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**RICHARD SMITH**

*Interviewed by: Thad Lively*  
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## INTERVIEW

*Q: I understand you went to ag school at the University of New Hampshire.*

SMITH: That's right. I got my undergraduate degree in agronomy in 1957, and then I went on for a couple more years and got a master's in ag economics in 1959.

*Q: Were you raised in New Hampshire? Is that your home state?*

SMITH: No. I have a rather different background. I was actually raised in Cuba as a child. My father worked for the United Fruit Company in the sugar business, and I was born there. But he was from New Hampshire; my mother is from Louisiana. She's actually a Cajun from Louisiana. So I've time in both parts of the country, but New Hampshire is really kind of home in the United States. I went to high school, college and we still have a place in New Hampshire.

*Q: Did the fact that your father worked in an agricultural area have anything to do with the fact that you chose agronomy?*

SMITH: Yes. In fact, my father also graduated from the University of New Hampshire in poultry science and went into the poultry business. But the Depression and a few other things caused him to relook his career and he got the opportunity to sign up with the United Fruit Company and went to Cuba. My uncle also graduated from the University of New Hampshire and he went on Michigan State and got his Ph.D. and returned, and he was the head of the horticultural department at the University of New Hampshire. So I've got quite a long ag background.

*Q: You mentioned that you went to high school in New Hampshire. Was your family living there at the time?*

SMITH: No, I had to go to boarding school. It was a small school in Wolfeboro, New Hampshire. It's a private school called Brewster Academy and I did my four years of high school there. In Cuba I went to a one-room schoolhouse; we had all the grades in

one room. The most people we ever had in the school was probably 15 students. There was no high school there so that's why I had to go to boarding school. I went to boarding school and then I went to the University of New Hampshire (UNH).

*Q: So I guess that's similar to the FAS arrangement if you happen to be in a country that doesn't have facilities for, say, high school aged children.*

SMITH: I think the tendency now is that in most posts they have, or sometimes they send you to regional schools, although you have the option of sending your kids back to the States if you want to.

*Q: I also went to boarding school. I'm from a small town in Kentucky. I'm the youngest child and my parents felt that - my two older sisters had gone away to boarding school and they felt that it was important that we get out and do that, and so if it came down to it at some point in my future at FAS that that was necessary, I probably wouldn't have the negative association that I think a lot of people do about putting their kids in boarding school.*

SMITH: My experience was a very positive one. Wolfeboro was a very small community, people were very friendly and nice. I did miss my parents but that sure made it a lot easier, and it was very positive. In fact, I've never been back to my college reunion, but I did go back to my high school reunion last year and it was wonderful meeting all of my old classmates.

*Q: Have a lot of them stayed in New Hampshire?*

SMITH: They're all over the place. Actually, one of my good friends came all the way back from California with his family. But most are in New England.

*Q: Your undergraduate degree was in agronomy and then you made the switch to ag econ for graduate school. Was that a conscious decision to move more towards a business-oriented career?*

SMITH: It was two things. I really got interested in economics my last couple of years of college. And the way I got into FAS is kind of an interesting story. Clint Cook at the time was the branch chief for the fruit and vegetable division. Bill Stewart and Bill Rubel - two well-known FASers - were a division director and deputy, respectively. Clint Cook and my uncle had gone to graduate school together at Michigan State. Clint was from Post, Texas, and my uncle was from Guilford, New Hampshire, so you can imagine the difference in backgrounds, but they became very, very close friends. After college they both went their separate ways and hadn't seen each other for about 25 or 30 years. Clint took his family up to New Hampshire for a visit and looked my uncle up. I happened to have just graduated from UNH and was trying to figure out what I wanted to do. Clint convinced me to fly down to Washington to interview at FAS, which I did. And there I found out that getting ag economics would be useful, and I had already thought about it. So, basically, I think that influenced me more than anything to go back to graduate

school, and I was fortunate to get an assistantship that paid for most of it and I earned my master's and I came back directly to work for FAS. I think it was a very good decision.

*Q: That is an interesting story. There still are some stories like that, but more and more I think-- For instance, in my case, I was recruited by a current JP who came to the University of Wisconsin on a campus tour, which I think may be more common.*

SMITH: Well, I think that reflects the maturing of FAS. When I came into FAS, I was in the first junior professional group - I think we were the first or the second, but we were the first really large junior professional group. This was a conscious effort to recruit people out of college. At that time, they weren't very organized in terms of going to schools and picking schools and interviewing people. It was kind of happenstance. But they did set out to hire some people who would be put through a special training program and the idea was that they would make a career at FAS.

Prior to that, FAS was a new organization. Most of the people had been hired from other agencies within the Department of Agriculture, AID and so forth, and they really had no organized grassroots-recruiting program. Of course, over the years, it's evolved and it's now gotten to be a rather organized, well-structured recruiting program, which is very good, very necessary.

*Q: I think the feeling around the agency now is it's been hugely successful as well. A number of people have been recruited in the last 6 or 8 years. My impression of my fellow JPs is that they're really very capable people and the agency has done a very good job of finding the people who had the kind of backgrounds that meshed well with the career.*

SMITH: A lot of time and effort went into that. During my career at FAS, I was deputy assistant administrator for ag attaches, and then I was assistant administrator for management. All during this time, we put a lot of effort into doing the best job we could to find really good, qualified people. And we had a good product to sell, so that helped a lot. I agree with you. I think FAS, in comparison with other U.S. government agencies, probably has as capable a group as any.

*Q: I had heard from other people - I heard it from Norm Kallemeyn, perhaps, that a number of you were recruited at that time in the late '50s. You came I believe in '58 or '59, and I can't remember which year it was that he said that he came, but it was the biggest class that they've ever had.*

SMITH: That is correct. It was quite a large class. Yes, it was '59 that I came to FAS and we must have had close to 20 junior professionals. People like Dick Bell were in that group. I don't know if you know Dick, but he got to be an under secretary and is now president of Riceland Foods. Jim Ross, Harry Bryant, several people are still in FAS. Since then I think there's been a class of junior professionals every year.

*Q: Did most of the people who came in at that time have backgrounds similar to yours?*

SMITH: Yes. Mostly ag school or ag economics or marketing. I think that was the first

conscious effort to recruit that type of individual for the agency.

*Q: So you told me how you found out about FAS and how you got there. The other question is, what was it that was attractive? I mean, was it in part due to the fact that you had been raised overseas and thought that working overseas would be interesting?*

SMITH: Yes, I clearly had as an objective to go overseas. Prior to meeting Clint Cook, my whole focus was on the private sector, to get with some private company in some capacity. I always had an interest in public policy in college, so when Clint talked to me it attracted me. I went in to FAS with the idea of probably only staying a couple, three, four years to get some experience and maybe try to move to the private sector. But once I got into the agency, I just really enjoyed it and all my assignments were positive and I was always moving forward. Of course, I hit one of the most interesting periods in American agriculture at a time when, all of a sudden, the whole focus changed from an inward domestic looking policy towards an export-oriented policy. And all of a sudden FAS was thrown into the forefront of agriculture, and I just happened to hit it at the right time - very interesting period.

*Q: Back to your entering class - we're now called junior professionals. Was that a term that was used back then?*

SMITH: Yes. JPs.

