct assistance. It was another early example of the U.S. response to a disaster. I was involved in going out to work with the U.S. Embassy to develop a relief program.

Q: A refugee program.

KLEINE: Yes, or a refugee program.

Q: Right.

KLEINE: That's about what I recollect of the period just before I headed out to Ethiopia. I had some limited involvement with Ethiopia in my capacity as Acting Deputy Director of the European/African region.

Appointment as Mission Director to Ethiopia - 1957

KLEINE: When the Mission Director in Ethiopia resigned, I was asked if I would be interested.

Q: This would be probably 1957 under the International Cooperation Administration (ICA)?

KLEINE: 1957. I arrived in Ethiopia in August of '57.

Q: Why would you have accepted a switch from European programs out to Ethiopia of all places, comparatively?

KLEINE: Well, the European programs were on the way out, but there was still a good deal going on. I wasn't looking to go anywhere. I forget how it was brought to my attention, but Stuart Van Dyke, I'm sure, was involved. I was asked would I be interested and I said, "Sure." We ran into some trouble when my name was proposed to the Ambassador, Don Bliss. His objection was that I was too young, that the Ethiopians respected age. He therefore made his view known that he'd prefer to have an older, more mature type. And I was fortunate in that Joe Palmer was then the Assistant Secretary of State - in effect Ambassador Bliss's boss -

Q: for Africa.

KLEINE: ...for Africa. I had worked with him on a negotiating team having to do with Libya, when we went to London for the negotiation with the British ... and he spoke up

Q: What were you doing about Libya?

KLEINE: It had to do with some sort of assistance program to help buoy up our ability to maintain the then considered very important U.S.-Wheeler Air Base in Libya. That was the only time I had any real direct contact with him, which lasted about a week. He spoke up and sort of told Don Bliss to back off, so I went out to Ethiopia. That was a memorable trip. In those days, as you recall, they didn't have any four engine planes flying to Ethiopia. To get to Ethiopia, you had to get up around midnight, go out to the airport in Athens, and you got into a two engine plane, I think it was called a Con...

Q: Convair.

KLEINE: Convair. And you'd fly initially to Egypt, Cairo, and then...

Q: Wadi Halfa.

KLEINE: And then Khartoum, and then to Asmara, and finally to Addis Ababa. I remember my arrival at the airport. It was a beautiful day, as most days were in Addis, and in most of Ethiopia. And at the airport was Charlie Stokes, was the Deputy Director and his wife, and the Agricultural Officer, Molohan, and Dr. Curtis, who was the Public Health Advisor, and others.

At the mission, we were having a lot of personnel turnover. Charlie Stokes, who had been detailed from State, was scheduled to leave, and so was our Program Officer, Haven North. Also the program there had some special problems, the consequence of the Richards mission, which had made its swath through the Middle East and Ethiopia not long before I arrived. And what was the Richards Mission? Richards was a recently retired congressman who had been chairman of the foreign affairs committee of Congress for many, many years. And he was asked to have a mission to visit the Middle Eastern countries as...

Q: by Eisenhower.

KLEINE: ...by Eisenhower. His activity was part of the Eisenhower Doctrine, designed to build up relations with these countries. Giving gifts was considered to be a way to do that.

Q: This was presumably to contain Soviet influence?

KLEINE: Everything during that period and for many years thereafter was motivated to contain the Soviet influence. And we learned, at least I hope we learned, a lot of lessons about whether or not one can buy friendship. But at the time, it was good pickings for these governments visited. There were wild stories that came out at the time. In Yemen, for example, the Imam in charge was suffering advanced stages of senility and illness. He thought that Americans were coming with bags of money. And that’s all he wanted - money. He didn't get it. In Ethiopia a program was put together that amounted to about $5 million. One element of it was to partially pay for a four engine plane, the first such to become part of the Ethiopian airlines. I remember when that arrived. There was a big ceremony. It was all handled under contract with TWA, which provided a team of experts who helped train the Ethiopians to run and maintain an airline. That was a successful project. There were other projects financed by the Richards program, such as the Blue Nile Valley Project, and they had not moved very far by the time I arrived.

Q: Separate from technical assistance?

KLEINE: Yes, separate from the technical assistance program which had been going on for a number of years. The program was designed to build up the important institutions in Ethiopia, such as in education, public health, agriculture. Traditional, but slow, long term

programs, which I thought throughout the period were doing quite well, considering the problems of selecting participants, and selecting of personnel, etc. Ambassador Don Bliss was there for most of the time that I was there; we got along very well. Not too long after I arrived, we had a visit from Skinny Holmgren, who was the Chief Agricultural Officer in Washington. And I enjoyed his visit and subsequent visits from Washington. It was an opportunity to get news from what's going on in Washington, as we were rather remote in Ethiopia. Not long after that, Ralph Fisher came as Haven North's replacement. And then we got Carl Mathiesson, with whom I had worked on Yugoslavia, who came as Assistant Program Officer, and Jim Roush also came as Assistant Program Officer. Not too much later we had, got a new Director back in Washington, a fellow named Jimmy Smith, James Smith.

Q: Administrator of ICA.

KLEINE: ICA. I had been appointed by Mr. Hollister; he had succeeded Stassen. Jimmy Smith replaced Hollister. Jimmy Smith was a business man. He had been the head of the Flying Tigers Airline. He was a very closed mouth fellow, didn't speak much. People were afraid of him. When we were told he was coming out, we prepared an extensive program for him, trips to see our projects in Jimma and Alemaya and Gondar, meetings with the Emperor and other officials, as well as receptions. And we tried to keep him busy. He didn't say much, all through his visit. Finally we got him to his plane, he'd arrived on his own plane. When he boarded, all he said to me was, "Good luck, Kleine" and off he went. I had no ideas what his views would be, etc. Then I was tremendously surprised when not long after that I learned that he nominated me for the Fleming award, the agency's nominee for ten most outstanding men in government.

Q: Interesting.

KLEINE: That was the only way I learned what his impressions were. I enjoyed living and working in Ethiopia a great deal. The country was beautiful and varied. There was a mix of old cultures. The small European establishment, made up primarily of businessmen, lived a more or less separate life, as did the diplomatic community. The peoples of Ethiopia were made up of dozens of tribes, 40 different languages. It was the Emperor's political and military skill that kept the country together as long as it did. Except for some limited rebel activity in the north, it was very tranquil during the period when I was there.

Q: Did you meet the Emperor?

KLEINE: Yes, I met him a number of times. It was an experience each time. He maintained a very formal court, at least as viewed by Westerners. Whenever Westerners would call on him, they had to wear morning coat. Before I went out to Ethiopia, I was told to get, that I should bring a morning coat ensemble, white tie outfit, a white tuxedo jacket and a regular black tuxedo. I brought it all and I used it all! During each visit at the palace, the Emperor was always seated on a slightly elevated platform on a gilt throne-

like chair. A small man, petite almost, he held himself - seated or standing - very erect, very regal. Having been an emperor for so long, I guess he thought he was an emperor by the grace of God. You'd never see him take a hurried step, he always moved in a slow-moving, regal manner. We were taught that when you go in to meet him, you face him and bow half-way into the room. You would take your seat when he motioned you to do so. When you left, you would never turn your back on him. You would back out and bow as you left the reception hall. He never spoke directly to you in English, but always Amharic through his official interpreter. But he knew exactly what you were saying because he was fluent in English. I spoke in English which was translated into Amharic. He used it as a technique to permit himself more time to decide what he wanted to say.

Q: What did you talk about?

KLEINE: From time to time, there were problems in operations that seemed to remain unresolved through the normal channels. I would consult with the Ambassador, keep him up to date on where we stood on programs and problems. When we decided that it was the time to resolve the obstacles in this or that program at the Emperor's level, we would decide to seek an interview with him. All such meetings or interviews were arranged by the Ambassador. He would be present at the sessions, too.

Q: Do you remember what kind of problems you would take to him?

KLEINE: I'm trying to think whether it related to actions such as personnel or financial contributions that we expected from the Ethiopians for certain programs. As a matter of policy, we expected some contribution by the Ethiopians in connection with each project we undertook. For normal operations we had a central contact point in the government. It was run by an Ethiopian businessman who had been designated by the Emperor.

Q: Tekla, something like that.

KLEINE: I can picture him, a fine looking man. He'd come in from business. Another key contact was the Minister of Finance, Makonnon Habtewold. And he was a tall, very thin man and was quite old. I found him to be extremely useful and supportive. He was good in dealing with problems. We developed a good rapport. I enjoyed visiting our projects in the field. There was the agricultural high school at Jimma which was run by a team we had under contract from central Oklahoma A & M, which became Oklahoma State University. They developed and ran that program, the agricultural research program and the agricultural college at Al Amaya. They were, I believe, very well run. The objective for these programs, as it was for all projects, was, ultimately, to turn them over to the Ethiopians in totality. There was always a battle with the Oklahoma people as how long that phase out would take. And we were pushing for earlier periods and they were less optimistic. They had developed a whole coterie of people that were working on that project. One of the continuing problems with institutional contractors such as universities was what part of their regular staff would they use and what part would they hire from the staff outside. Our interest was to maximize the use of regular staff. We didn't want to

create a foreign service of the University. We wanted their regular staff, for several reasons. We knew that they were people that were likely to be well-regarded by the institution itself, and would be less anxious to stretch the work out as long as they possibly could, for they had jobs to return to. It was a continuing bone of contention which endured, but it wasn't too serious a problem when I was there as the projects were still in the relatively early stages. When I was back in Washington years later, working on African problems, I kept pushing for phasing down and out, and we had battles with the Oklahoma people. Oklahoma had particular political clout because it was one of the oldest of the universities associated with the assistance program, starting with the Point Four program. Also Dr. Bennett, who was an early president of the University, had himself participated in the start of the program. His was a powerful name in Washington - in the Administration and on the Hill in Congress.

Q: He was first head of TCA.

KLEINE: TCA - the Point Four program. So dealings with Oklahoma people took a lot of patience. They took advantage, I think, of their situation. But, in general, I thought - and still think - they did a good job.

Q: What stood out as sort of one of the, the project that you found most interesting?

KLEINE: The Gondar project in public health which was located up north. For the project, we trained paramedical teams to work in the rural areas of the country. The training was conducted at the Gondar location by U.S. Public Health Service doctors and nurses. We trained the Ethiopians to work as teams.

Q: Well, it was a team of three. One was the health officer, one a nurse, and one a sanitarian. And I think that the training for the health officer was 3 years and for the nurse 2 years and the sanitarian 1 year, I think, something like that.

KLEINE: I was very impressed with the enthusiasm of these young people. It was a tremendous opportunity for these young Ethiopians and the project had great promise. I don't know what happened later because of the bloody political upheaval that came after the Emperor was deposed. While we're on that, I get a lot of pleasure from news that I receive from Oklahoma State University. They have formed an association of alumni which has ties with Ethiopia, Alemaya in particular. They publish a newsletter and have been holding annual meetings. I enjoy reading in the newsletters about the Ethiopians that have come back, and the fact that Alemaya still exists as a college-level agricultural institution. They send books and occasionally people go out to visit and help.

Q: One interesting little sideline in connection is that, your two connections. One, you worked on Hungarian refugees and some of those refugees were medical staff at Gondar.

KLEINE: Is that so?

Q: They were brought to Ethiopia by the Ethiopian government and refugee organizations and worked as part of that staff under Dr. Curtis.

KLEINE: That's interesting.

Q: You had a little story about that?

KLEINE: I forget just how we, as a mission, related to the Minister of the Interior. Oh yes, we had a public safety program to help professionalize the civil police forces.

Q: Part of the $5 million grant.

KLEINE: That was part of the $5 million Richards grant. And we had an expert, I forget the name of the gentleman, to help administer the program.

Q: Colonel somebody. I don't remember it now.

KLEINE: It was Colonel Selby. In connection with the program, we had contacts with the Minister of Interior, who was an important man in the group around the president running the country. At one point a young man, a young Ethiopian, shows up, escorted by an aide of the Minister to my office at the Mission. He made known to me that the young man was a gift to me from the Minister in gratitude for what our program was accomplishing.

Q: Minister of Interior.

KLEINE: Yes, the Minister of Interior. The question for me was, what was I supposed to do with him? He was given to me to do whatever I wanted. I would guess he was 15 or 16, tall and slim, bright, and without any knowledge of English. I conferred with the Ambassador. Also, we were supposed to notify Washington when presented with gifts from foreign governments. The solution I chose was to give him a job. We employed him as the lowest entry level laborer in the Mission motor pool and trained him to work around cars, etc. The Minister was thanked for his generosity and Washington informed of the gift and the disposition. The minister stressed the importance of handling the matter with delicacy. That was clear, but how?

Another interesting development occurred in late 1958 or early 1959, when a cable arrives from Washington from Dr. Fitzgerald.

Q: He was the Deputy head of ICA at that time.
KLEINE: He was the Deputy of ICA and was the actual head of the agency. He directed me to go to Yemen to assess the impact of a famine that had then gripped Yemen and, I think, some surrounding countries. I was to make recommendations for U.S. aid based on my findings. Yemen had no relations whatsoever with the U.S. I referred earlier to that crazy visit of the Richards Mission to Yemen. Nothing came of it because the Imam was out of his mind. Hence, we had no embassy or other representation in the country.

Apparently, a feeler had come out, asking if the U.S. could provide assistance in dealing with the famine. The U.S. government decided to consider the request and Dr. Fitzgerald decided that I should be the one to conduct the assessment. I requested Bill Carter, who was the Mission Controller, to accompany me.

I had a special problem as my passport showed my religion as Jewish and Yemen might not allow entry of anyone of the Jewish faith. I was concerned that Dr. Fitzgerald hadn't thought of that as being a possible problem in my getting into the country. There was a regular weekly flight from Ethiopia to Yemen. That would have been the usual route to get in there. But, concerned about this problem and believing it likely the tightest restrictions would be at the airport, we decided to go in through neighboring Aden, which was then still under British control. We had the U.S. Consul in Aden. Consequently, we flew to Aden. The Consul who had visited Yemen periodically arranged to advise Yemeni authorities that we were arriving from Aden at roughly a certain time. So we went in overland by jeep to Yemen.

Q: The U.S. Consul with you?

KLEINE: The U.S. Consul was with me, and Bill Carter. That was an experience. It was high plateau. We passed through villages that were just right out of ancient history, the people were just living in little huts. This open land was actually less flat than I thought it might be. Finally, we got to Taiz. It was the main city, though not the official capital, which was Sanaa. It was architecturally striking; it had buildings of multiple floors, but all built out of mud. We were put up in a guest house, the Imam's official guest house. There was no restaurant, no place to eat. Staff would come to the corridor outside your room and prepare your food on little hot grills, fires, and they'd give you the food. But we were there for several days taking trips to see what was going on.

Q: Was somebody in the government with you?

KLEINE: A government official was with us. We talked about what the food needs of the country and its availability, and he set up the necessary meetings with local representatives. We checked the port facilities and explored the kind of controls which would be placed on food that might be imported. We worked on the preliminary arrangements. Ultimately, a program was initiated based on our recommendations. That was the beginning of the U.S. presence in Yemen. I don't know what the situation is now, I believe the U.S. still has a presence there.

Q: Yes. Interesting. That was really the beginning of our program in Yemen and there was no embassy so it was the first contact of any consequence. Did somebody go there to stay and distribute the food?

KLEINE: Yes. There was a small, very small mission. While living in Ethiopia, we used to occasionally for R & R, go down to Nairobi in Kenya. It was a delightful place to visit.

It was developed by the British who knew how to take care of themselves. It was quite different from Ethiopia.

Q: Did you have any contact with the British in Addis Ababa?

KLEINE: Yes. There was a British Embassy. I don't think they had an aid program. There were British and French cultural programs and the Israelis were beginning a small technical assistance program, but we were the only significant bilateral program. There was a UN program. Interestingly, the Ethiopians at that time did not consider themselves as being African. They would say that they were red. The Emperor's political, economic and cultural outlook was oriented toward Europe. And it was only later when he began to aspire to a position of leadership in the newly developing and independent Africa that he made state visits to African countries and sought to attain a leadership role in Africa. He succeeded in getting the Organization of African States (OAS) to establish its headquarters in Addis Ababa. And it was an interesting change. Another thing we started to observe was the growing pressure from the Soviet Union to get a foothold in Ethiopia. The U.S. maintained for a long time an important military communications center, Kagnew Station, in Eritrea, Asmara. Toward the end of my stay there, at a meeting we had with the Emperor, he informed us that he had been offered military assistance in the form of supplies and equipment and training from the Soviet Union, and he was exploring whether we would do the same. We were rather courageous in deciding not to seek to outbid the Soviets in military assistance and, after consulting Washington, the Emperor was so informed. Later there was a Soviet presence.

Q: While you were there, you were aware of their presence?

KLEINE: They started coming later.

Q: This was military presence.

KLEINE: Military assistance, yes, as well as economic and technical assistance, particularly after the Emperor was deposed. The Soviet Bloc made little inroad while the Emperor was in power.

Q: So the Richards mission didn't work.

KLEINE: No. Because there is no end to how much you have to give, if you seek long term influence by buying it. You have to keep buying and lend yourself to blackmail. The competition becomes pretty steep. Let me cite an example - the railway link between Tanzania and Zambia.

Q: Tanzam Railroad

KLEINE: Yes, Tanzam Railroad. And I had a run-in with Averell Harriman on that. We'll talk about that...

Q: ...talk about that later.

KLEINE: Okay.

Q: Well, what's your overall impression of what we were accomplishing in Ethiopia?

KLEINE: My impression was that the program establishing and building institutions was good. To help these new institutions develop from the ground up, we provided the experts to begin operations while we were training Ethiopians to come back and replace our people. The whole thing was designed to permit a turnover from U.S. to Ethiopian management and control. What we didn't understand and couldn't foresee is that, even if we were successful, we were establishing claims on Ethiopian resources for the maintenance of these things *ad infinitum*. We assumed they would figure in to the priorities of successor regimes because they were rather humble initiatives. We're talking about a country of 40 million people, as I recall. So they needed basic processes and initiatives. What more could they need than public health, agriculture? They had a rich promise of agriculture. Certainly they needed education to bring their people into the 20th Century. We couldn't foresee the takeover by radical military leftists who just destroyed practically everything that had been done. It was tragic that the Emperor's regime was terminated as it was. It was always a question whether the Emperor was loosening his controls fast enough to avoid severe political strain after he left the scene. The first attempt to overthrow the Emperor failed. It must have been in 1963. I was assigned then in New York at the U.S. Mission to the U.N. and the Emperor came to New York to address the UN General Assembly. I saw him there and we greeted each other. From there he flew down to Brazil and, while there, learned that there had been a palace coup with his son among the coup leaders. He cut short his state visit to Brazil, got on his plane and went back. On his arrival, the coup collapsed and he re-assumed leadership. Whether his son was a willing part of the plot, we don't know. Not too long after that, he was overthrown, imprisoned in his own palace and never survived.

Q: What did you think about the people that we had trained, the Ethiopians? What did you experience with those who had completed their training?

KLEINE: Many hundreds were trained in the various facilities we had established in the fields of agriculture, education and public health. Many received advanced education and training in the U.S. through our participant program. Many of them ultimately found their way into the States after the military takeover and did very well here. The U.N. and the IBRD hired quite a few relative to the others from developing countries. Occasionally I bumped into some that we had trained and who had left. Incidentally, as you probably know, there are a large number of Ethiopian restaurants in Washington. Washington became a center for Ethiopians who had exiled themselves or who had been exiled. The interruption by the Communist military regime set back economic development for many years. Also unhelpful were the problems up in Eritrea. Eritrea was part of...

Q: You had a program in Eritrea at that time?

KLEINE: Yes, we had a small mission headquartered in Asmara. Not long after I got to Ethiopia, I took a trip to Asmara. Our representative there, Charlie Campbell, just the week before I arrived, had been fired on by rebels who were already active; this goes back to 1957. They were already out in the hinterland and creating problems for the central government. It wasn't totally secure, even back then.

Q: Why did we have a program there?

KLEINE: The decision was made before I arrived and was related to the presence of Kagnew Station. The country was large. Communications were difficult, transport was difficult. Our program consisted of a nursery school, or vocational trade school, and participant training.

Eritrea was an important agricultural center and had an important port in Massawa. It was a wild ride from Asmara to Massawa. It was on that route that Campbell was shot at. Separatist activity was brewing. There was the growing presence of the Moslems coming in from the North which fueled the struggle that developed with the Coptic and other groups to the South. It's now a separate country.

Q: Right.

KLEINE: Do we have a mission up there now?

Q: Yes.

KLEINE: It was a bitter and destructive war for many, many years.

Q: Any question about relationships to the Embassy at that time? You were Mission Director.

KLEINE: Don Bliss was the Ambassador the whole time I was there. We got along very well. It was a special satisfaction to me because, as I mentioned earlier, he had originally opposed my appointment. Ollie Troxel was the Economic Officer. He was a strong, independent minded fellow; we got along well. There was a CIA presence there. In fact, one of the people lives in retirement right around the corner from where we are now.
Q: Were there any issues about relationships or coordination? Of course, the office was some distance away so you had your own independence, I guess.

KLEINE: Maybe the distance of time has blurred my recall of these things, but I don't remember any significant problems. The whole country team relationship was harmonious. I made sure to keep lines of communication open to avoid surprises. One activity which was not work related. The Emperor had four or so children. His favorite

son, the one he was grooming to succeed him, had been killed in an automobile accident. This occurred the year before I arrived.

Q: The Duke of Harar.

KLEINE: That's correct, the Duke of Harar. We in the mission thought of the idea of having a program dedicated to the late Duke of Harar. The proceeds of the ticket sales were donated to an Ethiopian charitable organization. The production we staged in the auditorium. It included music, dances, skits, etc. It was a gala event. The Emperor and his coterie came, as did most of the diplomatic and business communities. The emperor was obviously very pleased. It was also a morale booster for the whole Mission and Embassy.

Q: This was at the Opera House.

KLEINE: Yes, it was at the Opera House. The fellow who had come, also, to carry out one of the Richard Mission projects in Communications had a lot of experience in theatrical productions and he put it all together. It was really a great show.

Q: Were there any particular program areas that you were trying to initiate or focus on?

KLEINE: My main emphasis was in implementing that which we had already committed and undertaken. I, even at that stage, felt that there was too much attention in the Agency to new initiatives while old initiatives were lying around. I initiated a fairly rigorous system of follow-up, meeting regularly with the heads of the various units on each project, setting targets for specific time periods and trying to hold them accountable for progress. I also did a lot of site visits. When I arrived, the Richard Mission project commitments had been lagging. We wanted to get those well underway before seeking appropriations for new activities.

Appointment in ICA Washington as Deputy Director of Operations for Technical Services - 1959

Late September or early October of '59 I was asked by Dr. Fitzgerald if I would be interested to come back to Washington as one of his two deputies. There had been a re-organization that had occurred about a year before. Dr. Fitzgerald had become the Agency's Deputy Director for Operations, the effective operational head responsible for both the regional bureaus and technical offices. He had two deputies, one for the Technical Services, such as agriculture, industry, public safety, participant training, and a deputy for the four Regional Bureaus. And Stuart Van Dyke was his first deputy for the Regional Bureaus, followed by Don MacPhail. Skinny Holmgren was his first deputy for Technical Services. As Skinny Holmgren was retiring, Dr. Fitzgerald asked if I'd be interested in succeeding him.

Q: In those days, correct me if I'm wrong, but the ICA was very technically centered, I mean the technical units were very central and dominant.

KLEINE: Very central and very dominant. One reason may have been because Dr. Fitzgerald was an agricultural economist.

Q: The technical services had a lot of control. The regional bureaus were less significant?

KLEINE: It was always a question of working together, but it is true that during that period the technical side was stronger.

Q: It was a functional organization rather than a geographical organization?

KLEINE: Right. You're absolutely right. There was a continuous tension and some resentment on the part of the Regional Bureaus. Joining them up at the top under a single Deputy Director of Operations was the bureaucratic response to this kind of problem. While I had fully intended to stay on for two tours in Ethiopia, I couldn't turn down this opportunity. I had a problem, however, in that the Ambassador wasn't happy about my leaving sooner than expected, and the Emperor asked whether my transfer was a sign of a problem with the U.S. We assured him that was not so. It was noted to him that in my new position I would continue to be able to be supportive to the Ethiopian program.

Q: So you didn't quite become a foreign policy issue.

KLEINE: No. I got back to Washington about November of '59. I was in that position from then to September 1961, about two years, until the major restructuring from ICA to AID occurred. As the Assistant Deputy Director of Operations for the Technical Service side, I became sort of the spokesman for the technical services in connection with their staffing, budgeting and special problems, for example, with the regional bureaus or serious project delays or cost over-runs. I recall, for example, the special problems with practically all of the industrial projects in Korea. It's hard to believe that, given Korea today, every project that we had, and there were a number, seemed to be a white elephant. I'm pleased to say that this was turned around.

Q: Our projects?

KLEINE: Our projects.

Q: What kind of projects?
KLEINE: Steel, manufacturing of various types, involving lots of money. The trouble was at that time Korea was a centrally managed economy. Our [the U.S.] major contribution was getting Korea to adopt a free market policy. Joel Bernstein was a major, major player.

Q: He was the Mission Director at the time?

KLEINE: Yes, he was the Mission Director at the time. The change of policy, opening up of that economy, turned that situation around. It was a miracle. There was a whole range of activities to train the economists and sending high-level experts from the U.S. on economic policies to provide technical assistance. An economic research think tank was formed. The acronym was KIE, the Korean Institute of Economics.

Q: Started by the AID Program?

KLEINE: Yes, by the AID Program. It was a major success.

Q: What would you say were the various factors that went in to bring about the Koreans to make the shift to market oriented industry?

KLEINE: They saw things as they were didn't work. There was heavy inflation and big fiscal deficits. There was, of course, concern with the constant North Korean threat. A solid economy was essential to support the large military establishment.

Q: There was an economic crisis?

KLEINE: Yes. The leaders on the Korean side saw that a free enterprise approach was the way they had to go, and they did. We were there with the resources to facilitate the shift. Another activity in which I was involved was shoring up of the South Vietnamese economy. Kennedy was then President. He initiated the introduction of U.S. military advisors to help the Vietnamese government, then under the leadership of Diem. He also wanted to support the economy.

Q: Who went out there?

KLEINE: Vice President Johnson went to Vietnam at the request of Kennedy. While he was there, he promised that he would send a financial economic team to consult with the Vietnamese on what the U.S. could do to help them handle their large economic needs. An economist, Eugene Staley, from a Midwestern university, was asked to head the mission which had representatives from the Department of Defense, State and AID. I was designated to be the AID representative.

Q: This was 1962?

KLEINE: In August or September of 1961. I went to the National War College, so it would have been before then. It was early in the Kennedy regime.

Q: What was it that you were trying to do?

KLEINE: To develop a program to bolster the economic capacity of the Vietnamese to finance their military defense buildup. The Mission's recommendations led to a major step up of the U.S. program. What was most memorable was the impression I drew from

spending a lot of time with Diem, then President of South Vietnam. He traveled a great deal with our Mission. We flew in helicopters over most of the area. He had detailed knowledge of his country and was obviously intent on helping his people develop economically while dealing with the military threat from the North.

It was astonishing later to learn that the U.S. was involved in his unseating. There were differences in policy between the Kennedy Administration and Diem as to what should be done at the time to handle the military conflict. Things never worked out after that. A leader capable of keeping the country together while struggling against the incursions never appeared.

Q: Did we start the program then?

KLEINE: Yes. The program was well under way and continued.

Q: Did we have a Mission there?

KLEINE: We had a Mission. Arthur Gardiner, the Mission Director, had been there for some time. His son, Arthur Gardiner, became General Counsel of AID years later.

Another interesting experience for me during that period was with the start up of the Peace Corps. The beginning was actually before the election and the actual assumption of power by Kennedy in 1961. By then Ambassador James Riddleberger was the head of ICA. Under him was Dr. Fitzgerald. As I already have mentioned, I and Don McPhail, who had succeeded Van Dyke, were his deputies. A letter came in to Riddleberger from then Senator Humphrey transmitting a letter that Senator Humphrey had received from an important constituent. He was the publisher of the *Minneapolis Herald Tribune*, a major newspaper in Humphrey's home state. The publisher had recently visited Egypt and was interested in what the U.S. assistance program was doing in Egypt. In his letter he wrote that he was impressed by the people that the U.S. had there in the aid program, but he noted that they were mostly senior people whose contacts were primarily with the Ministries and high level officials in the major cities. He felt that more contact was needed with the people, in particular in the rural areas. He suggested more use of younger people who could be the eyes, ears, legs and hands of the more senior experienced people. They would serve outside the main cities.

The letter came to me to draft a response for Riddleberger's signature. After circulating the letter to various technical and regional offices for comment, I drafted a response that supported the use of more young people and suggested a more thorough study by an independent group would be appropriate. The proposal was incorporated in the appropriation bill before Congress as the Humphrey amendment. It provided $100,000 for a study to be done as to feasibility of a youth corps to work with AID. Given Senator Humphrey's important leadership role in Congress, there was no problem there. It was approved. After negotiations with some universities, a contract was signed with Colorado

State University to perform the study. They appointed some good people to do the work and work began shortly thereafter.

While this was going on, the Presidential Campaign was well under way. At a certain point contacts were made with the Kennedy group and the next thing we knew, Senator Kennedy announced a Peace Corps idea in a speech he gave at the University of Michigan. The idea apparently took hold and was enthusiastically received by the public.

Q: Were the two connected?

KLEINE: Yes.

Q: How do you know?

KLEINE: I don't know exactly how, but at the time we were convinced the connection was made. The Colorado State study team was interviewing lots of people in and out of government. In any case, the Kennedy people adopted it as their own. They started to run with the ball even before the inauguration, before the study was completed. One of the very first appointments that Kennedy made was appointing his brother-in-law, Shriver, to head this up. They turned to us in ICA to provide them with initial staff and funding. I was the contact point to provide the staff and initial funding as well as to find the office space. We also detailed staff to help make up teams that they ultimately used to go out and solicit business in the developing countries.

Q: You mean visiting countries?

KLEINE: Yes, visiting countries to work out the agreements to provide Peace Corps volunteers. The idea was very well received by the countries. By this time new independent countries were sprouting all over Africa and to some degree in the Far East. There was a tremendous demand for these programs, because they understood that the program was so near and dear to the heart of Kennedy. They believed that by accepting the Peace Corps, they could get the real heavy economic development money as well. They weren't interested in having young people without specialized skills from the U.S.

Q: You say they were not?

KLEINE: They had plenty of young people of their own. They wanted the resources that the U.S. could provide. Accepting the Peace Corps they hoped would win them brownie points with the next Kennedy Administration.

Q: You mean the countries?

KLEINE: Yes. The early Peace Corps people were highly idealistic, very "pie in the sky". All of their proposals would come to us initially for technical review and comments.

When the first request came in for our comments, it called for 5000 teachers of English to go to the Philippines.

Q: AID?

KLEINE: At the beginning it was still ICA. The proposals came through me to get comments, not for veto. We quickly pointed out to them that there was a surplus of Philippine English teachers and many that were unemployed. The point was taken. The program for 5000 English teachers became 150 English teacher assistants that would go into the classroom with the Philippine English teachers to assist them, not displace them. That was the most extreme proposal, but still large numbers were proposed, 500, 1000, but they were all boiled down to more manageable size. We saw soon that there was a philosophy developing among the Peace Corps crowd of complete separation from the U.S. establishment. I'm not quite sure why that occurred. One reason may have been their concern about the CIA and that the volunteers might be suspected of being CIA spies. They were instructed to keep far, far away from any U.S. representatives, the Embassy and AID. It became an article of faith with them. I remember Stuart Van Dyke telling about his experience at one of the centers where they were training people where he had been invited as part of the orientation program. He heard the Peace Corps representative talking to the Peace Corps volunteers and he was explicitly telling them to keep away from AID. Over time, we observed that in the field relationships started to develop. In the first years the Peace Corps volunteer sent abroad were specialized young people right out of college with their BA's or BS's. The idea was that they would go out and work with the rural people to help sort out what their economic priorities were, then to work with them on how to satisfy these priority needs. Unfortunately, there was little, if any, know-how on both sides to succeed. Plus the fact that there was no follow up. A Peace Corps volunteer would be out someplace in a rural area, spend his or her two years of which one year to determine what to do and then the next to try to get it started. There was no assurance that whoever was going to follow him or her would pick up on that project or, instead, start something else. That was complicated as time wore on by the fact that it was Peace Corps policy that nobody on the staff of the Peace Corps should stay longer than five years. There was little or no institutional memory. I think that persists even today, this five year limit. However, over time the Peace Corps started to shift to older people, people with skills, including post retirement people. I read a book not long ago about a Peace Corps volunteer who had gone out to Africa in the mid-80s. At the time, the Peace Corps decided that a lot of the countries in Africa would benefit from fish ponds. The young man was taught how to make fish ponds and was sent to Zaire, way out in the "boon docks." The poor fellow, without any kind of institutional support, did a yeoman-like job in getting it started, but there was nothing there to maintain them after he left. He himself isolated, ultimately he became an alcoholic and he felt he had to leave to save himself. He did. Interestingly, he started to work with the homeless here in Washington.

Q: What was the underlying rationale for having a Peace Corps, what was the political agenda of Kennedy times? What was this supposed to be doing? What was supposed to be accomplished?

KLEINE: The concept was that through the young people of America that the ideals of America and democracy would be spread around the world. It was still a time - after World War II and before Vietnam - when we felt that there was no limit to what the U.S. could accomplish; we were the masters of the world and we should do what we could to help the poor beleaguered. All we needed was the idealism and the energy of the young.

Q: That was what people were saying at the time?

KLEINE: Yes, that's what attracted a lot of young people and there still is a tremendously enthusiastic group of alumni of the Peace Corps. They are well organized and have been a very effective lobby for the Peace Corps all these years. The folly of separation from AID was seen early in the field. We started a program of Ambassador Self Help Funds, through which AID provided to the Ambassadors up to $25,000 (initially we would start at $5,000 or $10,000). I think that later on it went higher in some countries. Much of that was used to buy transportation equipment or provide materials for the Peace Corps volunteers for their project work. They did, surreptitiously, initially start to work with AID people as they saw they needed help from experienced personnel. Later on this wall came tumbling down. I remember years later I saw in the AID publication that there was a ceremony to sign a formal agreement between the head of AID, MacPherson, and the Peace Corps, Loret Ruppe, for cooperation between the two agencies. It's a sad story.

Q: That's a fascinating beginning to the Peace Corps.

KLEINE: I did not have a favorable impression of the early Peace Corps because of the craziness that pervaded its outlook at the time. I was not alone. In 1961 the *Wall Street Journal* wrote: "Who but the very young themselves can really believe that an Africa aflame with violence will have its fires quenched because some Harvard boy or Vassar girl lives in a mud hut and speaks Swahili."

Q: This is February 28, and we're continuing the interview. We were last talking about the Peace Corps.

KLEINE: Yes, there was something that came to mind as we were winding down our discussion about my work just before ICA folded and AID came into being. Incidentally the reorganization was the result of a study by a task force set up shortly after Kennedy was elected. It was headed up by Henry Labouisse who had prior experience with the aid program. He had served as the Mission Director of the operations in France during the Marshall Plan. He ultimately became the first Administrator of AID. However, before talking further about AID, I thought of a couple of things that might be of interest.

The tied procurement issue

One of particular significance (at the time I was serving as Dr. Fitzgerald's Assistant Deputy Director for Technical Services) was source of procurement for aid dollars. We

talked earlier about the fact that there was no tying of aid to U.S. procurement sources during the Marshall Plan because it would have been a useless exercise. What was needed for reconstruction was available primarily in the United States. However, as the countries of Western Europe started to get onto their economic feet and the Far East as well, increasingly under the untied procurement policy, more and more goods were being procured from outside of the United States. Gradually this became a problem, politically, in getting the support of Congress for renewed appropriations. It's understandable that the business interests in the U.S. resented official aid dollars going abroad for procurement. While U.S. business by and large never supported the aid program, they certainly fought to take advantage of the appropriated dollars. In any case, a major exercise to examine the issue was undertaken by the agency. I forget what the specific propelling force was at that time, probably Congressional pressure, but I headed up this activity. The product that came from this was called Circular 13, an airgram message that went to all of our Missions setting forth our procurement policy. Essentially, we argued and obtained Administration support that we should retain the untied procurement policy. Not withstanding considerable objection from some elements of Congress and the business world, we made the case that the dollars to be used abroad would have to come back to the States at some point and that the broader the arena for competition would yield more goods and services for the dollar. Also we argued that the countries by and large were still building up their economies and that good strong allies become good strong customers and would be financially able to buy more here. It was a bitterly fought exercise, one that resulted in the wisest policy on the matter for the U.S.

Q: I don't know whether this is subsequent or not, but there was what they call the BALPA, balanced payment exercise, at that time Missions had to do what they call "Gold Budgets," which was a way of accounting for every dollar and if dollars were spent for local costs then you had to get from the central bank an accounting that the dollars would be used in the U.S. It was an excruciatingly complex process.

KLEINE: True. BALPA and "gold budgets" came later as pressure built to "Buy American." The process became extremely burdensome.

Foreign languages and Americans abroad

During this past week I saw a cartoon which reminded me of a couple of incidents that were sort of funny, which involve the use of foreign languages by Americans abroad. It's a cartoon showing a man and a woman at a restaurant table and on the table in front of the man is a roller skate and in front of the woman is a Swiss cuckoo clock. The caption reads, "Well, so much for your two semesters of French." That's almost exactly what happened to me. When I was assigned to the Netherlands, I had some knowledge of German and French from courses I had taken in school. My reading knowledge was quite good, but my ability to speak them was very limited.

I recall one trip, a vacation trip with my brother and his wife who were visiting Europe to see me. It was in May of 1950. During that time Americans had begun to travel abroad in

large numbers. Many people started to collect baggage stickers from the hotels they stayed at. All hotels would have stickers and were pleased to provide them. The tourists loved to display the stickers, the more, the better on their baggage. My brother and his wife had started their collection. On the trip we got to this hotel in Luxembourg where we stayed overnight. When we were leaving, they tried to communicate to the man at the desk that they'd like a sticker. He couldn't understand. They said, Herman, could you see if you can get him to understand?"