*Q: Was there an organized, structured junior professional training program?*

SMITH: Absolutely, yes. It was the first one and we went on field trips, had presentations by the various parts of FAS and other agencies. It was a very well done program to instill in us what the mission of the agency was and what the current issues were, and I thought it was very helpful.

*Q: One of the things that I want to elicit your thoughts and opinions on as we go through in each stage of your career is, the FAS I know is the one with the dual personnel system: foreign service people and civil service people. And clearly the thrust of the recruiting effort the last 5 or 6 years, at least at the professional level, has been to get people who wanted to go into the foreign service. But there was no distinction made, overtly anyway, the time that you were in the agency.*

SMITH: Well, it was a selling point. I think most of the junior professionals who came in with me came in with the objective of going overseas. I mean, that's why they selected FAS over a domestic agency. And in its recruiting, that point was always made. But it was a lot less formal arrangement. The notion of going overseas in the ag attaché service that existed at that time was a very informal system. It was almost guaranteed that any JP who wanted to go overseas was eventually going to get an opportunity to go overseas.

*Q: I now know why - or I assume I know why you went into the fruit and vegetable division. I mean, that was where your contacts were.*

SMITH: It tended to be that way whoever recruited you, got you. So that's why I ended up with Clint Cook.

*Q: Thinking back on your experience as a JP, if you could describe in general terms - it was 30 years ago - what was your principal responsibility as a JP and how did that change in the time you were at FAS?*

SMITH: When I first came into the fruit and vegetable division, they were organized more along commodity lines than functional lines. Even though it showed organizationally on the chart an analysis branch, a competition branch, and a marketing branch, they were in fact organized based on the commodity experience that the individuals had. For example, Clint's specialty was basically vegetables. Stan Maer, another branch chief, had all the tree nuts and dried fruit and so forth. And Bill Stewart did the deciduous fruits. We had a fellow named Henry Burke who was famous around the world as citrus expert, and he did that work. And that's how we were organized.

Working for Clint, I pretty much concentrated on the vegetables, and I got involved in some analysis work, collecting data, getting to know the business. There was great emphasis in understanding the U.S. industry, which I think is essential. All of the people who were at FAS at that time in the fruit and vegetable division came from AMS originally. So they all had strong backgrounds in the domestic programs, be it marketing orders or inspection service, and so forth. So they were outstanding trainers. I think I felt that they were excellent in training you on what the U.S. interest was in these fields. And once you knew that, then you could go overseas and apply your trade because, after all, that's what FAS is supposed to do. I felt that that was very, very well done.

For example, shortly after I arrived, there was an AID team from Chile that came to the United States to study the California fruit and vegetable industry. Clint wrangled a deal with AID for me to be an assistant leader of the group. The leader of the group was the former president of Diamond Walnuts and retired. He had worked in California agriculture from one end of the state to the other. We spent 9 weeks on a school bus all the way from San Diego to Seattle, Washington, every day visiting various aspects of California, Oregon and Washington agriculture. That was almost like a master's degree in horticulture. It really helped me understand how this industry was organized from production to marketing.

One of my main assignments was handling the division's work on Mexican winter vegetable competition. At that time Mexican vegetables were really starting to take off and become a major factor in the U.S. market, and I went to Mexico to study the industry and write reports. I was fluent in Spanish because I grew up in Cuba so that was helpful, and I got to become Clint's chief assistant on the subject. I also did some circulars on bananas, I did a study on Mexican strawberries. That was kind of the work I did at that time.

In fact, one of my most memorable experiences was my first field trip that I made when

Clint sent me to Mexico. I had to fly down to Mexico City and meet with the ag attaché, and the embassy people, and all of that. And from there I went to represent the United States Department of Agriculture at the annual meeting of the Mexican Fruit and Vegetable Growers Association. I remember getting off the plane and having all the press interviews and everything, and this was my first visit to Mexico. I remember Burl Stugart was the agriculture attaché at that time; he was quite an interesting guy. I spent some time there and then went on to the actual area with the growers and spent a week and stayed at the home of one of the Mexican growers and got to go around and see how they grew the tomatoes, how they packed them, how they picked them and got to really understand the trade. I got a lot of good information and data and came back and did a report that was published, which was basically of interest to Florida producers who wanted to know how much acreage Mexico had and what commodities and what the outlook was. And after that I continued updating that information.

*Q: That sounds like great experiences. I'm wondering, from where you sat with FAS, how do you perceive the relationships have changed between the agency and the horticulture sector?*

SMITH: Well, I think it's much more complicated. To me the biggest change that's occurred in my years in agriculture - when I first went to work for FAS, and that probably was true up through the early '70s, the rest of the U.S. government really didn't care about agricultural exports. So you operated very independently. You rarely had to go get other agencies to approve anything you did. I mean, it was just almost automatic. The Congress was very supportive of FAS. For the most part, given the strong Congressional support and political power agriculture had, nobody messed with agriculture. So it was a lot simpler. You had one set of objectives and we basically related to whatever it was the ag industry you were working with wanted, and that's what you set out to do.

That all changed dramatically with ag commodity inflation. When food became a major factor in the CPI, much was made in the press about the so-called grain robbery by the Soviet Union. The Soviets came in and bought a lot of grain and, before we knew it, cornered a good part of the U.S. market supply. As a result, the CPI started going up, and it was blamed on that. All of a sudden, Treasury, and the State Department, and all of these other agencies got very involved in the agriculture business, and since then it's just become more and more so. So trying to operate at FAS is a lot more complicated and a lot more demanding now than it ever had been, in my opinion. You can't just decide something on the basis of what's best for your ag constituents. You really have to work with the whole U.S. government system and that makes it much more complicated.

Also, with the growth in consumer and environmental movements, the role of agricultural exports has changed dramatically, too. So I would say it's just much more complicated to get things done than it was before.

*Q: Excuse my ignorance for a moment. Was the cooperator program in place at the time you came to FAS.*

SMITH: Yes. Basically, FAS was created as a result of a perception in the Congress that the State Department always put agriculture at the bottom of the list. So several key senators who were very powerful in those days, committee chairmen were exceptionally powerful in those days - just set out to create an agency at the U.S. Department of Agriculture that would be independent of the State Department. The State Department fought that pretty hard but, given the clout that agriculture had in Congress, it was passed. One of the major differences I think between what was done for agriculture versus the foreign commercial service was in the case of agriculture, the whole function was transferred to FAS, including economic reporting, trade policy, trade promotion, the whole sphere was brought in, whereas in the foreign commercial service all they had was trade promotion.

That was a very critical move because it gave USDA the whole ball of wax, which gave them a lot of clout. At the same time there was a large surplus of agricultural commodities in the CCC and they were trying to think of ways to handle cost. The notion came up and Congress thought “why don’t we take this abundance and ship it overseas, and those countries that don’t have foreign exchange, let them pay for it in local currencies and then we can reinvest those local currencies in the country.” And PL 480 came out of that. One part of PL 480 was a section that allocated a certain portion of those funds for market development. Initially, almost all of the market development work was in the local currencies. Eventually the whole program was converted over to the regular budget.

Yes, it existed in those days. One of my jobs when I was in the fruit and vegetable division, was to work on an agreement between FAS and a couple of fruit and vegetable coops that wanted to do some overseas market development work. I went through the whole process of setting up the agreements. This program has been very successful over the years in my view.