In my study of German and French, I'd never come across the word or words for baggage sticker, but I tried, mostly with gestures. Suddenly the man said, "Aha!" as though he understood; he excused himself, and he gestured for us to meet him in the front. When we got there, he came around the side of the hotel with a baggage cart. That is what he thought we meant!

On that same trip, while in Paris, we stopped by a very lovely specialty food store to get some sandwiches for a picnic lunch. My brother wanted to know if they had corned beef. He tried, but he couldn't get it across. He looked in the display counter and saw a piece of meat that looked like corned beef. Pointing to it, he said, "Ah, that's corned beef." When the counter man looked, my brother continued, "En Amerique je maypole corned beef." At that, the counter man said, "Ah, Bonjour Monsieur Corned Beef."

The French are very elitist about their language, I guess you can say snobbish. They often won't make any effort to meet you half way to try to understand what you're trying to say in French. I recall one time when driving, I was looking for an address on a street called Rue Gaspard. It was night time and it was pouring rain. I had a general idea of what part of the city it was in, but we got to that part of the city and I couldn't find that street. I kept stopping and asking people where the street was. They would shrug and go on. Finally I stopped and I wrote it down and showed the slip of paper to a person on the street. The person said, "Ah, rue Gaspard." It was the accent that counted. I had put the accent on the wrong syllable. It was just around the corner. You have to know the French language thoroughly to be able to use it in France.

The Development Loan Fund

A few years before the creation of AID, the Development Loan Fund was set up as an agency separate from ICA. That must have been set up about 1958. I recall at a meeting of the ICA Mission Directors in Africa held, I believe, in Tunisia, Ed Hutchinson, who was the number two man, came to talk to us about the new DLF and its plans. The new fund represented an effort to move the U.S. assistance programs into capital projects financed on a loan basis. Up until then, the capital assistance that we were providing was primarily on a grant basis. This was a major turn which affected the assistance programs from then on, when the major flow of assistance was through loans rather than grants.

Q: Do you know why we made this shift? Or why we wanted to move from grants to loans and get into that kind of thing?

KLEINE: I believe it was motivated by desire to put economic assistance for capital projects on a more business-like basis with feasibility studies and engineering studies. It was felt that the existing assistance programs were not oriented for that type of capital project activity. The DLF decided it would not operate with its own missions in the field, but rely on sending project teams on TDY to the field. It soon concluded that pristine independence would not really work. It began to rely increasingly on identifying projects through the use of ICA field missions. It took some time before Ethiopia got its first development loan.

A year at the National War College - 1961/62

Some months before August 1961, I had been selected to go to the National War College as one of two Agency representatives. That's where I was when the reorganization occurred from ICA to AID. I kept in touch periodically to find out what was going on. It became clear that the major shift in the reorganization was to put major control in beefed-up regional bureaus, each with its own technical staff. It was a reaction from what had been the bifurcated organization of ICA and MSA, etc., where major focus was on the technical offices. The year at the National War College was a wonderful year in all regards for me. It was certainly less hectic, less stressful. The opportunities that they presented to the students in terms of the resources made available were staggering. The National War College was first organized in 1947; the first class was in 1947. The intent was to enhance inter-service collaboration - to get them to know each other better and to work together better. They recognized with the kind of military structure we had, separate Air Force, separate Navy, separate Army, separate Marine Corps, separate Coast Guard, coordination would be a continual challenge. An underlying theory was that you coordinate better with people that you know personally. That personal contact was a key to the institution. The school had become the finishing school for those who were far advanced on the track to becoming the Admirals and the Generals of the military forces. Classes always included some representation from the civilian agencies, primarily State Department. The normal distribution at the time was about 30 from each branch of military service and 30 from the civilian agencies. The State Department had most of those, but other agencies were Bureau of Budget, Defense Department civilians, CIA, USIA, Treasury and AID. A couple of years before I entered they had started to include AID people. Will Muller was the other AID representative the year I attended. If I recall he had been Mission Director in Uganda.

Q: Why would AID want to be part of that?
KLEINE: Because AID recognized that it too had to work with other agencies both in Washington and in the field in the context of U.S. country teams. AID was no longer independent; it was part of the structure of the State Department; it had to work closely with the Embassy and USIA. In country AID had to play a role in the country team structure. There was recognition that the kinds of problems that AID dealt with, development problems, were increasingly of interest to the military.

It struck me that very little of the course content had anything to do with military. It was primarily a course in international economic and political affairs. There was some attention to military strategy. The program consisted of various domestic and overseas regional studies. Student teams and committees were organized to study and report on certain problems. Some travel was included. Each year there was a trip overseas. I chose to go to an area that I hadn't been to very much, the Far East. It was a marvelous trip. About 30 of us went in our own U.S. Air force plane. Stopping first in Alaska for refueling, we proceeded to the Philippines, and then to Japan, Taiwan, Vietnam and Burma. We were also in Hong Kong, Australia, and Thailand. In each place we had meetings and briefings with the top people in government, the top military dictator, or the President. We were wined and dined. There were no delays at customs. One remarkable experience was visiting Taiwan. We were the guests of the Commanding General at one of those islands, Quemoy and Matsu. It was the larger one. We were briefed and then we had lunch, all deep underground. It was an enormous place. For lunch we had about a 14 course Chinese meal. Each course was marked with a ceremonial toast. The military people on both sides tried to out "macho" each other with the saki toasts.

Q: Saki?

KLEINE: Yes. That was certainly a memorable meal, and food was superb. They served us in the fortification from which you could look across the water and see the mainland of China. Every once in awhile a couple of artillery bombs would go off.

One very important aspect of this experience of my year at the National War College, was it gave me more time for social life. It was that year that I met Paula. I was the only single member of the class, which numbered about 130. There was a lot of after hours social activity that went on for the men and their wives, they entertained each other. All seemed interested in my social life and they tried to have me meet people. I met Paula just before school started and we dated off and on through the year. Before the end of the year, the question came up of what would be my assignment after graduation. The only position that I ever asked for in my entire career with AID was the position of the AID advisor to the U.S. Mission at the U.N. in New York. The position had just gotten established.

Q: Before you go to that, did you have to write a paper?

KLEINE: Yes, that's pertinent to that assignment.

Q: What did you write about?
KLEINE: I wrote about the U.N. Special Fund, which was then getting organized. There had been a move to set up a U.N. program of overall economic assistance, including capital assistance. I believe it was to be called SUNFED. The idea didn't survive, but then the U.N. Special Fund idea came up. It was to emphasize feasibility studies and surveys that would lead to capital projects to be funded by other agencies such as the World Bank and bilateral agencies. I wrote about this development and its prospects. Paul Hoffman had long since left the Marshall Plan, but he was still interested in these matters. He was a

promoter of the concept and became its first head. I was approved for the job I requested at the U.S. Mission to the U.N. in New York. Just before I graduated, Paula and I became engaged. The timing was related to the fact that I was told that the very first thing I would do, would be to attend the summer session of the U.N. Economic and Social Council (ECSOC) which was always held in Geneva, Switzerland. We thought that would be a nice place to go on a honeymoon. We decided we would get married without all of the fanfare and sort of eloped. A week or less after we married, I went off to Geneva with the plan that she would join me. We got her a passport and made other arrangements. Not long after I arrived there, I learned that she wasn't coming because she couldn't overcome her fear of flying. So I became known as the "man who had a separate honeymoon;" I was in Geneva and Paula was in Washington. Actually, following my return in August from Geneva, Paula and I went to Martha's Vineyard for a more normal honeymoon.

U.S. Mission to the U.N. and participation in the U.N. Economic and Social Council (ECOSOC) Summer Seminar - 1962

The exposure to the U.N. which started in Geneva was fascinating. It was such a different milieu from bilateral assistance, everything was done by committee. Committees made up of representatives of the nations of the U.N., whereas I was more accustomed to dealing with problems on the technical and substantive levels, everything in the U.N. was politically colored and infested with the East/West tensions and growing signs of North/South conflicts. Each country had its own agenda and point of view and repeated it on every issue, related or not. It gave me a good foundation for the work that I was to do when I got back to New York. It was a six week session, which started in June 1962. Philip Klutznick was the U.S. Ambassador to the ECOSOC. He was a businessman from Cleveland, a very articulate, intelligent man. He was in charge of the work that I was to do at the U.S. Mission. Adlai Stevenson was the U.S. Ambassador to the U.N. at that time. As a footnote, I should mention that at the graduation at the National War College, before I took off to go to the U.N. job, an announcement was made of Paula's and my engagement. Dean Rusk, then the Secretary of State, was the speaker at graduation so he saw this little ceremony at which the announcement was made and a class gift was presented to Paula and me. He congratulated us. That was in June. In September each year, at the beginning of the U.N. General Assembly, the Secretary of State goes to New York for consultations with the heads of the major missions and to address the Assembly. In the elevator at the U.S. Mission I bumped into him. He recognized me and asked how I was. I replied, "I'm now married," and he congratulated me and wished me well. The following year at General Assembly time, again I bumped into Dean Rusk and again he asked how I was. My reply then was, "Now I have a son." We both had a good laugh.

Q: Do you remember any of the issues that you they were dealing with at that time? Was it relevant to AID being represented?

KLEINE: Yes. The relevance to AID was in maximizing coordination with U.N. technical assistance activities and with the new U.N. Special Fund. It was my role to be in touch with those who were in charge and to try and find out what was going on, to the

extent possible and desirable, and to influence what was going on and being planned. The development activities of the U.N. were split. For a number of years, there was a Technical Assistance Program that was run by the Technical Assistance Committee. It was headed by a Englishman named David Owens. Then we had the Special Fund of which Paul Hoffman was the head. It was recognized early that there was a lot of possibility of overlap between the two. The U.N. Technical Assistance Program, as well as the Special Fund, relied very heavily on the U.N. Specialized Agencies. Among them were and are the World Health Organization, UNESCO, there was the World Meteorology Organization (WMO), and a whole slew of others. They had their own funding through assessments of member countries. Their resources were supplemented for technical assistance activities by monies obtained through the Technical Assistance Program of the U.N. The U.N. carried out some activities through its own secretariat, primarily in public administration. Likewise, the Special Fund came to rely heavily on the specialized agencies to implement its projects. I forget when the merger of the two programs ultimately occurred, but that was something that we pushed for.

Q: That led to the formation of UNDP.

KLEINE: That's right. The United Nations Development Program.

Q: Paul Hoffman was the first head, I think.

KLEINE: Initially there were co-heads, David Owen and Paul Hoffman. It was recognized that it was an arrangement that would not continue long, but was undertaken because of the reference to the individuals concerned. Soon there was only one head.

My job was principally to relate to the UNDP. This involved lots of committee meetings, including annual meetings and lots of speech making. I was in the middle of all of that, drafting position papers, getting instructions and guidance from two sources, the State Department through its International Organizations Office and AID, where Jack Kaplan headed up a small unit that served as my back-stop office in Washington.

A subject I pursued with the UNDP was evaluation of project results. Most attention by the UNDP was given to finding and approving new projects. Each recipient country was vying for a larger share. There was little concern about the implementation of the projects, and assessing whether or not they were doing what they were supposed to do. To get the attention of these organizations you had to do it constitutionally, which meant the passing of resolutions. To get that done you had to negotiate the texts with the various interests. The USSR was normally an obstruction on issues that the U.S. pursued. You could never tell, however. On some issues they occasionally would be cooperative and work together with us, but so much of their involvement was dialectic preaching and trying to promote disagreement and discord. A Caucus of the 77 of the Undeveloped Countries was formed. It was a forum used by the developing countries to organize as a block to get more power in voting on various resolutions, not only in the political arena, but also in the economic and social arena. The USSR and its Eastern European allies, the

so-called Soviet Bloc, as well as the U.S. and its allies, vied to get the support of the Caucus and its related institutions on important issues of trade and development. The Caucus was primarily interested in obtaining larger flows of resources from the developed countries.

Q: The Caucus is also known as the Non-aligned States?

KLEINE: The so-called Non-aligned States. Egypt was a leader, as was Indonesia. Cuba also got very active, as did Brazil. It was quite frustrating to deal with them in the U.N. environment. As you know, except in the U.N. Security Council, all other U.N. bodies provided each member country with one vote. The U.S. had and has one vote and so does every other country. Each vote has the same weight.

Q: You made this point about evaluation, what was that about?

KLEINE: We got resolutions passed that made it part of the UNDP mandate, that attention should be given to project evaluation. We felt that before approving similar new projects, lessons should be garnered from earlier projects that had been undertaken.

Q: Requesting evaluations of what they were doing.

KLEINE: Evaluations of what they had been doing. Another objective that I pursued was improved coordination between what the U.N. was funding and what other assistance programs were doing, not only those of the U.S., but also those of other countries, such as the U.K., Germany, France and Canada. Speaking of the Germans, I should mention that before the end of ICA, we encouraged the Germans to get into the foreign assistance field by starting their own bilateral program. It was probably in 1960 when we invited key people from the foreign office and the Central Bank for consultations. We briefed them on what we were doing and they invited a group that I headed to Bonn and to Berlin and they briefed us on what they were thinking of. Not long after, they started a program in technical assistance. For awhile they had one type of project that they would offer. That was to set up technical vocational schools. They had in Germany a very advanced program of such training at the secondary level, and they had a lot to offer the developing countries. Wherever they started a program abroad in Africa and elsewhere around the world, the first activity was to set up as a technical vocational school, staffed first with Germans who later were to be replaced by host nationals who would be trained in Germany.

Going back to the U.N., I proposed a pilot project to improve coordination between the U.N. and AID. Sometime in 1963 I went to Africa with Charles Nelson detailed from the African Bureau of AID. We visited Ethiopia, and another country (I forget which) and we talked to the U.N. people and the representatives of the U.N. specialized agencies in country, as well as the AID Mission staff to see what they were doing in terms of coordinating and explore what they might do to improve coordination. Everybody in

principle agreed that there was a question of setting up systematic mechanisms. That was my first contact with the AID Bureau on Africa since I had left the African work.

Q: This was to form coordination units in countries?

KLEINE: Not necessarily formal units, but a regular procedure for coordination. Then instructions from AID and the U.N. went out to the U.N. and AID missions in Africa that they should regularly maintain contact concerning on-going and proposed new activities. The principle we were pursuing from the U.S. side was that we should not be the be-all and the end-all of all assistance and that we should encourage others, the U.N. and individual Western donors.

Another memorable experience occurred while I was in New York in November 1963, right around Thanksgiving. I was attending a U.N. meeting, then suddenly there was silence at the head table followed by the shocking announcement that President Kennedy had been shot. It just left a pall over the whole U.N. building as the news went around. There was absolute silence throughout the building. It was a deeply sad time; everybody seems to remember where he or she was at that time. Not long after that I got a query from the AID Africa Bureau, wanting to know if I would be interested in coming to Washington to be Ed Hutchinson's Deputy Assistant Administrator, the position you held years later.

Q: That was in 1976, so it was quite a while later.

Deputy Assistant Administrator for Africa in USAID - 1964

KLEINE: Ed Hutchinson was the first AID Assistant Administrator for Africa. He had come from the DLF and before that had been with the Bureau of the Budget. His first Deputy was Art McGaughlin, who had suddenly died.

I was pleased to accept the offer. The U.N. routine, once you've been through two General Assembly cycles, you've seen it. I wasn't unhappy to leave, and I was pleased with the opportunity to go back into operations of AID. The African program was expending rapidly as country after country achieved independence. With independence came a U.S. aid program. The Africa Bureau was a very impressive one: Hutchinson had recruited a number of very bright, young, active people. For the expanding loan program, an outstanding staff had been assembled. It was in the first flush of Kennedy's Camelot and many young bright people came in and stayed two or three years, particularly the young lawyers. Most of them became very successful in the private sector; they were an extremely intelligent group. That was, by in large, true of the staff of the Bureau. We experimented in many ways, programmatically and organizationally. We set up a mission field organization that was headquartered in the Washington bureau to deal with the Francophone countries. We wanted to experiment to see if a lot of the work normally done by field missions could be done out of Washington. Manny DeAngelis headed that up and operated with smaller field units, primarily to deal with project implementation.

We also experimented with having technicians headquartered in one country, but responsible for servicing more than one country to maximize their services in the area. Our objective for both experimental efforts was to reduce field staff, particularly in countries where it was difficult to maintain personnel or, indeed, to recruit them.

Q: This is a very unique situation where you had a Mission in Washington like you might have overseas except it was based in Washington, so it operated like an overseas Mission.

KLEINE: I guess an example was the experience of the World Bank. The World Bank operated, and still does, out of Washington. Although ultimately they did establish a few Missions in their very large programs. I know they had one in India for many years. Our effort was sort of a hybrid; we had more of a field presence and role than the World Bank.

Q: You were just starting in the Africa Bureau in AID, what was the atmosphere in those times about AID and the development concept or philosophy that it had and the spirit of the times?

KLEINE: It was very upbeat. All of the former colonies were becoming independent and with independence came an AID mission and program.

Q: Did AID have any particular development concept that it was promoting or following?

KLEINE: The idea of country programming was developed. That meant that programs should take into account the individual country situation and what the U.S. could do to help these countries in the sectors of greatest need. So for each country, a separate program was developed and missions were staffed accordingly. A continuing element of the work was the on-going relationship with the State Department. It had its own ideas about the size and type of aid programs. Often they were more expansive than were our ideas. They usually favored doing more than we felt could be absorbed. Absorptive capacity was a concern of ours and not a concern of the State Department. Every geographic area of the State Department had an economic officer whose primary job was to keep in touch with AID and try to influence the program. However, Soapy Williams, the former Governor of Michigan was the Assistant Secretary during much of that time. Interestingly, his was the first appointment that Kennedy made for the State Department, even before the Secretary of State. That was meant to signal the interest of President Kennedy in Africa. Soapy was an amiable person, a very easy man to work with.

Q: His main line as far as AID was concerned was what?

KLEINE: To give the new countries what they wanted - sort of dollar diplomacy. A big problem developed at a certain point over the proposed Tanzam railroad, primarily to carry copper from Zambia to the port in Tanzania. Averell Harriman was involved. He at a certain time was appointed as sort of a roving Ambassador, by Johnson. Technically, I believe his title was Ambassador at Large. He was deeply involved in African matters and

in particular in this project. He was pushing for AID financing. If I remember correctly, it would have been an enormous project, about $400 million. The information that we had was that it was not economic. The U.S. was getting reports that the Chinese were offering to build that railroad--a very, very attractive offer--no interest, providing everything including labor. At a certain point, after Ed Hutchinson had left the Bureau early in 1966, I had to make a decision on the project. I opposed it. I was summoned before Harriman and David Bell, the AID Administrator and I laid out the reasons. The position was upheld despite Harriman's urging. The Chinese took over that project and, as far as I know, the thing didn't amount to very much. There isn't very much Chinese influence in Africa that was obtained through that undertaking.

Q: You weren't part of the decision to build the Tanzam highway, which was a sort of counter move in this area?

KLEINE: I don't remember. I remember the name, but nothing more.

Q: Did you testify a lot?