*Q: Was that a big part of what was being done in that division at the time - working closely with the cooperators?*

SMITH: No. The interesting thing was, our particular division leaders were very conservative toward the whole concept of market development and giving all this money to the private sector to spend. They were a very conservative group, and we probably had the lowest level of spending at the time in our agency. But I must say as a result of that, the projects that we did were all very successful because they were very well thought out and our bosses required the industry to really come in with good information. Plus, I think that the fruit and vegetable industry is very good at marketing. They’ve had a lot of experience, so they really know the business.

Most of the division’s interest was in overseas competition and economic analysis, information, and trade policy issues. Those were the focus of the division when I was there. It was basically trade policy, trying to get access, giving information to the trade, and then finally working on competition, finding out what the competition was doing, both in their markets and competition in the United States. Market development had less



emphasis than today.

*Q: You mentioned that the organization's breakout at the time you were in the division - I think I've heard other people say this about the agency as a whole - was analysis, competition, and marketing, whereas now it's analysis and marketing. I'm not sure exactly where competition fits in. Do we have a trade policy program area?*

SMITH: Yes. The way FAS was organized when I first came was by commodity divisions with competition, analysis and marketing branches. I don't care what they are called, the fundamental functions are still there. When new administrators come in, they get different ideas on how to organize FAS. Eventually what happened is analysis and competition were kind of merged into the same function. That's fine because they tend to be pretty much the same. Trade policy was always a major function of FAS, but separate from the commodity divisions.

I think that Ray Iones, who was one of the first career administrators and lasted quite a while in FAS, is very, very capable guy. He took trade policy and really brought it to the forefront mainly because of the European Community being set up in the '60s, and he foresaw a lot of the problems that we are dealing with now. So that's what really got the trade policy issue at the forefront - the European Community and agriculture's concern about what implications that would have to future U.S. trade. I don't think anybody even came close to imagining the problem that it would be, but everybody sensed that as the EC closed its borders that internal EC production would increase and that the U.S. would probably lose markets. I don't think that anybody ever dreamed that the EC would, in fact, become a major exporter.

*Q: So you've said what this adds up to mean is that a junior professional today has had a very good training experience.*

SMITH: Yes.

*Q: And according to the information that was given to me, you were given your first overseas assignment after you had spent just over two years in the agency, even though there was a hiatus in the middle for military service.*

SMITH: That's correct.

*Q: Was that the Berlin crisis? What was it?*

SMITH: At that time they had different types of programs that you could sign up for in the Army. I signed up for one where you went through only six months of active duty, and after that you had to spend a number of years in the active reserves going to weekly meetings. My hiatus in FAS was during my active duty service. I graduated from college, joined FAS, got married and went into the army all in about a 60-day period. Then I came back to FAS in the same job and just continued on my career.

*Q: Today I would guess the norm for JPs coming in would be to spend four to five years in Washington before going out. Was your experience fairly common for that time?*

SMITH: Oh, yes. In fact, there was a major effort to try to get young JPs out as fast as they could. There was no problem at all. FAS was expanding overseas and it was natural - contrary to now where you have a contraction of positions versus and expansion of professionals. We had the opposite. New posts were being opened all the time and they were hustling around trying to get people. So I was very fortunate to hit it at that time.

*Q: Part of the thinking must have been that there is no substitute for the training you would received at post. You could spend so much time in Washington, but you're still never going to get a perfect-*

SMITH: It wasn't an easy transition at the time because the fruit and vegetable division was fighting pretty hard to keep all the people that it recruited. They kind of felt that they had recruited all these people and trained them, and they really weren't all that ecstatic about having them leave and go overseas. But they also recognized that that was part of the attraction of FAS. My feeling was it was just a question of the ag attaché service needing to fill positions and looking for whom they felt was the person that would do the job. And most of us were going out as assistant attaches to work for senior ag attaches who were out there.

*Q: Was there a structure at the time for postings? That's the next series of questions I have. You had Spanish, so-*

SMITH: It was very loose. Basically, an area officer would talk to you and say we want to send you to - in my case, Bogota, Colombia. Once the decision was made that you were going to go, you went through the fundamentals. You had to have a medical. You needed to be cleared medically, and then when that was done you were put into FSI training for language if you needed it. In my case, I didn't because I was fluent in Spanish. But then there were some courses you went to which were sort of the introductory to foreign service life, and these types of things. There was also some area studies on the part of the world you were being assigned to.

And then they had what they called a consultation period where, in essence, you visited all the divisions and they briefed you on what they were interested in in the country. It was very loosely structured. It's nothing like it is today.

*Q: All of your assignments were in Latin America.*

SMITH: That's correct.

*Q: Was that the result of some design on your part?*

SMITH: No. I never asked for a post in my life. I was told where to go. Colombia came up and I accepted it, and I was there two years. When El Salvador was open, I was asked

if I'd go there, and I said sure, so I went there. And then Bogota opened again so they sent me back to Colombia. And then from there I was brought back to be the deputy assistant secretary for ag attaches and after that I went to Mexico. When I came back from there I was assigned to be the assistant administrator for management, and from there to administrator. I just think it was one of those circumstances where you're at the right place at the right time. FAS expanded very rapidly, and there were great opportunities for anyone who wanted to take them. I just happened to be lucky at the time.

*Q: The next question I have written down here is, did your earlier overseas in Colombia and El Salvador live up to your expectations? And how did your wife take to living overseas and being a diplomat's wife?*

SMITH: Well, I enjoyed it. I loved my overseas assignments. I can't say anything else. I was particularly fortunate in Colombia when I went. It was a time when Colombia was picked by the Kennedy Administration to be the key country in the Alliance for Progress Program in Latin America. So there was quite a large embassy contingent and very highly motivated and qualified people there. And I got to be very friendly with many of my State Department colleagues. And agriculture was a very key sector, and I really got to work, not only on the traditional FAS work of market development and so forth, but I was able to really get into the whole policy side of the embassy work. I worked very closely at times with the DCM, economic officer and that type of thing. It was a very interesting and exciting time. So I enjoyed it enormously.

My wife had never been overseas. We didn't have children at the time, so she took it upon herself to go to an intensive course at the University of the Andes in Bogotá to learn Spanish. She became quite fluent. In fact, they asked her back to teach English. So she really got into the language and culture. Once that happened, she was just fine. She really enjoyed it very much, too. We enjoyed all of our overseas assignments.

*Q: In general, I'm wondering what the political environment was like and how that affected your day-to-day work. You mentioned that you were able to take part in some of the policy-related work that was going on in the embassy.*

SMITH: Well, as I've said, the whole focus of the mission in Colombia at that time was development. There was a huge AID contingent and my challenge was to keep the U.S. ag export interest up front. But I felt in order to do that, it had to be presented in terms of the overall policy of the mission in order to get country team support. I was very fortunate to have some very good people there who were quite interested in agriculture, particularly the ambassador. So I got involved in a lot of assignments while I was in Colombia.

For example, coffee - I ended up doing most of the coffee work across the board, not just reporting the numbers but actually writing the reports on the impact on development on foreign exchange and the economy. I had the opportunity twice to go with the ambassador to meet with President Lleras just to talk about coffee issues, and I did a lot

of reporting on that – that type of thing, which I thought, was rather great for a young guy to be doing those types of things. I got involved in a lot of briefing sessions and things of that sort.

El Salvador was totally different because it was basically a competition post at the time. It was a small country. I also covered Nicaragua. It was even a lot less formal than Colombia. You got to know everybody in the country, all the top officials. In El Salvador, everybody knows everybody else and it was really quite an interesting assignment. And agriculture just about dominated the whole scene at that time. And the ambassador was a guy called Raul Castro, which was a rather interesting name for a U.S. ambassador. He was a former judge out of Arizona who had quite a bit of interest in agriculture, and we got along very well so I just spent enormous amounts of time working with all factions of the embassy.

I guess the point I'm making, I was very fortunate that they were willing to allow me to function as truly the agricultural man rather than just the FAS man. In other words, almost anything that came up with agriculture they would think of me, have me included, most of the times assign it to me and let me coordinate, that type of thing. That made it quite interesting because you got involved in all kinds of things that were a lot broader. So I felt that it was really pretty good training, not only in understanding all of the programs at the Department of Agriculture, but you really got to understand a lot of the other agencies' interests and what they were trying to do with foreign policy, and trade, and economics. I think later that was helpful to me in jobs back here in Washington.

Mexico was a totally different post. Mexico is, in my view, one of the most interesting posts you can have at FAS. I know a lot of people like Europe and they like Japan. But Mexico is a big market, so you have all of the market development aspects. In fact, it is one of our largest importers of agricultural commodities now. It's an enormous competitor. You have all the border issues that are going on daily. In addition, USDA has an enormous non-FAS presence down there, with programs to eradicate screwworm, and to eradicate hoof and mouth disease, all your plant quarantine issues. So it's really, I think, a fascinating place. And I think the potential in a country like Mexico is great. So I just loved Mexico. We really enjoyed that.

My only downside is that they didn't let me stay awhile. I would have liked to stay a lot longer. Kenneth McDaniel retired and David Hume replaced Ray Iones as the administrator. Dave had a vision and that whoever was going to go into job of management had to have had overseas experience. Dave felt that that was essential in order to be able to understand all of the problems that the overseas people had and to be able to adapt the management people to them. And he very persuasively convinced me to come back and take over the job. I probably would have preferred to stay in Mexico. In fact, I probably would have taken a demotion and salary cut to stay there.

But I've got to say that I enormously enjoyed the job after I got into it because I think if there's one way you really want to understand an agency in the U.S. government is to get into management. It's not the most exhilarating job, but it really gets to the heart of U.S.

government, how it operates, how it functions, and I think that it's very useful. When I became administrator, that experience probably helped me more than any other experience I had.

*Q: Thinking about El Salvador and Colombia in particular and to a lesser extent Mexico, one of the questions that enters everybody's mind today is security. Was that as much of a factor then as it is now?*

SMITH: Oh, no. Colombia was always a problem because Colombia had a history of violence. There were certain parts of Colombia that you couldn't travel to. In Bogota itself, personal security, robberies and that type of thing were always the norm. Kidnapings of children were also a real problem. So Bogota was not very pleasant place necessarily, although it was nothing like today. I mean, you never worried about driving around in a car or doing stuff like that. That was not a problem. You just didn't go to certain areas of the country and you took certain precautions in your house and with your children.

The difference between El Salvador and Nicaragua then and today - I like to tell the story - I used to drive by myself in a Jeep station wagon once a month from San Salvador to Managua and never gave it a second thought. Can you imagine trying to do that today?

*Q: The survival rate would be low, I would think.*

SMITH: There was absolutely no problem. I used to cross Honduras, I used to cross three border points. If I ever had any problem with the car, there was always somebody to help you. I mean, there was just never any thought of personal danger doing something like that at that time. So you can see how dramatically that's changed.

*Q: One of the issues that I want to try to bring up at several points in this conversation in the effect that computers and other forms of mechanization have had on the work that is done in FAS. During your time in the '60s when you were out in Colombia and El Salvador, what was the stage and the status of computers in the agency? Did we have any computers at all? And how did we survive without them? It's hard to imagine today running that agency without a computer.*

SMITH: Well, you couldn't today. As I said, the role was much reduced and a lot less complicated. When I first came to FAS, we used to have what they call a statistical pool in each division. You basically had, for the most part, women in there. And the first year I was in the department there was no air conditioning. So you can imagine sitting in Washington in August with the heat and humidity, literally going through every single trade publication they could get from whatever countries were important in trade and horticulture products - most of Europe and Asia. The ag attaches would send those things in, normally in foreign language, and these women would sit there and by hand take the data and put it on sheets, cards, and those became the file. And if I wanted to go in and get what were the U.S. exports of 'x' product to Mexico, they would go in and bring out a card and they would write it all down and give you a card with it. And if you wanted to look up the imports, that's how it was done.

By the time I came back from overseas, there was a unit set up at FAS that was your first data systems. And they started with very simple types of computer work. Most of it was on trade data, actually being able to get the trade data, I guess, on tapes and converting it to long sheets and that type of thing. It was difficult to get people to start thinking of moving from the concept of the stat pool, manual operation to this mechanized aid. A lot of people felt threatened. Everybody was convinced that computers were not going to work, but it just slowly started taking hold and I would guess in the middle '70s it just mushroomed all of a sudden.

I had two things happen. The people we hired to bring in were trained in them. They were trained in school and understood how they worked. When I went to college, we didn't have that. But they expected it. All the people who came in wanted to work with the computers and the mechanization and understood how they worked. So it just, all of a sudden, started snowballing and before you knew it we had what we have today. Even to the extent that when I was administrator, we were the lead agency in developing the use of satellites and computers to identify crop conditions and production in key countries like the USSR and China. When I was the assistant administrator for management, we started spending a lot of money on getting the computer center put up, working with ASCS and had some people like Dick Cannon and others who really took the lead in it and believed in it and really built it up to what it is today.

*Q: So I take it without computers the way that information was transferred from the field back to Washington was basically by pouch?*

SMITH: Yes, correct. There were these cards that you filled up with reports and you just mailed them. And when they came in they were taken off. That and, as I said, a lot of official documents. The ag attaché in London, for example, would send the UK agricultural import statistic book published by the UK government.

*Q: You left that up to the people back in Washington to-*

SMITH: To take them all off and get them into whatever system they wanted by commodity. Another thing was we always subscribed to Reuters, which had a lot of information on it, too. It was just any source you could get data, and you built up a file on what apple imports were, from what countries, months, and it was just rows and rows and rows of file cabinets full of sheets that had this information on it. And any time you wanted anything, somebody had to go and manually do it. It would take forever.

*Q: Your first stint overseas, the two times in Bogota and Colombia and one period in San Salvador, what do you think during that period is your greatest accomplishment, both personally and in terms of the mission of FAS?*

SMITH: I felt that from a personal standpoint, I gained an enormous amount of experience in the business of international agriculture. I really did. I was very fortunate to work with some very outstanding people from the State Department and other agencies.

They were outstanding people and for whatever reason were willing to work with me and help me along. And I made some very good personal friends, people who since went on to be assistant secretaries in the State Department, and under secretaries and all of that. So there were very capable people, very good, and I really felt that I grew enormously, professionally during those years.

And the second thing is that I really do feel that I was able to convince these people that the role of FAS was important, that it was a resource that, if used right, would be very valuable to the overall objective of the mission. And I feel that I was successful in that for the simple reason that they did use me that way. And I think that people that followed me were able to do the same thing. I always felt that that's very important to the to the agency to be able to contribute in the broadest sense to the embassy mission. In the countries that I was in, it is very hard to point to anything that had major impact on U.S. agriculture. I just wasn't in countries that could have that kind of an impact. You did have a lot of success in building markets, but they were all rather small markets for U.S. products.