KLEINE: While Ed Hutchinson was there he did the testifying for the Bureau. He became something of a legend. The worst obstacle on the Hill for the agency during those years was the Passman Committee, the House Subcommittee on Appropriations for AID. Congressman Otto Passman from Louisiana was concerned with every detailed aspect of the appropriation request. The first year after AID was set up (this is before I was involved, but I heard about it) Hutchinson testified on behalf of the African aid request for over 20 days. Every project and practically every dollar was examined and re-examined. There was tremendous debate and Ed Hutchinson labored through it doggedly. The next year his testimony was down to 13 days. After Ed Hutchinson left the end of 1965, I did the testifying. It was only for three days. It was a grueling experience. Some of the Congressmen were clearly hostile to the aid program and they made it known very clearly. Most of my experience on testifying on the hill came later when I worked with the Latin America Bureau. I'll never forget those experiences. The Passman Committee was the worst, but it was only one of four committees before which we had to testify - authorization and appropriations for the House and Senate.

Q: Do you remember if there were any particular programmatic direction that you and Ed Hutchinson were pushing? Or was it more of a management responsibility?

KLEINE: Project identification was a primary responsibility of the field missions. The theory behind having field missions was that they would be in position to know better what the country situation was and what it needed that could be assisted through U.S. economic and technical assistance. The role of Washington was to formulate broad policy guidelines on the missions and to examine the validity of what they proposed. I don't recall whether we were pushing any particular kinds of projects. The Bureau role was essentially to review and approve proposals and to obtain funding through the

Congressional appropriations process and the Agency allocation process for projects approved within the Agency guidelines.

Q: It was a very broad range of opportunities because you had capital projects and technical assistance projects, so there was quite a wide scope of choice.

KLEINE: Yes, a very wide scope of choice, but in most countries there tended to be a focus on several functional areas. It was generally recognized that agriculture and rural development was a promising area. Education -- strengthening or, in many cases, establishing the school system. Over the years pressure was placed on the missions increasingly to focus on just a few areas where we would devote our resources and expertise rather than being receptive to everything. It was a continuing theme that grew more intense. We had to be mindful of the issue of staffing, getting the right kinds of personnel and getting them there on a timely basis and then questions of renewing the tours of duty and should there be limits on numbers of tours of duty. There were some cases where people would stay out for a number of years and that was generally considered not too desirable, but you're always faced with the problem of obtaining the right replacements. The selection of Mission Directors was a pretty elaborate process that was centrally managed by the agency. There was continuous pressure from the White House, the political side of the White House, to appoint people for political reasons. There was constant tension between the Agency and the White House on this matter, especially in the first years of an Administration. Central AID got most of the pressure and would try to "peddle," if that's the right word, individual candidates. The bureaus felt that the responsibilities of heading a mission were too great to risk in the hands of those who had no prior experience in the development field. We stressed promotion from within. We tried (at least when I was involved) to encourage appointments of promising outside people at the Deputy level, Deputy Mission Director, to give them an opportunity to learn the ropes, and then if they worked out well to promote them to the Director level. I think that made sense, but we didn't always succeed. You mentioned the other day Operation Tycoon. It was a program that selected people from the business world, but very few stayed on. Most left after an initial tour. The only two that stayed that come to mind are Will Meinecke and Bob Nooter.

Q: There was also an engineer named Dan Miller who was assigned in Nigeria.

KLEINE: Oh, was he Operation Tycoon?
Q: Yes.

KLEINE: I remember him as an engineer in Nigeria and later in Washington, but I don't recall that he became a Deputy or a Director, as the others did.

KLEINE: Will Meinecke went out as Deputy in Ethiopia and later became Mission Director in Ethiopia. What was interesting in his case was that normally we would promote a deputy to serve in another location. He was one of the few that moved up in the same Mission.

Q: At that time, the Africa Bureau included North Africa as I recall. Is that right?

KLEINE: Yes. Initially for a time, before AID, it was part of the European Region, because the metropolitan or colonial powers were in Europe, France with the Northern tier countries Tunisia, Algeria and Morocco, and Belgium with the Congo, etc.

Q: How long did you stay in the Africa Bureau?

Assignment to Brazil as Deputy Mission Director - 1967

KLEINE: I stayed until mid-1966, for about two and a half years. Then I was the Acting Assistant Administrator for the period after Ed Hutchinson left the Agency. Peter Strauss, an outsider, was appointed the Assistant Administrator and Bob Smith from the Agency was appointed as the Deputy Assistant Administrator to replace me. I was offered and accepted the job as Deputy Director in Brazil. That was a whole new world for me, I'd not had any prior experience in Latin America. I'd had some contact with the Bureau earlier on when I was working as the Assistant Deputy Director for Operation in ICA and had to work with all of the Bureaus. Back then the Latin American Bureau was sort of a separate organization within AID, because U.S. involvement with Latin America on the assistance side went back to before World War II, through technical assistance programs and a mode of operation called Servicios, which U.S. technical staff set up if effect mini-ministries in certain fields, such as public health, education, and agriculture. Theoretically they were jointly managed by the U.S. and local representatives, but practically everything was done by the U.S.

Q: A shadow government.

KLEINE: It was like a shadow government in technical sectors. During ICA years, when I used to work on matters that called for coordination with all of the regional bureaus, the most difficult was the Latin American Bureau. Its personnel had a very "stand offish" attitude vis a vis the rest of the Agency. They resisted involvement, or they might call it interference, from outside. Most of the senior people who were working in the Latin America Bureau had long association with the Latin Americans--they all spoke Spanish and Portuguese very fluently. Put simply, the Bureau had become in-bred. Gradually, the Agency when AID formed began a movement to cross fertilize. Stuart Van Dyke was one of the early pioneers in that process and he was appointed as Mission Director to the largest of the Missions in Latin America.

Q: To Brazil?

KLEINE: Yes, he was the Mission Director when the vacancy in the Deputy's position came up. Bill Ellis, the Deputy, was leaving to go to Harvard for graduate work. Stuart asked if I would be interested and I said fine. At that time the Brazilian program was a

very large and varied program. The Mission had about 800 personnel. The prospect of a new experience in Latin America was appealing.

Q: You went there in what year?

KLEINE: My family and I went down in August 1967. I stayed with the Africa Bureau until early 1967. I received several months of intensive training in Portuguese before I went to Brazil. At that time there weren't enough people being taught Portuguese to have a permanent facility for Portuguese language training at the FSI. They contracted us out to some organization that had some offices downtown in Washington. For about three months I had intensive training in Portuguese. Paula started, but, in getting ready to move, she discontinued. At that time we had one son, Joey, who had been 8 months old when we moved from New York to Washington and was a little over four years old when we went to Brazil.

Q: So what was the main thrust of the program in Brazil? What were we trying to do?

KLEINE: We were trying to do everything. Most of the resources went into what was called program assistance. Program assistance was essentially balance of payments assistance, on a concessional loan basis, assistance provided in Europe, tied to a program of policy objectives that were negotiated between the Brazilian authorities and the U.S. authorities. They were aimed at dealing with inflation, the traditional problem in Brazil, as well as trade issues. The objectives were written into the basic agreement that provided for periodic evaluation. Hundreds of millions of dollars were programmed and released on a tranche basis, following the evaluations or reviews. There was full involvement of the U.S. Treasury Department in these matters; the Treasury had a full-time representative in Brazil. The headquarters of the U.S. Embassy establishment at the time was in Rio de Janeiro. Tuthill was the Ambassador at the time. He had come up the economic route, so he was very interested in what we were doing. The Ambassador that preceded him, Gordon, was an economist, also deeply involved in our programs. In addition to the program loans, there were a number of project loans in infrastructure - roads, power, etc. There was also a large and diverse technical assistance program. The northeast was the least developed portion of Brazil. To help administer the program we had almost a full fledged Mission located there, in Recife. Brazil is enormous, the size of the continental United States, and half the size of South America. Half of the population of South America lives in Brazil.

Q: Is that the main reason why it was such a big program and why we were putting so much emphasis on Brazil, compared to other places?

KLEINE: Certainly, the size of the country and its large relative population played an important role. Also, from way back Brazil was considered a country with a future as a great power, given its enormous resources. But it was a country whose future never seemed to come. It was always involved in upheavals of one kind or another. One of the main upheavals when I was down there was the military coup. Coups, as you know, were

quite endemic in Latin America. The U.S. traditionally has concerns when they occur in terms of human rights and civil disorders. Very quickly an operational problem came up when the military coup I referred to occurred. We were at a point when another tranche of program assistance of 50 million dollars was due to be released and had just gone through the reviews which indicated that they qualified for the release. When the coup came, the political debate started in the U.S. establishment whether we should signal our displeasure by holding back. I took a leading role in that particular event in drafting the position of the country team. I ultimately got the country team to agree that our going back on the agreement that clearly dictated their eligibility would not be beneficial and that, if we wanted to record our displeasure, it should be in connection with delaying new undertakings. Because a lot of things were involved concerning the release of that money, Washington was not easily persuaded. Consultations were arranged to be held in Washington. The DCM, Bill Belton, the U.S. Treasury representative, and I went to Washington for the meetings. We succeeded in obtaining approval for the release.

Q: The policy situation hadn't changed despite the change in government.

KLEINE: That's right. In fact the military government was quite benign in the political area and accomplished more economically than the chaotic Brazilian government that preceded. There are two developments that come to mind from the early stages of my stay in Brazil. They both occurred almost simultaneously. Just after I arrived there was a Congressional investigation subcommittee, an oversight committee of the House, that came to Brazil. It staged a hostile series of meetings. The group was headed by Congressman Porter. He was very anti-assistance and his approach was to look for trouble, look for problems. He browbeat the mission personnel who testified. I couldn't participate -- I had just arrived days before, but I sat through it and witnessed what a grueling experience it was that continued for about a week. I recall one incident that wasn't amusing at the time, but is in retrospect. The mission had tried to arrange everything so that the visit would go smoothly, including visits to project sites. One visit had been set up to take some of the Congressional delegation to visit the favelas. The favelas are world renowned for being the site of the most miserable poverty in Rio. There are shacks that have been built on non-buildable land on the side of hills and are devoid of any convenience. We were trying to do something to help with education and public health projects. The cortege of cars couldn't get to the site. The technician who was in charge of the project got lost and couldn't find the project. It was messy. Nothing adverse came out of the Congressional review, because it was a pretty solid program. The other development of interest that was going on was called "Operation Topsy," which had been launched by Ambassador Tuthill. Operation Topsy received a lot of notoriety. It was designed to reduce the U.S. presence abroad. A target was set to reduce staff by one-third within a certain period of time. This applied to all U.S. elements - Embassy, AID, USIA, etc. His proposal was approved in Washington and it started a very difficult exercise.

Q: That was initiated in Brazil rather than in Washington?

KLEINE: Yes.

Q: I see. And his position was that...?

KLEINE: That it was in the United States' interest to have a reduced presence abroad. Since the largest number of people were in the AID mission, the impact was greatest on AID. While there was some grumbling about the proposition that it was good for the U.S. interest to have fewer people abroad, no one in Washington had the courage to oppose it.

Q: Contractors and direct hires?

KLEINE: Contractors and direct hires. Frank Carlucci was the Embassy political officer at the time and he was the main action officer for the ambassador on the project. You may recall that he became the Secretary of Defense years later.

Q: Why was it in the United States' interest to have fewer people? What was driving this?

KLEINE: There was a time when Americans abroad were considered to be the "ugly Americans." It was just a simplistic idea that he proposed at the right time. The political climate was right for it. It was very warmly received. Tuthill received a lot of credit for "Topsy."

Q: What Administration were we under then? Was this under Nixon?

KLEINE: Let's see. This would have been 1967... It would have been Johnson, just before Nixon.

Q: Just before? So it was the Johnson Administration that started this move to reduce the number of Americans abroad?

KLEINE: Yes, it was an aggressive exercise.

Q: It meant closing out projects?

KLEINE: With the slimming down of staff, there was the closing down of some projects, yes.

Q: What were some of the most successful projects, or some of the most useful projects that we were carrying out?

KLEINE: As far as I recall, some agricultural research projects were considered successful. There were housing projects through the housing guaranty program, which was solid. We had some programs that didn't exist outside of the Latin American Bureau. The "Partners of the Alliance" was a network of private, voluntary organizations in the States linking up with states in Brazil. It involved exchanges of visits and some small technical programs, subsidized by AID money. And we had a couple of offices at the time

that were assigned to working on that full-time. Public Administration worked... The typical technical assistance program, but that was a small fraction of the dollar value since the bulk, by far, was in balance of payments assistance and large road and hydroelectric power projects.

Q: Was this still a time for U.S. procurement, or were there conditions or limitations?

KLEINE: Economically, it didn't matter what the procurement policy was. It was because the U.S. was the main market for Brazil and Latin America and the U.S. enjoyed a large trade balance.

Q: Did we try to direct the commodity selection at all towards certain sectors or industries?

KLEINE: No. It was straight forward. The policy objective aimed at curbing inflation and helping Brazil maintain free trade and an open economy. The capital loan projects were intended to strengthen Brazil's infrastructure.

Q: But on the policy side, were we successful with our policy? Dialogues and efforts to reform the system?

KLEINE: Well, I would say that while it is difficult to see progress in any one year, the passing of time has shown that Latin America has emerged from the very, very primitive levels in the economic and political arena to a rather flourishing collection of countries that exists today. By and large the so-called Alliance to Progress, which is the umbrella that covered the activities of AID, was a highly successful program - to a lesser degree than the Marshall Plan, but the development problem was much more complicated in Latin America. The U.S. was coordinating the flow of large resources both bilaterally and multilaterally. We worked very hard to set up the Inter-American Development Bank (IDB). Contributions from the U.S. set that up. The initial appropriation was $525,000,000.00, of which $400,000,000.00 was for the Social Progress Trust Fund and the balance for capital assistance. The IDB became a major actor as U.S. bilateral assistance phased down. That was true for Brazil and the rest of Latin America, except Cuba.

Q: How did you find working with the Brazilians?

KLEINE: The Brazilians are very charming people. Brazil is different from many of the other Latin American countries. There’s a very heavy European influence in Brazil. There’s also a very heavy Asian influence. Large numbers of Italians and Japanese, for example, emigrated to Brazil before World War II.

Q: From Japan, or is that Italy?

KLEINE: From Italy and from Japan. When you go visit Sao Paulo, the largest of the cities, you quickly observe that it's a very cosmopolitan city, made up of a polyglot of races. It's very entrepreneurial. There is also a very Black presence, primarily in the northeast, including Rio. The Brazilians pride themselves in being a non-racist society and it may be so. However, it is not a classless society in which the higher the class, the lighter the skin. I rarely saw any Blacks in senior positions in government - federal or state.

Q: Did you enjoy working with government officials?

KLEINE: Yes, they are very pleasant, very fun-loving. They love a good time. While they work hard, too, in Rio, they love the beach. It seemed to me they are more punctilious in their commitments than perhaps in other Latin American countries. There is an enormous gulf between the "haves" and "have-nots". There are some extremely wealthy people and they live extremely well. Women were not very numerous in the work place at the time. They were pampered and spent an awful lot of time at beauty parlors, on their clothes. It was a very interesting society. Rio itself has seen some hard times with the poverty in the center of the city. The city is hemmed in by mountains spread along the ocean. The scenery is magnificent. Have you ever gone down there?

Q: No.

KLEINE: It's gorgeous...gorgeous terrain. I think it would be of interest to note that in early 1969, the program emphasis in Brazil started to change rather dramatically. Whereas until that time, large amounts of money went for program assistance and infrastructure, such as power and road construction, the new look, so to speak, was on the social sectors, education, rural agriculture, and to concentrate increasingly on the less favored regions of Brazil, primarily the northeast. I mentioned earlier that we had a rather sizeable mission presence in the northeast. Shep Hollander, I don't know if you recall him, was in charge at one time. Donor Lion succeeded him. Also, some new initiatives were launched in Brazil based on guidance from Washington. For example, the Title 9 programs.

Q: Political development.

KLEINE: Political development intended to achieve broader participation of members of society in development policy matters. We had people come down to spread the word. Princeton Lyman was their leader for central AID and Bob Culbertson was sort of a front-runner in the Latin American bureau. Also, I should mention a related event that had an effect on the program. That was the Rockefeller mission. The Rockefeller was Nelson Rockefeller, who had been asked by President Nixon to travel to Latin America, the whole region, to examine what the U.S. was doing and to recommend what the U.S. should be doing. That visit was a high visibility visit with a lot of activity. He and his team were very sympathetic visitors. When Rockefeller returned to Washington, he prepared a report in which he set forth recommendations which led, not long thereafter, to

a policy speech by Nixon, which became Nixon's Latin American Policy. That occurred just about the time that I was preparing to go on home leave. Essentially, it supported the direction of our programs.

Some months earlier in November, 1963, our second son was born, so we had two children. It was interesting to see the difference of treatment in maternity cases between New York and Rio. Our older son, Joey, was born when we were living in New York City. He was born in the large and impersonal New York Hospital. Michael's birth was in a Rio medical clinic, which was small, but the warmth and the empathy of the staff doctors and nurses made it so much more comfortable for Paula. So in any case, we got ready for home leave in May of 1969.

It was to be my first home leave since I started, going back to the Marshall Plan. In the past, every time I was about ready to go on home leave, something happened. This time we even had reservations on a U.S. liner, the *Santa Rosa*, that at the time sailed up and down the coast of South America and to the States. For some time, we had noted that our older son, then about five years old, had started to stutter. He was about four when we went down to Brazil. He had just started to speak. After we arrived, he learned to speak Portuguese very quickly. It was really astounding to see how children can pick up new languages. He became fluent, but he started to stutter in both English and Portuguese. We had enrolled him in a Brazilian elementary school. The English name was The Little Red Riding School. We became increasingly concerned when his friends started to mimic his stuttering. We took him to some doctors in Rio who they gave him tests with no definitive results. We decided to have him tested in Washington, where we were planning to spend most of our leave. We took him to the Children's Hospital of Washington, where there is a speech and hearing clinic. They tested him and concluded that he was in a very sensitive time with regard to his speech. We were told that being a left-handed male, he was more susceptible to stuttering than any other group. It was pointed out that once an individual knows that he, or she, stutters, it becomes exceedingly difficult to overcome. At the time, Joey did not recognize that he was a stutterer. That is why it was a sensitive period for him. The recommendation was that he would stay in a one language environment; that either we go back to Brazil and only speak Portuguese or stay here and nobody speak Portuguese to him again. We decided that we had better stay here as this was where his future would be.

Seven years directing the Latin American Bureau - 1969-1976

As I mentioned, for a time, we had been scheduled to go back to Brazil. I informed Rud Poats, who was then the Deputy Administrator, of our situation. He was very understanding and supportive. He said, "Get yourselves settled here and don't worry. We'll find a job for you." So we spent our "home leave" to find a house which was not very far from here. While we were settling in, Ed Tennant, who had been appointed not long before as the first AID Auditor General offered me a position as his Deputy Auditor General. It was an attractive offer, but before that was finalized, I was also offered a position in the Latin American Bureau. Jim Fowler was the top aid person in the bureau.

His AID rank was Deputy Assistant Administrator and I would be appointed Associate Assistant Administrator. I was encouraged by central AID to accept. The point was made that they thought that the bureau needed some stronger management. My appointment was to be part of the effort to integrate the Latin American bureau more closely with the rest of AID. I accepted and so I started to work as Jim Fowler's deputy. That was about August or September of 1969. It was a very busy period. All the turmoil was going on with regard to the Rockefeller Report and what we in the LA Bureau were going to do about it. Preparations were underway for the President's first policy speech on Latin America.

Q: What was the Rockefeller Report about?