*Q: So you see this as a period, presumably, of FAS sort of growing in stature?*

SMITH: Finding its role, finding its place not only domestically, but also in the USDA and overseas.

*Q: Did you encounter during your period overseas - and I want to include the time you spent in Mexico City, as well - any problems dealing with the State Department? Any sense of resentment that we had taken away what they used to do?*

SMITH: Oh, yes. But I got the feeling that problems could be overcome very rapidly if people that were assigned took the right approach. It wasn't something that it wasn't possible to overcome. In fact, my experience was that you were welcomed if you wanted to assume that kind of a role. There was no problem. But I think clearly there was always an underlying feeling that agriculture objectives, per se, were negative to the overall foreign policy objectives, i.e. development in agriculture.

One of my challenges was always to find the right way to explain, for example, why we didn't want a particular policy, to be able to explain it in, hopefully, an intelligent manner. Maybe they'd disagree with you, but at least they would have to admit that you had either a solid substantive argument or a good political argument that they'd have to accept. I mean, we didn't operate in a vacuum. And I found that the people that we dealt with at the State Department in those days accepted that as long as you made your case. You'd run into problems if you just came in and said, "I don't want to do that." They'd want some explanation. I think, as a result, if you do it that way, after a while you can really start having an enormous impact on the way things are done and have an impact on U.S. ag interests.

*Q: Where we had left off last time, we had covered your time spent in Colombia and El Salvador and you had had a number of examples to give from your experiences there in a*

*chronological sense. We're now up to the point where you've returned to Washington to become deputy assistant administrator for foreign agricultural affairs. The first question I have regarding that was whether the experiences that you had overseas, did they play a big part in the way you approached that job, in dealing with the attaches and making decisions about and dealing day to day with the offices overseas?*

SMITH: Clearly, the experience you obtained overseas was very critical in being able to carry out that job although it turned out that there was a lot of administrative aspects of it that I really had to learn. There was very close coordination between that office and the personnel office in FAS and the assistant administrator for management's office. So I basically had to learn a lot of that side of it, which I really had not had any experience with before. But in terms of trying to work with the area officers and the assistant administrator in selecting individuals for posts, understanding when there were problems at the posts and trying to work with the management people on how to resolve them, I think having served overseas made a big difference.

*Q: This was the period 1968 to 1972.*

SMITH: Correct.

*Q: Was FAS growing overseas at that time or were you adding posts during that period?*

SMITH: Well, actually, that was the first time when they started having these different exercises governmentwide to cut back our presence overseas. If I remember correctly, the first one was called BALPA. I can't remember what it stood for; there have been different acronyms for them since then. That was the first one where they were going post by post and getting the embassies to recommend who should be cut and who shouldn't. And we got pretty heavily involved in that and did have a ceiling put on us. It was the first time that we had an actual overseas ceiling and we had to start making some choices between posts. Actually, I think in relation to many other agencies we did fare very well in that, which I think reflected the important of agricultural work reflected in so many posts.

The one thing that struck me at that time was you could almost run a correlation as to where you had problems trying to keep your staff versus the quality of people you had at the embassy. There was just no question that where you had good people who were considered an integral part of the embassy, in fact in some cases they even recommended more people. But where you had people who weren't doing quite so well... So I think you find that when you get into these exercises, human nature being what it is, the ambassadors tend try to get rid of people that they don't think are doing the job, and it tends to be that many times more than really whether the function is important or not. I'll just make that as a point because I think one of the most important jobs that that section has in FAS is to make sure you get really good people overseas. You can hide incompetence in Washington; it's really hard to do that when you have a small staff at an embassy.

*Q: I'd be interested in knowing a little more about a procedure that was followed at that*



*time for making the overseas assignments.*

SMITH: There was an interagency group that made the decision. And it could be appealed all the way up to the president. Fortunately, our secretaries of agriculture during that period were very strong supporters of FAS and backed us up strongly and as a result of that we fared very well. We took very minimum cuts. There were some agencies that took pretty heavy cuts. But that philosophy has continued. Periodically, you get these exercises to try to minimize the people overseas and a lot of it was to give to the ambassadors more control of the post. There was a problem in that; other agencies were getting so big in a lot of these posts that they had a hard time controlling it. We had to make good arguments post by post as to why we needed the people. We'd always make our arguments, both in a substantive, overall argument about the need for increasing agricultural exports and how important that is to the agricultural economy and the U.S. economy, and then tried to relate that to specifically what we were doing in the countries to accomplish that and why we needed these people, what their functions were and why we needed them.

*Q: As a result of this exercise, did the agency determine in any cases that maybe we really didn't need as many posts?*

SMITH: Oh, yes. We did have to make some cuts, and plus we had been planning some expansions. So when you added the expansions we wanted to do plus the cuts, we had to make some shifts in order to take care of the priorities. I think it was the first time that we had to reduce staff and I got the main job of coordinating all the data with the various entities within FAS and spent a lot of time on it. Our administrator at the time, Ray Iones, was very good at making our cases interagency and he got very strong support from the secretary, so I thought we came out fairly well. And then the other thing that I got heavily involved in was always doing the budget work in order to justify additional slots and money in the budget. So I got quite involved with that. That, lots of times, was competing with other parts of the agency because there were ceilings on the other part of the agency. So we were constantly fighting the battle of the ceilings, I used to call it. It used to be quite an exercise trying to get that all established and making sure that the attaché service held its own.

*Q: When you came back from Bogota, did you have any particular ideas in mind about what might be a good next step in your career, or were you just presented with the fact that you would be deputy assistant administrator?*

SMITH: I didn't have much choice in the matter. Obviously, it was a tremendous advance and an honor to go from being an attaché in posts like Colombia and El Salvador up to that job. So there was no question in my mind about doing it. I had always assumed that I would go back overseas to a larger post and then would eventually come back to Washington. We were very fortunate that Mexico came up when it did.

Another thing that I got rather heavily involved which I think was the first time FAS really got involved to this extent, was the whole issue of handling all the high-level

visitors to the secretary's office and doing all the briefing books and papers. Some of that had been done, but it had never really been done in an organized fashion. It used to be done on an ad hoc basis by different divisions. Ray Iones put this responsibility in the attaché office and we became responsible for making appointments between the office of the secretary and outgoing ambassadors, handling the visit, preparing all the background papers, making appointments, coordinating with the embassies and all that, so I spent quite a bit of time on that, too. That was very helpful to me because I did get a lot of exposure in the front office. I was almost constantly working with Secretary Harden and his people and Clarence Palmby, the under secretary.

When Mexico came open, I guess because of my broad Latin American experience and my Spanish, I was asked to take that post, and I was delighted. I think Mexico - I probably said this before - was one of the finest posts you could have in the attaché service. It's got so much agriculture and it's so close to the United States and so involved in our overall economy, it's really an interesting post. There was a very large USDA/APHIS contingent in Mexico. I had the opportunity to head the negotiations for the screwworm agreement between the Mexico and the United States working with all the APHIS people. And that was quite an interesting experience negotiating that, plus all the trade issues. And the agricultural attaché, my predecessor Bill Rodman, really was one of the outstanding attaches we had. He had done an excellent job of building up the office within the embassy. So when I got there, the ag attaché office in Mexico handled anything to do with agriculture. It was a very integral part of the embassy operation and I fortunately was able to continue that. I had very good relationship with the two ambassadors and it was a very interesting assignment.