KLEINE: Most of it was tone, in the sense that the U.S. role in Latin America should become more of an advisory, friendly uncle rather than the assertive, aggressive, initiative spewing outsider. Our relationship was to be more of a true partnership on development and economic issues, and that we showed further accent on multilateralism. Multilateralism was not limited to channeling of U.S. appropriations to multilateral organizations, but also to provide an umbrella for what was to go on in Latin America with regard to our U.S. bilateral assistance program. That meant using the OAS (Organization for American States) structure to deal with broad policy issues. Operationally, that meant that each year there would be a country by country program review conducted by the OAS apparatus. It included a review of the U.S. economy as well. We had very senior U.S. officials present the U.S. economic picture.

Q: This was the end of the Alliance for Progress as we knew it?

KLEINE: This was the phasing down and ultimately termination of the Alliance for Progress. One of my last official acts before I left in mid-1976 was to obtain approval of the termination of the position of U.S. Coordinator for the Alliance for Progress and the Deputy Coordinator. The Coordinator was the Assistant Secretary of State for Latin America and the Deputy Coordinator, the AID senior person in the L.A. Bureau. His title would continue as AID Assistant Administrator.

Q: It was very much a U.S. phenomenon?

KLEINE: That's right. So we demerged the AID and State LA Bureaus. There was never an official declaration that the Alliance for Progress is dead; it was allowed to just fade away. We wanted it that way to avoid any political misinterpretation as to the meaning.

Q: Was it a successful initiative at the time? What did it result in?

KLEINE: I think a very strong case can be made that it was highly successful. If you look at what Latin America is today and compare it to what it was in the late '50's, early '60's, and while it's certainly not uniformly so, there is very strong economic development throughout the region. There hasn't been a steady incline because every once in a while,

there has been a setback, natural disasters as well as financial disasters as recently occurred in Mexico, and from time to time in Brazil, and in Argentina. On the whole, there has been strong growth. Look at what's happened to the mutual stock funds that specialize in Latin America. They have enjoyed tremendous growth. A major factor was the very large participant training program, financed by the program. Also, we built up regional/subregional centers, regional banks in Central America, institutions modeled after the Harvard Business School. Thousands of young people received the best of U.S. training, and then went back and made their contributions in various economic sectors.

We were talking about how busy it was in the first months when I was just getting started in the LA Bureau. We were getting ready for the upcoming Congressional presentation. cycle Early in '70 Jim Fowler, my boss, became ill and he never came back to the Latin American Bureau. He recovered later on and did some work for central AID on the Agency awards program, but he wasn't well. I, therefore, after just a few months, was in the middle of all the hectic activity of redirecting the program, stemming from the President's speech on new LA initiatives. Unfortunately, whenever there's a Presidential speech, there's got to be some program initiatives and commitments. This is accompanied by negotiations with the White House and with Central AID to determine where the financial resources were coming from. It was a very hectic time. At the same time I had to get ready to testify on the next fiscal year budget proposals. Well, it was a busy time, but it was done.

Q: But, you were in effect the senior person in the Bureau. The Assistant Administrator.

KLEINE: Yes, first as the Acting and later as the Assistant Administrator. After Senate confirmation of my nomination by President Nixon, I became Assistant Administrator in September, '71. A major responsibility was Congressional testimony. In the first years, the testimony was on a regional basis. There was a separate appropriations category for the Alliance for Progress. Later on, there was testimony by category...agriculture, education. The Administrator would sit flanked by all the Assistant Administrators, and questions would be referred to the person most directly involved. It was not very satisfactory for presenting a cohesive and coherent story.

Q: Right. I remember that.

KLEINE: Certainly, the workload from Congressional testimony was very heavy. It involved not only the annual appropriation cycle, but there were numerous special hearings, such as on Haiti. I remember having to testify on Haiti several times. Also natural disasters frequently led to Congressional hearings. It seemed that every other year a major natural disaster would hit somewhere in Latin America. The first one that I remember was a terrible earthquake in Peru. A couple years later, there was a hurricane in Honduras. Then there was the earthquake in Guatemala. Each time, all hell breaks loose so far as the bureaucracy is concerned when such events occur. In the first years, we had not developed in central AID the strong apparatus on disaster relief that came later. It affected the whole office, but usually an interagency task force was set up to coordinate

the effort. The senior AID person became the focal point of an awful lot of White House interest. In Peru Mrs. Nixon, supported by AID personnel, went down. For the Honduras hurricane, I was designated to be the President's personal representative to go down. For the Guatemala earthquake, Dan Parker, the AID Administrator, was designated to be the President's representative, and I went with him as his "number two". That meant coordinating with all of the other agencies, such as State, Defense, Agriculture, etc., all the PVO's (private voluntary organizations), Latin America commanded a lot of interest when the disasters occurred, so this was a very intense, very intense series of activities within government and the private sector. Each time there were reports to the President. A memorable one for me was the one when I came back from surveying the Honduran disaster, Hurricane Fifi. You never know when you are going to be called to the Oval Office, so you better be prepared for the call. Finally the word came. John Murphy went with me, as did a representative of the AID Disaster Assistance Office.

Q: Murphy was the Deputy Administrator at the time?

KLEINE: Yes. We entered or rather were ushered into the Oval Office, and there was the President and the National Security Advisor, a General who's been ...

Q: General Scowcroft?

KLEINE: General Scowcroft. And Henry Kissinger, the Secretary of State. As was the custom, first off was the photo opportunity. The President motioned for the visitors to sit down, and then the photographers come in and you hear "Click and click and click...", lots of photos being taken. During that period, I distributed copies of the report to President Ford, Kissinger, and Scowcroft. They were still leafing through it, when the photographers retired. The first words spoken were Kissinger's. He said, "Mr. Kleine, you're a misfit."

Q: My goodness!

KLEINE: And then he turned to me and continued, "You write a readable report."

Q: What a startling beginning!

KLEINE: It was, indeed. Then I got on with the presentation of the report and the recommendations for actions the U.S. should undertake. Considering that that day there was the public announcement that Mrs. Ford was diagnosed with breast cancer, I was impressed with President Ford's obvious interest in the Honduran situation. The meeting lasted much longer than had been scheduled.

Q: Let's turn a little bit to the Latin American Bureau, which had this unique organization and maybe it will be helpful to get a picture of how you found it when you arrived there and then, what you were trying to do with the, well, seven years you were there, right?

KLEINE: Right. It was a "merged bureau," a merging of the State Department and AID. The top man was the Assistant Secretary through his appointment as the U.S. Coordinator for the Alliance for Progress. For some reason, they had not previously appointed the senior AID person as an Assistant Administrator, but as a Deputy Assistant Administrator, with the same responsibilities as the AID Assistant Administrators of the other regional bureaus. The whole Bureau wasn't merged. The merger was at the top with the Assistant Secretary and the senior AID person and at the desk level - the Country desk level. Again, in most instances, the senior Country Officer was a political or State man and the Deputy was an AID person. So it was more of a sub-merger on the Country desk level. There was an exception, and it was in the Central American area where the director was an AID person and the number two or deputy a State person. But the staff offices were completely separate.

Q: Such as?

KLEINE: Such as the Program Office, such as the Institutional Development Office, the Development Loan Office on the AID side. On the State side, State had its own economic office that dealt mostly with the trade issues, trade restrictions, things of that sort. They also had a sort of political office. Each agency had its own management office.

Q: What was the rationale for this kind of structure? What was the motivation for making that kind of arrangement? Do you know?

KLEINE: It was never quite clear why it happened, but I believe it happened with the advent of the Alliance for Progress. There was pressure since the Marshall Plan from the State Department to exert control over AID and its predecessor agencies and they tried it in different ways. Back in the waning days of the Marshall Plan, in the mission in Spain, which started up rather late, there was a deputy mission director's position that opened up and State put forth a lot of effort into pressing AID to accept a State Department officer - Mike Barall was appointed the Deputy. Actually, it worked out fine. Later, it was very difficult to resist this type of pressure from State when a State officer was appointed the head management man in AID, Bill Hall. Each appointment of a State officer reduced the number of senior executive positions available to deserving AID officers.

Q: What was the primary manifestation of this merger relationship in terms of influence on policy and program?

KLEINE: Interestingly, the State people enjoyed participating in the AID program, because it was an operational activity; it wasn't simply reporting. It was participating in decisions that led to specific things happening. My recollection is that it didn't matter to me whether I was dealing with an AID man at the desk or a State guy at the desk. We worked very well together. There was little, if any, friction that I noted. The main program and project activity involved the field missions and the unmerged technical offices in the Bureau, so AID had control. I myself never operated with a Deputy, the position was kept vacant. I did that for a specific reason. I wanted to run the operation as

a collegiate body. I met frequently, once a week, with the heads of the offices, during which we reviewed the major problems and activities and made decisions. When I would leave on a trip, I would try be out about one week in every month. I would rotate the designation of the role of Acting Assistant Administrator among the heads of the technical offices, people like Dick Breen, Jack Heller, Frank Kimball, Donor Lion. And so, everybody knew what was going on and by not having a deputy between me and the operational officers, I felt I knew what was going on. Between having that type of close contact with senior people and visiting the field frequently, I knew every project quite well. It was very useful for Congressional presentations. The presentations took a lot of time. My springs were lost. I remember sitting spring after spring in our backyard studying Congressional presentation books, noting questions for more information on this and that, and going in on Monday with a sheaf of notes to pursue in the office.

Q: What about organization relations? You said they worked very well, but were there any areas where State Department was pushing a political interest or other interest that was a problem for you?

KLEINE: No. I didn't see any serious problems. Problems did occur from the political side in the field. When country situations allowed, I was anxious to reduce and eliminate programs as I felt that the support for AID programs in needy countries would be strengthened on the Hill if we showed success stories. What better way to demonstrate success if we can say that such and such a country "graduated" from the concessional aid program? I started with that view back in Holland, when we nudged Holland off the aid list. In that way, we can show the American public that this is not an endless program. In the Latin American bureau, we felt it desirable to phase out when the time came that whatever was required could be provided by the multilateral organizations that we had done a great deal to build up. There was the World Bank, and in our region there was the first and the largest of the regional development banks, the Inter-American Development Bank, which we started. It was launched with direct appropriations from the AID appropriation. The first input I recall was $500 million, which became the IDB Social Progress Trust Fund, in which we retained a veto on all projects until that was all disbursed. The IDB now is a multi-billion dollar agency. We kept pushing, as I said earlier, multilateralism - the "multilateral umbrella." The individual country reviews, in which we had the participation of the member countries as well as the U.S., became the hallmark of what we were doing. Under that umbrella we tried to phase down. The resistance to the phasing down came from the field, from the AID people and a good deal from the ambassadors. Ambassadors learned early on in this game that if you don't have anything to offer, you're not considered that important among the country's leaders.

Q: And did you "graduate" any countries?
KLEINE: Yes. We graduated Argentina, Mexico, Costa Rica, Colombia, Chile, Uruguay. Some decisions, however, were changed or stretched out after I left. We did allow graduated countries to participate in regional projects in the interest of strengthening regionalism.

Q: So we went back to some...?

KLEINE: Yes, we went back or rather stretched out phase out schedules.

Q: We'll come back to that later.

KLEINE: Chile initially was a very active partner in the Alliance for Progress. Then it came onto hard times when it was considered to be under Communist influence. Allende took power and it was widely believed that he was very cozy with the Soviet Bloc. Our participation in that development process dwindled off very, very fast.

Q: So we terminated the program?

KLEINE: We didn't actually terminate it, but there were no new project starts. We were just working on old obligations until Allende was thrown out. There was a coup in 1973 by General Pinochet. There has been controversy as to what transpired, whether the U.S. was involved or not, but Pinochet became the head of government. We got marching orders after the coup from the White House and Kissinger to do everything possible to provide the maximum assistance to the Chilean government. An inter-agency committee was organized under Kissinger and every week we would have to report to him or his representative what was done, what was yet to be done.

Q: What was the aim to do?

KLEINE: To strengthen the Chilean economy under its new leadership.

Q: To throw out the Communist...?

KLEINE: To throw out the Communist influence that Allende had been attempting to bring about.

Q: And what did Pinochet do to respond to that?

KLEINE: There was a lot of loan assistance and PL 480 food assistance. In fact, PL 480 became a very large part of the program. It had the same effects as program assistance. We had a major step-up in our program. Stuart Van Dyke, a highly experienced professional, was the Mission Director. At a certain point we also had Dean Hinton, whom I had recruited earlier to be Mission Director in Guatemala. I went down a couple of times. Pinochet didn't relinquish power as soon as we had hoped. He stayed on as head of his military government until things became a little strained on human rights issues. Ultimately, he stepped down and a more democratic process took over. Economically, there was considerable success; it has been considered as an economic miracle. There is a very strong economic situation there now, another example of the benefits of a free market economy.

Q: You talked about, earlier, phasing out some country programs. What kind of criteria did you have in mind, or how did you decide that these countries were successful and therefore not...?

KLEINE: The starting point was the view that AID should phase out of direct bilateral assistance at a certain time. The question was when. There were no clear cut, objective criteria that would tell us when that should occur. When we thought that multilateral resources from the World Bank, and IDB, and from new private sector investments were such that we didn't need any direct, large inputs, we felt that phasing out made sense. Our plan was normally to continue a person-to-person relationship through PVOs (private voluntary organizations). We considered, too, that regional funded programs, those not country-specific, would continue. We made the point that phasing out of bilateral aid did not mean a withdrawal of U.S. presence or lessening of interest in the economic development of the country. We became, perhaps, a little generous in beefing up and working with the PVO's, the Partners in the Alliance, etc. during phase-out.

Q: You mentioned that Costa Rica was one of these countries. What was special about Costa Rica that suggested that it should be phased out?

KLEINE: It was one of the early democracies in that area. There was a well-established middle class. All the economic indicators in terms of per capita GNP, growth, education, indicated that it was a ready candidate for phase out, if you were looking for places to phase out.

Q: It was a success story?

KLEINE: It was a success story, but it never was a major recipient of bilateral assistance.

Q: Why would you want to make a change in the bureau organization? What did you make a change to and how was it received by the State Departments?

KLEINE: The changes were introduced gradually, in so far as the Washington set-up was concerned. We stayed merged in the country area right on through, but I insisted on having more AID people being in charge of the individual country offices. Then the "number two" would be a State person. I considered that to be more equitable. That happened. In the field, there was, in a sense, a loose merger all around the world in that there was the U.S. country team arrangement in which the Ambassador was the head. All other agency representatives were a part of his country team. In theory, and in actual practice, the Embassies approved all submissions with regard to program proposals that the AID missions would submit.

Q: At the policy level, not at the operational level?

KLEINE: That's essentially correct, but there was a strong Ambassadorial influence from the early ''60s. I forget when it happened, but it must have been in the early '60's that the

ambassadors were assigned the function of preparing the efficiency reports, the performance evaluations on mission directors. That was a powerful means of influence.

Q: This was under President Kennedy that it was directed that the ambassador was in charge of all programs?

KLEINE: Yes. Through the country team structure. The performance evaluations, performed by the ambassador came later, if I recall correctly.

Q: Rather than in Washington?

KLEINE: Rather than in Washington. That told the mission director who was his boss on the country level. That contributed to a very close working relationship.

Q: And they were reviewed in Washington?

KLEINE: Yes, they were reviewed in Washington in the respective regional bureaus.

Q: The Assistant Administrator?

KLEINE: The review of performance reports prepared by the ambassador was the job of the Assistant Administrator. As I didn't have a deputy, I was the preparing officer of the directors of all the offices in the bureau. It was a major load. I must have had about 20 country missions, plus the regional office for Central American programs (ROCAP) located in order to work on programs that concern more than one country, regional institutions.

Q: But my understanding is that you, during your time there, built a very strong development loan/capital project section that really was the core running the program and that was quite separate from State Department and geographic areas.

KLEINE: Yes, it was completely separate.

Q: It was a fairly unusual phenomenon? Right? Why did you do that, or what did you...?

KLEINE: Well, that’s where our technical strength was. State officers didn't have a background for that. We attracted some very good people through the IDI (International Development Intern) program and moved them up fast. Young people with very, very impressive qualifications were brought in as junior professionals. Most of them elected to become beginners in loan operations because that’s where the action was. In a strange way, that was one of the weaknesses of AID. Our best people, the brightest, the most energetic people went into program and project development as that’s where the excitement was. The real chore of development was in the implementation of projects, but that had less allure to people. Those who could come up with new, attractive programs and project ideas got the attention of the organization. Another problem which

related to that, and this somewhat had an impact in Washington, but mostly in the field, we had a greater turnover of personnel. Often, wonderful project ideas would come forward from missions and etc., but by the time the project was approved, the people who knew the project, who had developed it painstakingly, were gone. The new people who followed were more interested in their own projects, their own new ideas, than implementing and troubleshooting projects that somebody else initiated.

Q: You find that as one of the weaknesses of the AID style of operation?

KLEINE: I think so.

Q: Lack of continuity?

KLEINE: Yes. The World Bank, of course, was started from a different premise. Everything was worked out of Washington, but when it had very complicated and large programs, some field offices were set up, such as ... didn't they have something in Africa?

Q: In Indonesia they had a country office.

KLEINE: In Indonesia. Both approaches had advantages and disadvantages. When projects called for intimate knowledge of the culture, people on the ground were important ... both for project development and project implementation. Most of the programs of the World Bank and the IDB initially were large infrastructure, where you could contract out most of the operations to large private firms.

Q: And the cultural matter was not as important?

KLEINE: It was less important, for example, in building a road, but in education and rural health, etc. a more intimate knowledge and presence in the country makes sense. The IDB took a middle road. It had and has a field presence - missions - that they called representations, but they are primarily for implementation. All project development was handled out of Washington with teams that went down. The role on the representations increased for project identification and development as time went on.

Q: Which of the three options did you think worked better? Or did it all depend? You had the World Bank, then the AID, and the IDB, and they are all a little different. What did you...?

KLEINE: It depends on what the substance of the program is. Again, if it's infrastructure, visiting teams can work. Now most programs address the social sectors. In the LA bureau, we started "sector loans." The sector loans followed the program loan approach, which was primarily balance of payments assistance, conditioned on some policy agreements. The sector approach involved the careful study of a sector, such as agriculture. In a large country, the approach could be regional, like agriculture in the Northeast of Brazil, or in a state of Brazil. Studies involving all major aspects of the

sector would identify, with host country representatives, what the main resource and policy weaknesses were that could be improved, and what it would take to improve them. A lot of time and resources went into developing what we called the "sector study," and then the identification of specific projects. There was an attractive element of being able to use appropriated dollars for the direct purchase of local currencies.

Q: It didn't have an import program?

KLEINE: To the extent that the project needed imports, but much of it was for local currency.

Q: For local costs?

KLEINE: Yes, for local costs.

Q: Why would the Latin American bureau opt for this approach over any other approaches?

KLEINE: Well, I mentioned that we had shifted from the financing of the large infrastructure of power projects and road projects to the social sectors - agriculture, education - and those, the expenses were basically for local costs. We were able to get support for doing this. Much of the dollars appropriated went for the purchase of local currency. It provided considerable program flexibility and made possible quicker drawdown of [pipeline?]

Q: And how did it work?

KLEINE: It worked well. You could say a sign of its usefulness and effectiveness was the fact that the World Bank and the IDB started authorizing sector loans. This was a way in which large resources could be moved after the large capital infrastructure projects became less popular.

Q: Particularly for people in intensive areas, education and health and things of that sort.

KLEINE: Right.

Q: Did any one stand out as particularly successful to you or a good example of any country?

KLEINE: I have to go back too many years to remember which ones were.

Q: It started in what year? Do you remember, roughly?

KLEINE: I'd say the first sector loan was started about 1971 and I imagine the first expenditures against that would not have been until late ‘72 or early ‘73. We had periodic reviews of progress of each project. Which leads me to another subject that we might touch upon. It’s the emphasis we in the LA Bureau started to give to project evaluation. We were the first to set up an evaluation office and were the first to call upon the missions to have a systematic evaluation of project performance.

Q: Do you remember when you started this, roughly?

KLEINE: I would say ‘73-’74. Not long after, the agency moved into this area. We had developed a rather complex system. Projects had to be set up in a certain form that could permit their being evaluated as to whether or not they were achieving the objectives that were initially sought. They have to set forth the objectives. We focused attention on the outcome or results. As I am long removed from that scene, I don't know what the ultimate good was from all this, but it couldn’t hurt that people were compelled to think in these terms. You were deeply involved in this through the central AID office on evaluation. You would know what the impact was.

Q: That’s right. Well, were there any major issues with the sector loans that you remember? Anything that stood out that came to your attention that was...?

KLEINE: Well, every loan had a loan committee of which I was the nominal chairperson. In the review of each proposal, the committee would consider the policy issues, the steps the host government should take that would make possible the effective use of the resources that we and they were putting in to the sector.

Q: So there was a policy dialogue?

KLEINE: Indeed, there was. That was the critical part of the sector study. Special interest was given to the economic and fiscal policies that either kept the sector from growing or that were needed to bring about a faster growth. Credit policies, credit availability, the whole range of tax and fiscal policies. We contracted with the best talent that we could find as consultants to assist in the necessary studies of the economy and critical development sectors.

Q: And there were a lot of conditions precedent to the loan?

KLEINE: Yes.

Q: Did you get any sense of how well these were received, or responded to?

KLEINE: Rarely did things go as smoothly as we had hoped, nor were they exactly on target. Substantial adherence was the hope and there was more emphasis on some issues than others. From time to time we cut off disbursements of certain loans and waited until the problem situation was remedied. But, by and large, there were rarely any major policy

differences once loans were authorized - I mean differences between us and the borrowers.

Q: Were there any other major development policies?
KLEINE: Over the years there were a number. I refer to the push for family planning programs, programs for women in development, municipal development. Organizationally, i.e. within AID, there were programs for increasing the employment of women and minorities. I remember there was a House appropriations committee of which Congressman Roybal was a senior member. The only questions he would ask me during hearings related to how many Hispanics we had employed. Year after year, the pressure continued. When I was in the African bureau, there was similar pressure relating to how many Blacks had been hired and how many selected for senior positions. Agency goals were set. In the Latin American bureau, it was primarily with the hiring of Hispanics.

Q: What were you trying to do at the bureau? You were there for a long time, and apart from the organizational question and the program loans, were there other things, well, and graduation - you did a lot already - but were there other things you were trying to bring about?

KLEINE: There was a continuing effort to improve our capacity to deal with natural disasters. Then, we had the usual technical assistance program that we tried to concentrate in the areas in which we felt we could make a difference and related to the main thrusts of our program.

Q: This was the beginning of the involvement in the population efforts in Latin America. How well were they received, or did you have to, did you have a lot of controversy that you had to deal with?

KLEINE: It was a very interesting process. Initially, we were told by embassies not even to raise the subject, because the population was heavily Catholic. What was striking though was that, despite these early alarms, the programs took hold because of the strategy of working through regional organizations and PVO's, who were outside of the normal mission - the country/government relationship. They worked with the private sectors. The women of the countries, the poor women were very responsive when they learned of these possibilities. I would visit these clinics and see how popular and well received the programs were. Surprisingly, the local clergy were often supportive or at least "cast a blind eye."

Q: Hmm, interesting.

KLEINE: Because those who worked with the poor saw that they just couldn't afford to have the size of families that...

Q: So they were not opposed?

KLEINE: Yes.

Q: Privately, rather than officially.

KLEINE: That's right. They just didn't talk about it. You may recall Ravenholt who was the head of the population program in AID. He had great energy and creativity. He was really seized with the...

Q: Did you feel that sometimes he was pushing too hard?

KLEINE: Well, that was his job. There were other pressures from all points to do more of this and that. The job of the AID administrators and the Mission Representatives is to balance these various forces and try to come up with as wise a mix as you can, given the circumstances. You always had pressure from special interests, for example, from AFL/CIO. They supported the free labor movements and kept constant pressure on the Agency to provide more for that cause.

Q: Right.

KLEINE: Periodically, there would be meetings with George Meany, the AFL/CIO president. He was getting along in years in the ''70s. In his '80s he could just barely shuffle into his conference room. The AID Administrator and the AID Deputy Administrator and then all the assistant administrators and then the representatives of AID's regional labor offices would be there. Everybody on the AID side would make his respective presentation. Meanwhile, Meany would be smoking his big cigars and occasionally mumble something. The process was sort of a kowtowing to the labor interests, but it was worthwhile. They ran generally sound programs and there was never in my knowledge any scandal of misuse or abuse of the funds. U.S. labor, unlike U.S. business, was always supportive of AID in the legislative process on the Hill.

Q: Not much fared for the PVO's of those days.

KLEINE: There were a lot of them. Once into the program they never ceased to want more. Project HOPE comes to mind. It was headed by super salesman Dr. Walsh. The very first time he submitted a proposal I was still working with Dr. Fitzgerald in ICA days. We turned him down. But, he got a lot of political support as he knew the right people. Ultimately he got his teeth into the hide of AID, and I wouldn't be surprised if he's still getting money. We helped buy his first ship. I don't think they have ships anymore, as they were too costly to maintain.

Q: No. I think they gave it up. But we used to subsidize the ship for I think about three million dollars a year.

KLEINE: Yes. AID was a steady diet. There was a whole list of them. There were the Partners of America, state organizations that would help with the people-to-people

programs, book programs, translating of American texts into Spanish, you name it, we had it.

Q: What were some of the major things that you felt were most difficult to deal with? Was there anything in particular or was it just, that you felt most frustrated with or...?

KLEINE: Nothing stands out. It was just the normal pressure of the operation, the continuing problems of funding...not knowing until long after the fiscal year had gone how much funding we would have. That's going on today. That's never changed. Problems of personnel. An awful lot of time was spent on getting rid of people who didn't work out. By and large, the people we had were very, very good, but, in any sizeable organization, there are some that don't belong. They don't recognize that they don't belong and they don't want to leave. In government, it's very difficult to get rid of people who know how to use the system. It's well known that if you want to participate in the dismissal of an individual, you've got to be prepared to spend a lot of time and take a lot of abuse. You wonder if it's worth while. And I suspect that that is part of the culture. People who are trying to do a good job for the government in their evaluation of personnel and decide to take the excruciating step of recommending dismissal will often find themselves having to defend *themselves* and being attacked. There were such instances that I knew of, not that I was personally involved, but I know that that was a problem. Another thing that's worthy of mention was staffing of the Vietnam program during the years after I got back to Washington in '69.

Q: And you found that it competed with your operation?

KLEINE: In a sense, yes, as we were almost assigned quotas of selecting people, encouraging them to go to Vietnam to staff the building of the AID mission and its regional offices.

Q: And that was very disruptive to the operation?

KLEINE: It was not very disruptive, but it was a trying period because a lot of people did not want to go, but they were fearful what the effect of what rejecting an offer to go would have on their career. Then we had the reverse problem after the phase down, after the termination of the Vietnam War. There had been a large AID presence there. People had been recruited not only from within the organization, but from outside and had done yeoman work. Many didn't want to leave the agency. The agency felt honor-bound to absorb them. That became a problem. It was sort of the mirror of what happened in terms of the refugees to the U.S. from Vietnam after the North Vietnamese took over. We knew that those who had participated in government and worked closely with U.S. authorities were in danger of their lives, so the U.S. absorbed large numbers. And they are still coming in.

Q: And, of course, you must have spent a lot of time with the State Department on the budget decisions and the levels of aid for countries?

KLEINE: Not a lot of time.

Q: It was not a major issue?

KLEINE: No. It was an integral part of the process that started in the field missions and their coordination with their embassies. I was always part of the staff meetings of the Assistant Secretary of State, and I kept them informed on major issues including funding. I developed close relationships with the Assistant Secretaries and they trusted me. When we came to a point of being ready to present our proposals for the fiscal year that had always been worked out at the staff level and we would consult on major issues.

Q: So you didn't have the issues where the State wanted either more money or less money for a country than AID wanted?

KLEINE: Yes, but they didn't come up through the Assistant Secretary. Whenever there was a disagreement in the field, it was usually sorted out during and through the budgetary process here.

Q: So by the time it got to your level it was...?

KLEINE: Decisions were made at my level. I do not recall anyone who tried to go over my head to the Assistant Secretary.

Q: What about the allocations for Latin America? Were they going up or down at that time?

KLEINE: We were going down. That reflected the increases that were going to Latin America from the IDB and also the World Bank. The Agency felt the need to allocate more money to Africa.

Q: Did you have a problem with the fact that the bureau was being cut?

KLEINE: No. While we had always fought with PPC, with Ernie Stern and Philip Birnbaum, usually we were able to work things out. There were some heated arguments, but nothing serious that I can remember.

Q: So you didn't have a major problem with the policy orientation? De-emphasizing Latin America at that time?

KLEINE: No. Central AID saw that I was trying to make the Latin American bureau more like AID and less separatist. There was an increasing interchange of people in and out of the Bureau. Certainly language was a key factor in limiting the exchangeability of personnel because in Latin America, you've got to speak Spanish or Portuguese to be effective in the field. That contributed to the problem of a certain localitis. Those that

commanded the language were snobbish about it, almost arrogant about it. That coupled with overly long assignments in country often created localitis. I'm a strong believer that there shouldn't be more than two tours for personnel in a given country. When I got into the Latin American region, there had been people there that had been there eight years, ten years, in the same country. It was easy for them to become too close to the local scene and interests.

Q: Right. What about the Central American or the Caribbean area? Were there any particular interests you had in those?

KLEINE: In the Caribbean, the Dominican Republic and Haiti were problems. The Dominican Republic was run by Balaguer and continued for many years. Only recently was he voted out. He must be 90 years old. He kept the country stable, but there was limited growth. When I came to Washington, I think Papa Doc, in Haiti, was just about out and Baby Doc, his son, became the new President for life. I remember visiting him in his palace. It was a very formal atmosphere. We were ushered into his office. He was young, his early 20's...he looked like a blimp...didn't speak English and I don't think he understood English, so we needed an interpreter. He spoke, not as you and I in a conversational tone, but in a whisper, barely audible. It was said that that was a special technique of his to make people lean toward him to hang on every word. We learned that to get anything accomplished he had to work with certain key people in his government. They had been there a long time. One in particular was the Minister of Finance. Over the years I developed a good relationship with him. There was one policy issue that became rather difficult with the U.S. Ambassador. That involved the excise taxes that were collected in Haiti on some important import commodities, like tobacco and salt, some basic commodities. The revenue from these taxes was not accounted for in their official budget. There was a technical name for this collection of customs or duties and it was suspected that this was a slush fund for the few on top. We kept pressing for the budgetising of these funds. The U.S. Ambassador resisted to the point where he became the spokesman for the Haitians in resisting these efforts. It took a long time, but we finally succeeded. I don't remember if Baby Doc had been expelled by the time I left or not, but it was a sad country. People had been exploited and victimized for so many years by the government and by the few wealthy. Some things were being done, but it was depressing and still is.

Q: Were there any programs or projects in particular that you remember that you felt particularly pleased with or more personally engaged in?

KLEINE: I wouldn't say I was personally engaged in any projects. My interest was the general one of seeing that we developed sound projects and programs within Agency guideline, getting the funds and manpower necessary, and assuring sound implementation of approved projects.

Q: Were there certain issues that when you reviewed projects that were particularly...?

KLEINE: My interest in implementation was across the board on all projects. If a follow-on project was being put forward, and there were follow-on projects, I would insist on knowing what had been accomplished in the first project, how much funding was still in the pipeline, whether alternate funding was available and whether the government made its contributions on a timely basis and in sufficient amounts.

Q: On the implementation side, was it in general or was there some specific aspect to that you were concerned with?
KLEINE: Pipeline, because we were pressed on pipeline matters from central AID. Whenever a request for new funds came up, the question was "What have you done, what has been expended of prior authorized money?" It was very difficult to make a case for more funding if you didn't show that there was movement and drawdown of already authorized funds. That was always a matter of concern.

Q: And was there any patterns of any particular problems that affected implementation?

KLEINE: Obviously the obligated contributions from the host government on a timely basis was a major problem. Once the commitment was made, we felt it had to be adhered to or we would hold up our contributions. That was sometimes quite difficult when projects were under way because, just how far are we going to press? It was easy to waive certain requirements, but once you start on that course, it's difficult to go back to original commitments.

Q: Let me ask you a little bit about this multilateral business. Did you participate in this new business under the next Administration? Did you participate in these reviews and what were they like?

KLEINE: The question is whether they were more form than substance. Certainly the form was impressive, because at these country reviews, the Ministers of Finance and the Ministers of Economic Development or whatever they were called would come up with key staff and make the presentations on the country intentions. The review board was made up of representatives of other countries, including the U.S. It was impressive in its make-up.

There was, however, a certain skittishness or reluctance on the part of Latin American countries to being too critical of brother or sister countries, so it often was left to either the staff of the OAS or the U.S. to raise the critical and perhaps the unfriendly questions and to deal with the sensitive issues in the summary conclusions that resulted from the reviews.

Q: Were there any common sensitive issues that we brought up that was in a pattern?

KLEINE: In certain cases, there was insufficient attention to inflationary pressures or patterns of delay in making contributions to development projects. We would coordinate with the World Bank and with the IDB as to which common concern should be pursued.

Over a period of years, the review process became more form than substance. For a number of years, we had to certify every year when we made our appropriation request to Congress that our proposed program was in accordance with the priorities and the criteria agreed through the review process.

Q: Did you ever make an exception?

KLEINE: The Brazilians resisted this process. They refused to go into great substance of detail. They felt that they were too important.

Q: But did the Latin Americans review the U.S. position?

KLEINE: Yes. This was a breakthrough on the Latin American scene. Our new policy, enunciated by Nixon, called for a relationship of partnership. We therefore agreed that the U.S. should also be reviewed through the same multilateral process.

Q: What was the character of the review of the U.S.?

KLEINE: We had Senior people of the Treasury and the Council of Economic Advisors that would make the presentations. It was taken quite seriously with the necessary submission of supporting documents.

Q: Were the Latin Americans in need of us for anything?

KLEINE: They were interested in the size of aid flows and opportunities for increased trade with limited or no import restrictions.

Q: So they didn't use this as an opportunity?

KLEINE: No. They didn't want to make waves in this more-or-less public forum.

Q: Well, was it a useful function then?

KLEINE: The process was useful in exchanging information, getting to know the key characters involved and also in building a consensus on what the major development obstacles were.

Q: Do you think anyone ever changed their policies because of these?

KLEINE: Yes. Not as a direct result. However, what was being pressed at these country reviews was also being addressed on a bilateral basis, so the confluence of the pressures on all sides would yield certain results.

Q: Did you want to comment particularly about the principal leadership in AID at that time? Let's see, who were the Administrators you served under?

KLEINE: Doctor Hannah was the first. He came from Michigan State University where he had been president for many years. He had a lot of clout on the Hill. He was a fine, old gent of the old school who was very kind and supportive. I was very fond of him. He showed a lot of courage in defying Nixon's order on his reelection. The day after his reelection, he sent out word that he wanted the resignations of all political appointees. Hannah told all his Assistant Administrators to disregard that order and nothing came of it. We learned later that he was trying to root out his enemies; he was getting paranoid.

Q: That's interesting because that's probably standard practice, isn't it, when you change Administrations? Or was there something special about this one?

KLEINE: Well, I think when you change Administrations you don't go through the business of submitting written resignations in advance.

Q: Oh, I see.

KLEINE: When you are told that your time has elapsed, then you go. At that time, you submit your resignation. But these were to be open and undated. It was a very cruel thing to do. And just the day after he was elected!

Q: After Dr. Hannah?

KLEINE: After Dr. Hannah was Gaud?

Q: Bill Gaud, yes.

KLEINE: Bill Gaud. He came in from the private sector and was initially one of the Assistant Administrators for the Near East, Asia. He had been for a few years. He was a "no-bologna" type of guy. I didn't have too much contact with him. His Deputy was Rud Poats, with whom I had more contact. And then, Dan Parker of the Parker Pen Company. Very nice gentleman, but sort of a visionary. His interest was technology, new gadgets that might speed up...

Q: Computers.

KLEINE: Computers, use of satellite photography... He was seized with new technology. That was one of the initiatives of the time; it was called Science and Technology. Bob Nooter was his Deputy. He and I went back a long time together. Dan was still the Administrator when I left. I was getting antsy to change jobs. I knew my next step with AID would be to go overseas, but I wasn't too anxious to do so. While my wife, Paula, had enjoyed the experience in Brazil, she wasn't too anxious to go back overseas. I got a feeler from the IDB, the President Ortiz Mena asking if I'd be interested in becoming the Deputy Controller of the IDB. The role of the controller in IDB was not like that of the controller in AID. It had nothing to do with financial accounting. It concerned project

evaluation, the auditor general function, and also the organization and management (O & M) function. And this was to be a new job with heavy emphasis on evaluation. He had heard that I was interested in evaluation. The offer was very timely and very attractive as it would enable me to stay in contact with Latin American development and also continue living in Washington. My family would not need to move and my sons would not need to change schools.

Q: Okay, we're on our way. Today is the 15th of March, on a wrap-up session and you wanted to talk a little bit about the AID and the IDB relationships.

KLEINE: I wanted to pick up from an earlier period and relate the past to what happened later. I mentioned that while I was serving in Brazil, I and my family came home on home leave after my older boy had started stuttering. We went to the Children's Hospital and they advised that he should be kept in a one language environment, because he was at a very critical stage. They stressed the importance of trying to deal with the problem before the individual concerned realizes that he is a stutterer. Once that happens, like alcoholism, it can never go away. In all these years, now this goes back more than 25 years, there is still no sure cure for stuttering. There are ways in which one can control and manage it, but it can't be cured. That was their [the hospital's] main recommendation, no therapy, just keep him in a one language environment. So we decided we'd stay home in the U.S. It was a recommendation that worked beautifully. In a period of weeks the stuttering disappeared. We had a special situation, in that we had anticipated going back to Brazil and for purposes of home leave, we had asked my younger son's baby nurse, whom we had engaged to help look after him when he was born about six months before we went on home leave, to join us and look after him while we were on home leave and she did. During the months that she had been working with us, we didn't know that she spoke English. She spoke to us in Portuguese and we talked to her in our limited Portuguese. When we told her that we weren't going back to Brazil and said that we understood that it would be difficult for her to stay because she didn't speak English, she revealed that she was almost fluent in English.

Q: (chuckles) Interesting.