*Q: You mentioned the close ties and working relationship between the Mexicans and U.S. I suspect you had a number, also, because just the geographical closeness I assume you had a number of visitors there that may not have traveled to some other places.*

SMITH: Oh, sure. There was a constant flow of visitors, congressional and other high-level visitors. It was not uncommon to have an under secretary visit. I remember Dick Lyng, he was assistant secretary of agriculture and eventually secretary. Earl Butz came down at least three times, I think, while I was there. So you do have a heavy visitor load. A lot of business people come to Mexico, a lot of them just off the street wanting to get information. Then you had meat inspection. Meat inspection was a very big item in Mexico because they were shipping beef to the States and USDA had to inspect all their plants. We had a very large APHIS contingent. I guess there were probably two or three hundred USDA employees in Mexico, and the ambassador and USDA expected me to know what they were doing. And they were not in a technical sense responsible to me from a policy standpoint; I was the person they had to deal with in the embassy. So that took a lot of time and it was a challenge to make sure it all worked together and no one felt that I was threatening their responsibility in any way, and it worked out very well. There were some very outstanding people there.

There were many serious trade issues at the time that we got involved in. There was a vegetable issue and the famous court case on tomatoes, and marketing orders was a major

issue. Mexico was importing huge quantities of grain and they were having trouble with the railroads and U.S. embargoed the railroads and I had to get involved in a major effort to get that all untangled. It was just constant interesting issues. There was also a lot of involvement with the states of Texas and Arizona and California, so you were constantly dealing with those officials, also, because of all the trade that was going on.

And livestock was a major operation there. There was a very close relationship with the National Cattlemen's Association and Mexican Cattlemen's Association and all the breeders' associations, so there was a constant activity in that area. So I really enjoyed Mexico very much.

*Q: Who were the ambassadors during your time?*

SMITH: They were both career ambassadors. The first one was Robert McBride, who was a crusty old foreign service career ambassador. But he was just outstanding and was one of those ambassadors that if you ever had an issue, you had to be very careful because when you went up with a problem, he right away wanted to do something. He was very supportive. I really thought he was an outstanding ambassador.

Then he was followed by another career ambassador named John Joseph Jova, who was an old Latin American hand. Again, he was very good, too.

*Q: So you had no problem in convincing them of the importance of agriculture.*

SMITH: Quite the opposite. They, particularly in Mexico, knew the importance of it. The key there was getting their confidence that you could handle the issues property. And I think that probably continues today in Mexico - agriculture is so key there.

*Q: I'm wondering because of your relative rank, et cetera, and I assume you were more involved in diplomatic and representational activities there than you had been, for example, in Bogota.*

SMITH: Oh, yes. We were constantly accompanying either the ambassador or DCM to meetings with other cabinet officers in Mexico involving agriculture. I just recalled drugs was a big thing at the time and there was a major effort to try to substitute crops for drugs or work on various aspects of that. I got very heavily involved in that with the attorney-general office in Mexico and with the ambassador. So there was just a constant involvement.

*Q: How did you find living conditions in Mexico City? Today, I think, foreign agencies are finding it harder and harder to get people to go there because of the pollution and the crime.*

SMITH: Well, it was bad when we were there and I guess it's worse now. Clearly, that was a problem. There didn't seem to be a lot they could do about it given all the old cars and buses in Mexico and the fact that it's in a bowl. But we, after a while, got used to it,

and everything was so interesting that we kind of tended to ignore it. We never found it to be something that really made us wish we hadn't gone to Mexico. And you could get out of the city rather easily if you wanted to.

*Q: So you were there from 1972 to 1974.*

SMITH: Correct.

*Q: Then you came back and became the assistant administrator for management.*

SMITH: Right. Dave Hume who had been the agriculture counselor in London and Tokyo had a rather strong opinion - he was the administrator at the time - that the assistant administrator for management should have had overseas experience. Prior to that it had always been a professional management type job. I guess because of my involvement in management as deputy assistant administrator for ag attaches and because I had had a good working relationship with management types, he decided to haul me back to be the assistant administrator for management. I admit, at the time, I wasn't all that enthralled about it. I was happy in Mexico and wanted to stay, but there wasn't much I could do about it when called. But I'm really glad I did because I think I probably learned an awful lot.

When I became administrator, what I learned on that management job was crucial background. It really was helpful. I was very fortunate to have Lou Davis as my deputy. He was a real professional management type and we hit it off pretty well. And I thought we made a very good team because he knew the management side of it really well and I could handle a lot of the relations with the other parts of FAS. And we had some really good technicians down the line. We were fortunate to have Pat Madison as personnel director and I thought that she was just outstanding as were several of the other people at the agency. And I really enjoyed it. In fact, after I got into it, it probably was one of the more enjoyable assignments I had at FAS, particularly because of the people. I really enjoyed the people in management. I think I appreciate them a lot more than probably most people do. Having had to do that work, I appreciate what they were doing and what they were trying to do and how they were helping the agency.

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Interview date: December 1, 1989

*Q: I assume that the assignment that you had in Mexico City was perfect for coming back to Washington and assuming one of the assistant administrator jobs?*

SMITH: Yes, and I think for any young person who has an opportunity to go to Mexico, it's highly recommended as a post for good training because you get everything there, from market development to analysis, to a strong feel of how the USDA agencies operate in these countries. I just feel the Mexico experience was a very, very good one.

In the assistant administrator job, management was very good. I also had the experience of having to handle a transition of FAS from a Republican administration to a Democratic administration. When the Carter administration came in, after Dave Hume left, I was named acting administrator and I had to do that. And that was a rather interesting experience. I think if you have to do it once, it's enough, but we all survived it. But those are interesting times. We've had a lot of change in administration but most of them had been from the same party. But when you have a different party, it's quite an experience. We ended up with Tom Saylor as our deputy administrator, and he was just outstanding, a rather top-flight guy and very interested in FAS. And then Tom Hughes was the administrator.

That was the period in which we got offered the opportunity to enter the Foreign Service. I was given the job to coordinate all of that. We had a major seminar in Williamsburg and put together all the issues and had all the key FAS people there to make decision whether we were going or not. We finally did.

*Q: Which year was that?*

SMITH: Must have been the year after the Carter administration, which I guess would have been '76, '77, somewhere in that timeframe - '77 probably.

*Q: So that's interesting, the decision that was made on the Foreign Service well before it actually came into effect. Is that right?*

SMITH: What happened was, Harry Barnes who was the director general of the Foreign Service - I had gotten to know him fairly well because he had been ambassador to Romania and was quite interested in agriculture and had come to see Secretary Butz quite a few times, and we had done a lot of work together on things. And apparently they were trying to get a whole series of new benefits into the Foreign Service package, and they had to reauthorize the whole Foreign Service system. I think State strategy was to try to get as much political support as it could up in Congress. They felt that bringing in other agencies and particularly FAS, which they wanted because of the agricultural influence up there. So he came to us and contacted me a couple times and indicated that State was prepared to include other agencies as part of the Foreign Service, and that they wanted agriculture.

Initially I think our reaction was rather negative. We had always kind of liked the way it was, but he persisted so we finally started having a look at it rather seriously and felt that that was really an agency decision that the employees ought to participate in. So we organized a seminar of all the senior people - it was everything all the way down through branch chiefs, I think - and went off to Williamsburg for about three or four days just to talk about it and came out of there with a consensus to do it. And then we had to work with State and the Congress, and we finally got it authorized. And then after that there was a tremendous amount of implementing that had to be done because we were in a whole new personnel system. So that's where I think Lou Davis and Pat Madison and their staff did an outstanding job getting that all organized and making sure that we didn't

lose a lot of the uniqueness that FAS had in the process. I think we were able to protect that. Like, for example, having our own promotion boards and things of that sort, our own examining service. We tried to set that up in a way that fundamentally FAS would control the personnel aspects of it. We wouldn't get sucked up by State Department while at the same time being able to operate under the system.

*Q: So as it was discussed at Williamsburg and back here in Washington, what were perceived to be the advantages of coming under the Foreign Service?*

SMITH: I think the major advantage was that it afforded us the opportunity to get a higher diplomat presence overseas, which I think a lot of people perceived as being important because it allowed us to get the counselor and minister ranks. And in Washington we had career ministers. For example, when I was an administrator, being in the Foreign Service I was a career minister in the Foreign Service. That did help a lot because rank is important in interagency dealings. And, in addition to that, a lot of people felt that the benefits were better. Earlier retirement, higher salaries. There were just a lot of aspects of it.

On the negative side there was a lot of concern that you just become part of the Foreign Service. But I think we were able to structure it in such a fashion that that didn't happen. I don't think it's happened. But then you do also have the time in-grade selection out process, which the civil service doesn't have. I think that was a concern to a lot of people. But I think in the end the overwhelming consensus was that the positives outweighed the negatives, so the decision was made to join.

*Q: Of course I haven't yet served overseas, so I really don't have any intimate familiarity with the embassy environment. But I would guess, for instance, earlier when you were discussing these efforts in the government to cut back on the size of embassy community in general overseas, I'm wondering whether we would have been able to make a stronger case or heard more loudly - not that we weren't effective - but whether we would have been ever stronger if we had been a foreign affairs agency at that time?*

SMITH: That's hard to tell whether that would have made much of a difference. I think you're right, just psychologically, that it might help to be a part of the system. Then you're not considered as much of an outsider as you were before. I think the main advantages are the title and the direct benefits to employees. Of course, I think it helps some in just operating overseas and integrating into the embassy operation. It just makes it a little bit easier.

*Q: As you know, there's recently been a lot of talk in the agency about problems that are perceived to stem from the fact that we're running a dual personnel system. Was that something that was considered at the time that there would be the potential for tension there between the two personnel systems?*

SMITH: Yes. I think that that was brought up. That's always been there whether we had the Foreign Service or not. When we were just civil service, when I was in the attaché

service, there was an enormous amount of competition and tension at times between the concept of those that have overseas experience and those who do not in FAS. And at the time when I first came into FAS and while I was a deputy assistant administrator of ag attaches, the predominant feeling was that the divisions required people who had strong expertise and a lot of continuity in their commodities. In other words, that you needed someone in there who basically was a grain man and had been a grain man all his life and knew everything from A to Z about grain. Whether he served overseas or not had nothing to do with it. That was not important, and those people moved right on up. And it was a fact that most of the commodity division directors and most of the key people at FAS were people with that kind of background predominantly. People overseas were sort of attachés, they would come back and forth. They never really felt like they had an opportunity to get into these key jobs. And there was a lot of hard feelings on that part of people overseas feeling that they ought to have a shot at these top jobs back in Washington when they came back, and that someone who had worked in Washington all his life really didn't understand the overall mission. We were a Foreign Service agency, and you had to understand the overseas part of it. And it has always been that way.

So at that time it was felt that the so-called Washington specialists were in the catbird seat and the overseas guys were kind of orphans and then things turned around. And I guess from what I'm hearing now, the shoe is on the other foot. So I think that's very natural. It's like a pendulum going back and forth and you're always going to have that controversy in the agency, I think between those that are civil service domestic and those that are overseas, and how do you mesh that will always be a problem. It's always been a problem in the State Department even though they don't have two systems. Even though they have the same system, they still have that problem.

The other thing is that you find that you tend to move up faster overseas because you have more opportunity to get promoted. You always have a problem of whether you put these people back in comparable grades when they returned to Washington. That's always been a problem - a major problem. I don't think they are ever going to go away. It's just part of the challenge of managing the agency.

*Q: So that was a problem even before we were Foreign Service.*

SMITH: There's no question about it. People are now trying to couch it in the terms of being civil service/ Foreign Service. It's always been a fight between basically the attaches and the rest of the agency.

*Q: Just to back track a bit to the time when you were still assistant administrator for management. Was that the time when FAS started becoming a computerized agency? And, if so, what was your role in that?*

SMITH: Yes. The pioneers of computerization were some other people who started us on that road. Ray Vickery who had been the director of the grain division did a wonderful job and really took the initial responsibility of trying to start the agency on computerization. And Eldon Hildenbrandt was still in the agency. But by the time I got to be assistant administrator for management, things had moved considerably beyond the

initial stages. Tom Saylor who was the associated administrator was a strong believer in this whole area.

And another thing that helped us a lot was we got the responsibility to take the lead in what was called the Lacy program which was taking the LandSat imagery and trying to figure how to use it to forecast crop conditions around the world. And as a result of that, there was a joint effort between NOAA, USDA and NASA. We actually had an office in Houston with quite a few people plus we had a group in Washington. As a result of all of that, we really got some high quality computer people, and the key guy was a fellow called Jimmy Murphy who was a real whiz guy in computers and a lot of experience in the military who had worked in ASCS.

We were able to combine that function with the FAS function and really expand our capabilities. And Dick Cannon was put in charge of that effort and did an outstanding job. I'd lay it on Murphy, Cannon, and Hildenbrandt who really were the ones that pioneered that whole thing. We were able to get the funding to build the computers, to get all the hardware and then there was a major effort to train people on how to use it and how to integrate it into the agency. All that did happen during my tenure as assistant administrator for management and administrator. Of course I, too, felt very strongly that we had to do it. There was just no question about it. So I supported the effort and worked hard to get the funding for it.

*Q: Well we often comment today that we wonder how the work ever got done without computers. And I think it must not have been as much final product turned out, or it wasn't done as quickly. One or the other because we are completely tied to computers.*

SMITH: You're absolutely right. When I first came - I think I may have mentioned it - everything was handwritten on cards and there was a huge manpower requirement to get everything done. As we exploded into the forefront of agriculture, the international side became so important, there was no way you could continue doing it that way. Fortunately we had some people in the agency who had got us started on that before so that there was some base there that we could expand on. But I'd say that from about the middle '70s is when we really started expanding in a major way. And it culminated with our joint computer facility with ASCS, which is a real fine facility.