KLEINE: She stayed with us for three years and became a part of the family. In fact, she was so close a member of the family that I don't think that Michael knew who his mother was. But related to our trip back, we were all on a plane, Paula, Joey, our older boy, Michael, Ms. Brito, the baby nurse, and myself after take off from the Rio airport. We were flying for about an hour when the pilot announced that we may have to return as there was something wrong with the landing apparatus. We kept on going and all during the trip the crew kept coming back through the plane, picking up the carpeting, and going down into the hold. As we approached New York, we were informed that we might have to make an emergency landing. They told us what to do, put our heads between our legs, etc. In the middle of all this excitement, the baby throws up. As we approached the landing, all around the landing strip were emergency vehicles. The fact is that we had a perfect landing. Nothing was wrong, but that scare decided Paula that she would never fly

again and she hasn't. She hasn't flown since. That was another reason why, when I felt that the time had come to leave the Latin American bureau after all those years, an option of not going overseas again was so attractive.

Views on the InterAmerican Development Bank

Getting back to my Latin American Bureau experience, I consistently sought to involve other donors in the region. For historic reasons, Latin America was considered to be U.S. terrain. All through Latin America, including Central America and a good deal of the Caribbean, the presence of the Europeans and the Japanese was substantial, as immigrants and as business investors. However, in terms of an aid relationship, as donors it was not very high on their list. We also sought to get the involvement of the Western European countries and Japan as donor/members in the IDB, the Inter-American Development Bank. In the beginning, the U.S. was the only promoter and donor, then I believe that Canada came in somewhat later. The Germans were not present, the British were not present, the Japanese were not present. In addition to wanting their resources, we did not want to continue to be the "odd-man out," in the sense that, whenever operations were being reviewed or judged for approval or not, it was not politically advantageous for the U.S. to be the "No-man," the only member interested in efficient and effective operations. Because there is a basic flaw in the structure of the IDB in that it was set up to be technically a borrowers bank. The majority of the shares are held by the borrowers. That meant that collectively they, the borrowers, really had the basic control. Their interest as borrowers was in getting the maximum resources. The U.S. therefore sought the presence of other donors to help in raising questions and considerations and promoting policies that would serve to identify and support solid, high priority projects.

Q: Did the borrowers provide any resources, capital for the bank?

KLEINE: Yes. There was a schedule of contributions, depending on the wealth of the country. But, in terms of real resources coming in... foreign exchange... their contribution was minimal. The main source was initially the U.S., both in terms of direct appropriations, then in terms of creating borrowing capacity, borrowing on the private market underwritten by the guarantee of the bank. The bank has always had the highest ratings on Wall Street, the same as the World Bank. Soft money, if you will, concessional money was essentially donated by the U.S.. For that portion, the U.S. did have a veto power on proposed projects, but we were reluctant to use it. The possibility of a U.S. veto did provide the U.S. lots of leverage in the shaping of projects. Later the Europeans and the Japanese joined. Israel also became a member country, as what was called a non-borrowing member country. Portugal and Spain joined later. Now there are about 25 donor members. Moreover, in the process of engaging the Europeans and the Japanese, we undertook bilateral consultations on a more or less regular basis with the major potential donors, Germany, Japan, and the United Kingdom. We used to invite senior level treasury and foreign office people from the respective ministries of these countries to come to Washington and they would spend about a week during which we would cover

all aspects of the respective aid relationships with Latin America. Then, we went to their capitals several times to hold reciprocal consultations.

Q: Why were we motivated to do that? Because of the budget resources or the political relationships?

KLEINE: Both, budget resources and political relationships. We thought it would be good to have the presence of more than one major donor in Latin America. With regard to the IDB, we thought that as donors we would see eye-to-eye, seeking improved IDB operations, but that didn't come about for one simple reason. The resources that they committed, each of them, while substantial, were not that important as to persuade them to risk any political heat by being negative with regard to projects sought by borrower-countries in the IDB. They had bigger fish to fry.

Q: What were their motivations for getting in?

KLEINE: Their motivation was trade, getting a share of the IDB procurement. To a lesser degree, they also wanted to get their nationals into the IDB. When I was in the Latin American Bureau, I worked very closely with the U.S. executive directors' office and key people in the IDB staff on individual loan and grant operations, in terms of sharing our experience in comparable programs and projects so that the IDB staff would have that input. That took a lot of time because the IDB program was getting bigger and bigger. To the extent possible we also sought the views of our field missions on IDB project proposals.

When I was asked if I would be interested in going to the IDB, I was, for professional as well as personal reasons, strongly attracted to the job. I looked at it as an opportunity to try to work on the quality aspects of its operations and that was the assigned role for the Controller's office. After I got there, I developed and introduced a systematic approach to feed in the results of ex-post project evaluations into the consideration of new projects. The Controller's office for the first time was made a full member of the executive project review committee. All proposed projects had to be reviewed and approved by that committee. I was the representative for most of the time that I was there. The main reason was the feeding in of the results of evaluations, not only from the Office of Evaluation in the Controllers office, but also what we could get from AID and from the World Bank. As you could imagine, this got to be a pretty heavy workload in itself, especially when it got toward the end of a fiscal year. If end of year financing was a problem at AID, it was double and triple that in the IDB. There was an underlying feeling from the top to the bottom that each year the amount authorized had to exceed the previous year. That was the bottom line. The Bank's leadership felt that, unless all resources that had been provided through various replenishments had been obligated, the chances of getting new replenishments at the level that they wanted would be diminished.

During my tenure, we beefed up the Evaluation office (OEO) considerably. My role in the Controller's office included the role of liaison with the operation in the Bank that is

comparable to the General Accounting Office (GAO) in the U.S. government. There was set up, and still set up, it was first known as the group of controllers, and then it got other names. Initially, that function was assigned to a triumvirate of officials called the Group of Controllers who reported directly to the Board of the Bank. They were separate from Bank management and staff. They did the kinds of studies that the GAO does. They prepared various studies and reports and each had recommendations that were submitted to the Board. The Board would want to know what management and staff thought about the recommendations and would make the decisions on what should be implemented. I set up the system within the bank of responding to the recommendations on the reports. At formal meetings with the board, we would talk about these recommendations and our position on each. When decisions were made, I would incorporate them into a follow-up system on implementation that I developed. I managed, on a semi-annual basis, the reporting to the Board on the implementation until they were off the books, until they were integrated fully into the regular process of the bank's operation.

Q: I was doing something recently related to Latin America, and the comment was made that unlike other regions of the world, and you have experience in other regions, Latin America is sort of unique in the sense that they were the community of Latin American development types who were in the IDB, in AID, in the countries, and in the World Bank that had a certain amount of interchangeability, or real network that was much more interrelated as a culture compared to other regions. But there were just people who would serve in the country, the Minister of Finance, and then would come work for IDB or the World Bank, and all that. Do you find that the case?

KLEINE: Yes. That was the case. Quite often staff members were appointed ministers of various ministries and also the IDB was used as an opportunity to outplace retiring Ministers. Also, language is very important. It's not like operating in most parts of the world where you can expect to be able to deal with English-speaking representatives. In Latin America, that wasn't true. Increasingly, people are speaking English, but basically to operate in the area well, you've go to know the language. Once you know the language, you're apt to stay in that area, stay in the field longer, and you develop attachments and relationships. That was one of the problems that I think I referred to earlier, with regard to AID people who had stayed in Latin American affairs for a number of years. We sought to encourage more interchange, transfers in and transfers...

Q: With the other regions?

KLEINE: With the other regions.

Q: Break up the clique, so to speak.

KLEINE: Yes.

Q: Do you find that this community relationship among all the Latin American types more positive or negative in terms of development programming?

KLEINE: In terms of development programming, it brought about a very intimate and valuable knowledge of the region. In Africa, initially, the U.S. had nobody with development experience; the only people that had been out there were missionaries. It took years before there was developed a cadre of U.S. personnel with considerable time spent in Africa. In the Far East, that developed later, too. The network we had in Latin America was unique in that regard and I think that in the overall it was positive. But it had to be watched so as not to allow - and this did occur from time to time - extended stays overseas by officials to the point that you would get the feel that they were serving more as representatives from the host government rather than from the U.S. We had several cases of that sort. In the IDB, another approach that was instituted for project evaluation was a pretty organized effort to get the borrowers themselves involved in evaluating the results of the projects that were being financed from the IDB. We had what was called a "Borrowers Ex-post Evaluation" requirement, a condition that was included in practically every loan agreement. They were designed at various levels of sophistication and countries. Where we thought there was not the capacity, we'd just ask for key, basic indicators to reflect what the situation was at the time the project was initiated and a system for the collection of comparable data during the life of the project and several years after completion. Where we felt that the agency or the country had the capacity, we would set up a much more vigorous methodology that was incorporated in the loan agreement. The theory was that it is of interest to the borrower, at least as great as the interest of the bank, to know what happens to the project, because ultimately, they've got to repay the funds borrowed and, if the project was indeed successful, they would ultimately be investing more of their own money into similar follow-up activities. If it was not successful, they would want to know so as to avoid further investment, or how to improve upon that type of activity.

This was an initiative of the Controller's office. There wasn't very much resistance to it on the part of the borrowers. Frankly, they were just interested in getting the money. I've heard since I've left there that the requirement of borrowers' ex-post evaluation has been considerably weakened. I don't know to what extent it's being continued today.

I retired from the IDB in the summer of '84. I had planned as I approached retirement to serve as a volunteer to the Office of Consumer Affairs in Montgomery County in Maryland, where I live. I wanted a complete break from dealing with the major problems confronted in international economic development. I thought it would be interesting to deal with more manageable, micro problems, problems between consumers and merchants, vendors. I had read about the Montgomery County Office of Consumer Affairs (OCA) from time to time in the papers. It had achieved a reputation of being one of the most active and effective offices of the type in the country. For some reason, I had always had an interest in consumer problems. After some vacation, I was to start with OCA. While on vacation in Maine, I got a phone call from Jerry Pagano.

Work with the Center for Immigration Policy and Refugee Assistance at Georgetown University - 1984

Q: He used to be your executive officer in the Latin American bureau?

KLEINE: Yes. He had left the Latin American bureau some time before, and had served as the Executive Secretary of AID under Administrators MacPherson and Doug Bennet. After leaving AID, he joined Georgetown University's Center for Immigration Policy and Refugee Assistance, called CIPRA. Part of its activity was to run a number of internships involving primarily Georgetown University juniors and seniors, and also fourth year medical students in service abroad with various development and refugee programs. It had become rather significant, so they were looking for someone to handle those programs. When I got back from Maine, I met with Father Harold Brodley, Director of CIPRA and other officials at Georgetown University. I was offered and accepted the position of Director of Academic Internships and as Adjunct Professor of International Development Administration. I stayed with CIPRA until the end of '86. It was an interesting experience. The internships were of interest in engaging Georgetown University students in development management. There was a great interest among the student body. We had applications far exceeding the number of vacancies we had. The vacancies were mostly with the Catholic Relief Service, CARE, Africare, ICEM, a UN organization on refugees headquartered in Geneva, and there were mostly Catholic organizations in the Far East that ran refugee camps for Vietnamese. Responsible for medical care of refugees, they hired doctors. CIPRA/Georgetown provided volunteer teams of fourth year medical students to work in the camps, primarily in the Philippines and Thailand. They stayed for periods of six weeks.

Q: This was AID funding or not?

KLEINE: AID funded some of the work of - well, the U.S. government funded a good deal of - ICEM, the UN refugee organization, and the U.S. supported the CRS, and CARE, and Africare in different ways. The organizations provided rooms and subsistence to the interns, as well as transportation. CIPRA did more than just recruit people to go. It worked to make this a learning experience. For that, we had rather intense briefings, orientation sessions dealing with the history, the geography, economy and the culture, as well as some introduction to local language. We had lectures from the faculty of the School of Foreign Service, as well as other parts of Georgetown University. Carol Lancaster was very active and helpful, particularly for the African aspects. We had further involvement with AID directly in that the director of CIPRA, Father Bradley, came up with the idea that the network of community colleges in the United States could contribute to the educational development of Latin America. He sought and obtained support on the Hill. An appropriation was earmarked for the project. It became part of the package of activities AID financed for Panama during the time the new Panama Treaty was being considered. So, funding was provided for the education of many young Panamanians, several hundred, to come to the States first for the community college level, in the Midwest, in Kansas, in Iowa, and...

Q: This was just general liberal arts or technical liberal arts?

KLEINE: General liberal arts. The good ones were selected to go to other colleges, other four year schools to get their bachelor's degrees. For that project, we set up an office and hired a few young Georgetown University graduates. We also recruited two Americans to go to Panama to run the operation in Panama.

Q: This was just for Panama?

KLEINE: This was just for Panama. I started that program and ran it in addition to my other duties until I left in November of '86. A full-time replacement was recruited after I left.

Q: What was your experience working with AID from the outside as opposed to the inside?

KLEINE: I deliberately maintained a hands off posture vis a vis AID after I left. I didn't want my former AID association to influence what was going on between the IDB and AID and later between Georgetown and AID. I continued personal contacts with former associates of AID for some years, but over time they waned. In the CIPRA project for Panama, I was not involved in any way with seeking the earmarking of funds in the AID appropriation, but, as I mentioned earlier, I was deeply involved in the administration of the project. In that regard I did have useful contacts with AID mission people in Panama and those involved in the Panama program in the Washington end.

Q: Did you have any dealing with the contract people and the negotiating and all that sort of business?

KLEINE: A lot of that was centrally managed by the Georgetown University establishment. We had a unique operation during my stay at CIPRA. It was the involvement with the Live Aid Foundation. It was during 1984-1985 when there was a very severe drought in much of Africa...Ethiopia, Sudan, several of the Francophone countries, Niger. It was a horrible, horrible period. You may remember that it was brought to the attention of the American public through TV. To raise funds for the relief of famine victims, concerts were organized by British rock star, Bob Geldof. These concerts were held in London and Philadelphia linked by satellite to publicize the famine and relief needs. Incredibly, about 100 million dollars were raised through these concerts. So there was this well-intentioned rock group with 100 million dollars and no knowledge of how the funds should be used. It was clear that they needed and should get help in programming and administering the use of these funds. A substantial share of these contributions came from the U.S. and this was known by U.S. relief agencies and they were anxious to get a piece of it. It so happened that the U.S. lawyer representing this group was a Georgetown University alumnus. That connection brought about the relationship between the Live Aid Foundation and CIPRA. Well, lo and behold, we had visits from Geldof and his retinue and the request that we of CIPRA serve as program advisers. Georgetown did it on a pro-bono basis. There was a lot of frenzied activity. All

the interested U.S. voluntary agencies, and there were dozens, immediately pressed to find out how and when to submit applications. I was placed in charge at CIPRA. We called a meeting of the voluntary agencies to present some guidelines after consulting with AID and the State Department. We set up an organizational structure with a senior review committee supported by the equivalent of country desks on Sudan problems, on Ethiopia and on the affected Francophone countries. The people that I got to help us in this process - some of them may be known to you - Ed Hutchinson, Stuart Van Dyke, formerly with AID, Mervyn Wiener, who had been the head of evaluation and the Near East Regional Bureau for the World Bank for many years. We had the head of the Johns Hopkins African Department of the School of Advanced International Studies. We obtained full-time assistance on detail from AID (a former Mission Director in Burkina Faso), from State (Jerry Weaver, who had served in Sudan) and from the international division of the Treasury, a woman who specialized in Africa. We also enlisted Georgetown University students in the School of Foreign Service as interns to help with the leg work. We quickly got into business. Applications poured in. Through our system they were reviewed and recommendations made on which should be considered for funding and those that should not be. The final decisions were left up to the Live Aid Foundation in England. Part of the money was used for the emergency phase and part was set aside for long term development. One of our criteria was to involve only agencies that had proven track records, that had their own resources and that didn't depend fully on the resources of the Live Aid foundation. The work that we did involved four or five months of very intensive activity. It wasn't easy to say no to some of these organizations who submitted project proposals, the total amount exceeding $200 million. They tried to enlist Congressional support. There was one request that came in from the brother of the then Governor of the State of Vermont, Madeleine Kunen. She later served as Under Secretary of Education and is now the U.S. ambassador to Switzerland. Her brother was involved in a proposal that we didn't look at with favor. He got Sargent Shriver involved. He sent a heated letter in support of the project to which I responded, telling him why we felt as we did.

Q: Did your proposals get accepted by the London office?

KLEINE: Some of them did, but I think the major role that we played was to give them a cover of respectability, as well as a credible project screening process during that period. The group we put together at CIPRA was impressive. It was at no cost to them, to the British, but that was a decision that Georgetown took as its contribution to the effort. Georgetown was happy to do it because of the student involvement in a very educational experience. It enabled the Live Aid Foundation people to deal with the whole American PVO community. We were the screen. When we had gone through all of that activity and the operation was closed down, I was very close to retirement from Georgetown. I don't know if anybody at Georgetown ever found out what the end result of the Live Aid Foundation turned out to be.

Q: So you never heard any further about what had happened to the money?

KLEINE: Some money was allocated to U.S. organizations, but what the share was and who, I just don't know. It would be an interesting research project for someone.

Q: Interesting.

Drafted a framework for democracy in Latin America for AID - 1987

KLEINE: My retirement from Georgetown in November '86 was the end of my activities that related to international economic aid, except for one activity. After I left Georgetown and began to work as a volunteer mediator in the Office of Consumer Affairs in Montgomery County, I was asked to participate in a project that the Latin American Bureau was sponsoring in the area of democratic development. It was an initiative that began in the end of '87 and ran to about March of '88. The objective was to explore what kind of activities AID could support that would help improve the instruments of democracy in Latin American countries. There had begun to be a shift from the dictatorships, the military governments that characterized much of Latin America. While there were some pretty well established democracies for some years, there were a number that were very fragile democracies. AID was interested in knowing what might usefully be done about political party development, administration of justice, grass-roots institutions of various kinds that would encourage greater individual participation in the political process. To undertake this study, a group which was called a "consultative group" was set up in a contract with the consulting firm, Development Associates. The consultative group was made up of Sy Rubin, who had a long association with AID on the legal side and with the American Society of International Law; the head of Latin American studies at Florida International University, Mark Rosenberg; and a former Deputy U.S. Coordinator of the Alliance for Progress, David Bronheim. He was one of my predecessors. Another member was Jack Vaughn, who had been both in AID and the State Department. He was ambassador somewhere in Latin America.

Q: Panama, I think.

KLEINE: Panama. There was another former ambassador, Diego Asencio. Included also was Ray Sternfeld, who had served in AID as well as the IDB, and Bob Culbertson, who had long experience with AID, almost exclusively in Latin America, and then myself. There was also a counterpart group made up of Latin Americans and Central Americans, people in government, academics, law and trade unions. We met periodically.

Q: And what was this group to do?

KLEINE: Set up the framework for supporting democratic development in Latin America. This framework was to help guide U.S. government efforts, primarily through AID, on the kinds of activities that could be undertaken both on a bilateral basis and through regional and multilateral organizations. The strategy was presented...

Q: And what year was this?

KLEINE: I have a note from Peter Davis, who is the head of the Development Associates, dated March 2, transmitting a final draft report to AID.

Q: But what year was it?

KLEINE: 1988. The consultative group met several times and we also sent teams to some countries. I went with Ray Sternfeld to Guatemala and, while there, met with Embassy and AID people and government people, etc. I thought that was the extent of my involvement when, lo and behold, Bob Culbertson, who was the senior person charged with putting the study together for Development Associates, got very ill. I was asked to take on his task. Probably the most intensive work I ever did was in connection with wrapping this up over the Christmas and New Year holidays of 1987-88 and I, really...

Q: You were drafting the framework?

KLEINE: Using various papers and reports that had been prepared, I drafted the whole text of the final report of the Group. It meant an enormous amount of coordination with people who had been involved, but at the time were spread all over the country. It wasn't supposed to be my report; it was the report of the group. Some were more interested and involved than others, but I slaved away and finally completed it for submission by Development Associates to AID.

Q: What became of that report? What happened to it?

KLEINE: I know that a number of follow-up activities were undertaken under the initiative of support of democratic institutions. Georgetown is still, I think, managing a project with Peru. Irv Levy, formerly an AID Legal Advisor, was working on that project. I've heard that a number of activities were undertaken, and it spread outside of the Latin American region. I don't know what the direct relationship our report had with the similar activities in other parts of the world, but that's about the time when those involving the newly independent countries of Eastern Europe began. The preparation of that report was the last involvement that I had with AID.

Observations on international development and AID

Q: Well, let's cover a variety of subjects that relate to your general views about the development - what's important, what works and what doesn't work and so on... You had told me about languages being a key factor.

KLEINE: In areas of the world where we sent people to represent us, either regular embassy activities or aid activities, and where English is not a normal language of business and government, it is critically important to have people who are reasonably fluent in the local language. That's hard to achieve. Even now, I read from time to time that interest in the study of foreign languages in our schools is not growing. In fact, I

think I have read that it's declining. That's tragic in my way of thinking in a world that is shrinking and a global economy growing that we are not training more people. I was impressed when I served in the Netherlands with the number of Dutch who were fluent, not only in Dutch, but in English and French, and certainly German, but when I was there they didn't push German as much. National economic survival compelled them to look outward. They were a small country, but an important trading country. They had enormous fleets going way back.

Even in countries in which one can get by with English, some basic knowledge of the local language always makes a good impression when you are abroad, except maybe in France, if you show an interest in the language and know a few phrases. It's a sign of respect to the local people and culture. A specific example of that in my own experience. The Dutch language is a very unattractive language to the ear; it's very guttural. For example, the phrase "I love you," is "Ik houd von you." As I had a pretty basic knowledge of German, I was able to read and comprehend Dutch quite well. As I mentioned earlier, I was working on finishing up my doctoral dissertation in my spare time while in Holland. In May, 1951, I went back to the States to take my oral exam on the dissertation. As was the custom, the panel was made up of faculty from your own department, in my case economics, and one professor from an outside department. In my case it was Dr. Van Vaulkenberg, the Dean of the School of Geography at Clark and who was originally from Holland. We got into questioning and went back and forth. I was wondering what Dr. Van Vaulkenberg was going to ask me. I didn't know anything about geography. When it came to his turn, he asked, "Hou gaat ig met you?" I replied, "Ik gaat vel, dank u vel." He beamed broadly. That took care of him. He was a Dutchman and was so pleased that I could come back with just a few words of Dutch that he just melted. He had asked how was I doing and I had replied that I was doing well, thank you.

Q: It makes a difference, doesn't it?

KLEINE: It created a warm feeling which was very helpful for me in that circumstance. When I was assigned initially to Brazil, I had some knowledge of French, but I had no Portuguese, the Brazilian language. I went into intensive training here in Washington before I went down, and for the whole time I was there I continued taking instruction and it was very important.

Q: Right.

KLEINE: In the past, Brazil was oriented very much toward Europe. Increasingly its interests turned towards the U.S. As a consequence, interest in English as a language grew. While I was in Brazil, a working ability in Portuguese was very useful, but it would have been better if I would have been fluent. In other countries in Latin America, it was clear to me that knowledge of Spanish is more important than the knowledge of Portuguese in Brazil, and certainly extremely more important than knowledge of Dutch in Holland. In Ethiopia it wasn't expected that any Americans or other foreigners would need to speak Amharic. While it was the language of the ruling group, the ruling group

was a minority and many were increasingly knowledgeable in English and, even more so, in French. French was the language of choice by the Emperor. My background in French was very helpful there, but certainly if I had known Amharic, it would have been even better. When I came to work in the Latin America Bureau in Washington, I had a working knowledge of Portuguese, but there was only one country that we dealt with that spoke Portuguese in Latin America. The rest, about 20 spoke Spanish, except for Haiti, where French and Creole were spoken. Knowledge of Portuguese enabled me to have an adequate understanding of Spanish, especially written Spanish. When I joined the IDB, I was more completely immersed in a Spanish-speaking environment. Most of the IDB staff in Washington was Spanish-speaking. When I visited in the field, it was to Spanish-speaking countries so the language was important. The first thing that I did after I joined the IDB was to enroll in language training on an intensive basis in Guatemala. It was in Antigua, a lovely, colonial town, city, outside of Guatemala City. Every day, except Sundays, seven hours a day I was in a small room, seated at a table with an instructor, a young, recent high school graduate of the city, Antigua. No English could be spoken. We were just one-on-one.

Q: Was she a good teacher, or with a limited education?

KLEINE: The secondary schools from which these people were drawn emphasized the "classical" studies. They had no professional instruction as teachers. Their Spanish was a pure, not street Spanish. It was a mentally tiring experience, day after day. The complete system provides for students to stay with a local family with no knowledge of English, but I figured that would be too much for me. I stayed in a pleasant little hotel where there also were Canadian Foreign Service people and CIA, the Canadian aid agency people. The Canadian government used the same facility for the training of their people in Spanish. After class we would go back to this hotel and we relaxed speaking English. We knew that wasn't the best thing for mastering Spanish. The normal time period at the school extended for six weeks, but I had to return to the States after four weeks. I had progressed a great deal. That kind of intensive training is important and I highly recommend it where time permits. Too often we would overlook that requirement because of program needs. Over the long run, that is short-sighted.

In thinking about my work and career in economic development with AID and the IDB, I find it difficult to derive "basic truths" because so much has changed. Over the years much has changed in the attitude of the American people and the U.S. government and the nature of the problems that we are dealing with. We're talking about the period from '49 to the present, some 47 years - almost half a century. I have more questions about our ability to do what is good and effective now than I had when I started. Much of that results from the problems that we are now attempting to deal with as distinguished from those that we dealt with at the outset in the Western European arena and in Japan. Simply put, it's a hell of a lot easier to achieve results, good results, when there is a social, economic and human infrastructure already in place and the need is updating and revitalization. The problems that we have been dealing with more recently are so deep, so pervasive in cultures about which we know so little. That makes me very humble about

our ability to do effective work in those areas, but it's very clear to me that we've got to be engaged.

Q: Before you get to that. Looking back over the time, not so much at truths that maybe come out of that process, but what have you felt in terms of the variety of programs you have been associated with have made a difference? Is the situation now different because... you know, we can't be always precise about cause/effect relationships, but are there situations that because of programs that you helped bring about and implement in Africa and Latin America, and so on...What ones would you pick out that had made a difference?

KLEINE: Oh, there's no doubt that the Marshall Plan made a tremendous difference to those countries, to the world and to the U.S., and to peace in general. That was a tremendous success and it's still mind-boggling to understand how, for the first time in the history of man, did a victor in bitter conflict help the defeated as we did for Germany and Japan and, of course, Italy. This had never happened before in the history of the world and it was a great, great success. Now, what would have been the case if that didn't happen? We don't know. But we know what did result was good.

Q: What were the principal ingredients of that success?

KLEINE: That to which I alluded before - there were the human resources and the institutional bases. They needed to be updated. They had been decimated, but the core was there. Plus, a culture that encouraged hard work. The major needs could be addressed by an infusion of capital and technical assistance. To a lesser degree, that was and is also true in much of Latin America. But there, the contribution of the U.S. was more than just financial input. There were the institutional development contributions starting back in the early '40's, when the joint Servicios were established. They became and are now the ministries of health, education, agriculture. Their origins were in U.S. programs undertaken years before.

Q: And the joint Servicios?

KLEINE: The joint Servicios.

Q: Interesting.

KLEINE: While they were technically under joint U.S. and host country administration, they were essentially U.S. run. The ministries that remained are all, of course, run by the country nationals. Within countries, the level of performance of the various agencies within and among countries varies, but their progress was good. The work that we did involving bringing in financial resources as well as technical assistance has left its mark. Where I have my great doubts is Africa. I don't know what has been accomplished. In Ethiopia, I have heard that some of the institutions that we supported still exist, specifically Alemaya, the agricultural college. Our involvement involved Oklahoma State

University. That relationship goes on even though official U.S. aid ceased. Well, that was the original concept in involving U.S. universities. It was difficult having to wean these organizations from U.S. financing. Some of the bitterest debates I had were with the organizations that I was pressing to phase out or phase down. Often they used political pressures to continue. That was true for all of them. The U.S. enlisted and developed a network of universities and research institutions to engage in overseas economic development. After the investment of considerable funds, it would be interesting to have a study of what remains engaged after U.S. financing ceases. We, i.e., the U.S. also set up for Africa the African Development Foundation similar to one we had set up for Latin America. I don't know what's happened there to them. Do you?

Q: They are both going, making small grants. I have no sense of what they are accomplishing at this point. Why? What do you think Africa in comparison, say, with the Latin America, if you can make a comparison. The factor. What's missing? Time?

KLEINE: A surface observation is that in Africa for the most part they are still newly independent countries without a tradition of managing their own affairs. There is a clash for power, usually won by the military. Look at Nigeria, a country close to your heart. I remember testifying on the Hill that the great hope for Africa was Nigeria. It was the largest country and the richest country. Why the morass that exists today? Then there are these health problems that have swept the area and are sweeping the area. What could we have done differently? I think the problems were bigger than one country's aid program or a collection of external aid programs. There wasn't anything to build on that would last. I would say that we could have gotten by with a hell of a lot less and gotten the same result. Too often there was a political objective that underlies and undermines effective economic assistance, particularly during the days of the Cold War with the competition between the East and the West, each outbidding each other to get the questionable support of the fragile governments.

Q: Would you say on balance that the Cold War pressures and the U.S. response to that, was it helpful or unhelpful to the development assistance process? You were making the point that they were probably not helpful.

KLEINE: I think that it was not helpful. Things were done, aid commitments were made for that reason and Africa was not ready to absorb effectively.

Q: But beyond Africa, what would you say?

KLEINE: Beyond Africa, my knowledge is based mostly on my direct experience with Western Europe and Latin America, but I've had some exposure to the Far East and the Philippines... Johnny Murphy, as Deputy Administrator, was very interested in getting the Latin American bureau to cross-fertilize its experience with other areas. One time when I was going out for one of our consultations with the Japanese on Latin America, he insisted that I stop in the Philippines to meet with our aid mission staff and look at what

they're doing and tell them what we're doing in Latin America; in effect to exchange ideas. We had an aid director there who had been there for many years.

Q: Tom Niblock?

KLEINE: Was it Niblock? I don't recall. In any case, I did get some feel about the country situation. By and large, I have the sense that many individual countries there in the Far East, such as Thailand, Indonesia, Korea, Japan, etc. seemed to do better with external aid resources than Africa.

Q: As you know so well, a lot of the rationale and defense of having a foreign assistance program relates to the foreign policy objectives, the political objectives; not so much the development ones. The question remains: did it serve the U.S. foreign policy interests, the political interests well? Even if the development thing may or may not have worked well. Do you think it did?

KLEINE: In Europe - yes. In Latin America - yes. In Africa - I don't see it from what I...

Q: From U.S. political interests?

KLEINE: How do you gauge the success of a foreign policy? To establish cordial, friendly relations with a government? Very often, the test applied was on how many resolutions did these countries vote with us or vote against us at the UN. Again and again we had to deal with the question, "How could we allow Africa to vote against us as they regularly did on issues where the U.S. attached a lot of importance?" From that test, it didn't work, but people would say, "Don't worry about these votes, because the votes do not mean anything to them." But, it became a handy whip in the hands of those who were looking for reasons to curtail aid appropriations. Many felt that aid should be able to buy love for the U.S.

Q: What about Latin America?

KLEINE: Latin America...we had that problem, but more on individual cases. We were having problems in Chile with the Allende government which was a very leftist type of regime. But, normally we could count on Latin American support.

Q: Do you think that the AID program had something to do with that?

KLEINE: Oh, sure. Even if you believe that there is a direct positive effect in that regard, how does one know how much it takes to get a vote? Whenever the assistance is based on the political objective, you are liable to get into activities that are not too well prepared or too well structured. We talked earlier, that whenever the President or the Secretary of State had a speech to be given on Latin American policy, the whole White House staff or the Secretary's staff would look for some new initiatives. They would crop up from any source. Many were premature or not particularly desirable, but once it got into a speech,

then it had to be followed up. That was a recurring source of concern. We didn't talk, I think, when we talked about initiatives in Latin America about a large one. That was on the public safety program.

Q: Right. What was your view of the Public Safety Program? Very controversial?

KLEINE: Very controversial. I guess that now it's against the law to provide such support. Wasn't it...

Q: Well, it became against the law.

KLEINE: In Latin America it was a very large undertaking because there were rather frequent terrorist activities in certain countries. Just about every one of the AID countries had a Public Safety Program. There was the very powerful AID activist, Byron Engel, ...

Q: Who was then the head of the Public Safety Program at AID.

KLEINE: That's right. For many years.

Q: Well, what was the basic objective of the Public Safety Program?

KLEINE: To build up a civilian police force that would be independent of the military and would be modeled after the kind of law and order institutional activity that we have in our society. That was difficult to achieve because for a number of years, many of these governments were military dictatorships and the police were connected with the military. It was all centrally managed and there wasn't any political strength on the community level. Much of our public safety activity aimed at helping the local communication. U.S. support became untenable in the public view when accusations were being levied that the Public Safety Program was enhancing the ability of the local forces to torture prisoners. I forget, but there are some specific instances which prompted the decision of Congress to cut out the program. It was very sticky to be involved in countries where the relationships of the people with the police forces was not a very comfortable one.

But, going back to the larger issue of what the U.S. role should be today, when we are the only superpower, I believe we have a crucial role. We have seen only recently in Europe, for example in Bosnia, that unless we get into issues as a leader, things do not happen. How does that relate to the economic development side? Does that mean that we should continue to provide a major share of resources? We've got to do something; there's got to be some level of resources to commit in order to play in the game. You can't be a kibitzer, but you've got to play in the game and you've got to have some cards to play. That means resources. Theoretically the multilateral channel makes a lot of sense, but I've got doubts about our reliance as was the tendency in the early years of the Clinton Administration.

Q: What do you think about the U.S. contribution, a lot of it channeled through the foreign assistance program. In terms of being able to provide the technological response

to issues as they arise or anticipating issues and so on compared to other development organizations. Would the U.S. development assistance program have a more distinctive role compared to any others?

KLEINE: I think it's highly desirable that we have a mechanism by which we can tap the technological strength that is represented in various aspects of the U.S. economy and society. An agency, such as AID, that has that access and has the know-how should have a core of people that can relate and bring to bear the advantages that the U.S. has. It's a very valuable tool for the U.S. to possess, and I think that AID has been trying to fill that role.

Q: Looking back, what are some of the areas that you would think where AID working with U.S. institutions' resources has sort of pioneered the way or led the way that has become now significant?

KLEINE: Agriculture research.

Q: That's one.

KLEINE: Certainly in health where we had tremendous success. Also population. Who would it have been if it wouldn't have been the U.S. to spearhead this activity. So, we were ...

Q: But in Latin America, you had the first - were these the first - sector program loans? That preceded most anybody else's work in that field, isn't that right?

KLEINE: Yes. The approach addressed the problem of the inter-relationships of various elements in a sector, policy and operations. Certain things had to be decided on a national level, certain things on a local level. Marrying all these things made a lot of sense. We began the approach in Latin America. It was taken up in other regions of AID and then by the InterAmerican Development Bank and the World Bank. So, all over...I would feel very good about what I had done with my professional life if I were not so concerned about Africa and what it's going to take to resolve what appear to be the overwhelming problems in much of Africa. Again, I have no knowledge other than what I read, but I get an image of a sinking continent. Problems are escalating rather than improving. We've got to try to help and, certainly, it's not going to happen in so far as any significant progress in the development field is concerned unless the U.S. is involved. For that, you need some chips to play your hand. Despite the overarching problems that we keep reading about and hearing about, people here are saying, what the hell are we doing worrying about these kinds of things when we have so many problems at home!

Q: How would you respond?

KLEINE: I'd say that We've got some terrible problems at home that We've got to deal with, and they are getting worse in terms of the fabric of our society. I am very troubled

by what the future may bring here. I'm worried about my grandchildren, little Suzanne who's three, and Sarah, two. What is the U.S. going to be for them?

Q: Does that mean you would withdrawal from foreign aid?

KLEINE: No, not at all. I would say We've got to find the right ways and mix for our domestic and foreign concerns. We're now in a Presidential campaign and you're hearing different approaches, some of them which scare me, but what happens abroad is very important to what is going to happen here. You don't hear much about it.

Q: Could you give an example of that?

KLEINE: Just in terms of security, I think history shows that stable societies make peaceful neighbors. It's to the interest of the U.S. to have stable societies all over the world. The big problems that we have right now are not the major conflict that we would have with another superpower, but the little pockets of problems that can spread. Meanwhile, access to means of mass destruction is ever-present. The danger of proliferation is enhanced in unstable societies. These kinds of problems, in which people are more likely to be interested in destroying other peoples, grow out of misery and poverty. In the Middle East, there is the Israeli/Palestine problem where people don't care what happens to themselves; they just seek to destroy. Throwing dollars at these problems is not the answer, but the amount that we have traditionally provided in economic aid is not great. We see over and over and over again, that people are so surprised when they learn that the economic assistance effort is such a small piece of the total resources available to us and relatively much less than other developed countries are doing. We can't turn our backs to the problems abroad. Not only is it important to us, but our involvement makes it possible for others to give, and be interested and involved in helping with these problems. So, our contribution has a multiplier effect. Just how to approach this overseas effort, what kind of an organization we should have, whether it should be within State or separate, these are ongoing problems and it would be nice if they could be fixed for a while. I had a 27-year career in a temporary agency, you know?

Q: That's right.

KLEINE: I don't know, but is AID still....?

Q: Still temporary.

KLEINE: Still temporary. To sum it up, it's been great. It's been a career that was unplanned. It was a career that didn't exist, that one could choose, when I started. But, I really don't know of anything I would rather have done than what I have done, and yet, I did not encourage my children to try to follow my footsteps. I did encourage them to master a foreign language, but I didn't succeed. I don't know if a career such as you and I have had will be available in the future. I doubt it and that's too bad. As I commented

earlier, it's to the U.S. interest to stay involved over the indefinite future in international economic development. For that, we need trained and dedicated professionals.

Q: It's hard to foresee.

KLEINE: It is hard to foresee. In any case, I left my involvement in international economic development and administration when I retired from CIPRA at Georgetown University. Since then, except for my role in the project to develop an AID strategy to support democratization in Latin America for a few months at the end of '87 and the beginning of '88, I've not been immersed in the "big" problems of the world. I left the intractable for the more manageable. From early '87 I have been working as a volunteer mediator with Montgomery Country's Office of Consumer Affairs. While those micro-problems have their frustrations, it's been gratifying to see concrete and often successful results. Such results are much more difficult to see in my earlier, "real" career - by their very nature.

End of interview