*Q: We've already discussed the process that led up to the decision to become a foreign affairs agency, and that's probably, maybe going to be your principal legacy in FAS as administrator. But I don't want to overlook the other accomplishments that you had during your tenure as administrator. If you could talk about some of the other things that were going on during that period.*

SMITH: Oh, sure. I look at my tenure as administrator as a rather interesting period. And the two things that I feel the proudest of are the things that I was able to accomplish during that time, despite the fact that every year I was administrator our exports went down. I think the agency still has a very strong position and reputation because we were able to explain why it was happening and people really felt the agency was trying very



hard, and there were circumstances beyond the control of the agency. I think any time you get into that kind of situation, politically an agency is very vulnerable. And I think we came out of that very well because of a lot of capable people.

Secondly, Bud Anderson was assistant administrator at the time and is now the administrator. Bud and his staff worked to put together a policy paper that we got approved by the President and the Cabinet to start the process of countering export subsidies. I actually went with Secretary Jack Block to a cabinet meeting when we got the authority to make the famous subsidized flour sale to Egypt. We basically tied up the Egyptian flour market for one year and shut down most of the EC flourmills. I think that was the beginning of what is culminating today in trade negotiations. It was a major effort by the United States to really try to turn the EC away from export subsidies. FAS should be proud that it pioneered that whole policy. A lot of people were involved and did an outstanding job.

During that time, I think FAS had a key role in determining policy in the Department of Agriculture. It was involved with the Secretary and had a front row seat in terms of developing policy. And I think the agency had a lot to do with the 1980 farm bill and getting the Congress to finally recognize that we had to have flexible loan rates if we were going to compete in world markets. That was a major turnaround and I think I can honestly say that the agency probably had as much to do with that as anyone. We fought that issue within USDA with a lot of opposition to that position. We did a lot of speeches around the country pushing it. Jim Parker was one of the key guys in that effort, putting all the analysis together, and slide shows and everything. We did hearings, we did briefings, and we just spent a lot of time organizing that whole thing. And being the spokesman for that side of the issue because there were a lot of others who wanted to go the other way and keep loan rates high and just basically retrench exports. I don't want to say that FAS was the only one that did that, but I sure think we took the lead in it and were key in providing the background that was needed in order to convince people to change. So I feel very proud about that, because I think today we're seeing the positive results.

We led the way in our foreign relations with both China and Algeria. In the case of Algeria, when the current under secretary of state, Larry Eagleburger - at that time he was the number three guy in the State Department - went into Algeria following the hostage crisis in Iran, as the Algerians were very helpful in resolving that issue. Up until then, there were absolutely no relations at all. While he was in Algeria, he was advised by the Algerians that they wanted to start developing relations in agriculture with the EU. Mr. Eagleburger called Secretary Jack Block and told him we needed to get going on this ASAP. So Jack called me over and we got together with the Algerian ambassador and we agreed to have a group go over there and to start the process, see what we could do.

I remember going to Algeria, and when we got there and we had no appointments made. It turned out that the ambassador had no direct communications with the Algerian agencies. If he wanted to communicate with them he had to send a telex from the embassy to the foreign office. And then the foreign office would forward it to the

ministry of agriculture or other ministry. The answer would go to the foreign office who would then telex the ambassador. The ambassador had probably seen two Algerian officials in two years. We finally did get a meeting and I took a group of cooperators to the meeting. We told them, look, we are ready to start a major project with you on technology, trade and so let's get started.

We got to the meeting and it was obviously only very low-level Algerian officials at the meeting. But about halfway through the morning, the Algerians realized that we were serious. He stood up and walked out and came back and announced that that afternoon I had a meeting with the number two guy in the ministry of agriculture. The ambassador was very excited because it was the first time he was going to see somebody at a high level. I went with the ambassador and the upshot of it was we got the go-ahead to develop a cooperative agreement in agriculture. The ambassador had a reception for me the next day and only our group and one Algerian showed up. He was a very low-level guy.

We agreed that Secretary Block would come to Algeria as soon as convenient. And it was six weeks after that we went back with Secretary Block. The ambassador had a reception and I think 9 out of the 12 cabinet officers showed up at it. And with that, our agricultural exports to Algeria boomed. When I left as administrator, we were doing almost \$2 billion worth of exports per year. And China was pretty much the same. So I thought that those were real accomplishments that FAS took the lead on, not only from a trade standpoint, but we really pioneered the relations with those countries. That was quite an interesting time.

I'd say those were the major ones. We did quite a bit with Mexico, too, at the time. We ended up getting some programs going down there.

*Q: You are obviously a career administrator, but we've had political administrators who didn't have any real experience or ties to FAS. If you can, can you explain how that decision gets made?*

SMITH: It's strictly a decision by the secretary. Actually, the way the process works is, the secretary is named first. Then the secretary, working with the White House, picks the deputy secretary and the under secretaries and assistant secretaries. The secretary always has a lot to say about who that is, but the White House also wants to have a say in that. Once those are picked, then it's up to the assistant secretaries (with the approval of the secretary) to pick agency heads.

In my case, I had been selected by the Carter Administration to go to London as the ag counselor in our embassy. When the Reagan administration came in, I was asked to handle the transition for FAS. They had me as acting administrator when the Carter people left and the Reagan people coming in. The assumption was I was going to be acting administrator and soon as the new administrator was named, I would be on my way to London. Secretary Block unexpectedly asked me if I would be administrator. I've got to admit - I mean, there was no question that I would do it, but I was thinking at the time, London looked real good. I kind of had my mind made up for me. But I accepted it.

I might add it took quite bit of pressure at the White House to get me approved. It's not easy to get a career guy into that kind of a job. Despite the fact that Secretary Block wanted me, the White House was having a very hard time with it. In fact, I was told twice that I had been approved and then found out that somebody had gotten to the White House and undone it. And quite honestly, I think the only reason I really got to finally got the job was Dick Lyng who was the deputy secretary and had a very close relationship to the Reagan administration - he had been Reagan's secretary of agriculture in California. Nofzinger at the time was chief of personnel, and he was the one that was having a hard time accepting this career bureaucrat to become administrator. And Dick Lyng went in and talked to Judge Clark who at the time was in the White House and, obviously, a key man. And Clark finally just told him just do it. And that's how I got in.

So it's a complicated process and it involves the whole political process and it's not an easy thing at times to do. So I think, for example, the fact that Bud Anderson is now there is great. I think, personally, that the agency works better with a career person. And I think most of the constituency that we have feels that way. That it just operates better because we're basically a highly motivated, well-educated, well-trained group of people, and I just think they respond better. That doesn't mean that you can't find a good non-career administrator. There are obviously a lot of good people who are not in the government who could do it. But the agency doesn't work very well when you bring in a political hack. I think it works a lot better the other way.

I think Tom Kay was excellent. Dick Bell was the one that assigned Tom Kay to FAS. He was the assistant secretary at the time. I helped Tom get established and got to respect him both as an individual and his competence, and also his political skills. When I was named administrator, one of the first things I asked for was to bring Tom Kay back to be the head of the legislative office because I just thought he was super. They agreed to it and Tom came back and did such a good job for us that Secretary Block made him assistant secretary for congressional affairs.

When I decided to retire after 6 years as administrator, I left the Foreign Service. Secretary Block wanted a smooth transition. He really liked Tom, so the decision was "make Tom administrator." A very smooth transition resulted since Tom had no problem getting White House clearance. We had the unusual situation that when they announced that I was leaving, they also announced who was taking my place the same day. So I thought that was very well done. And I think the transition to Bud was very well done, too. So I think we were very fortunate. That, lots of times, doesn't happen in agencies, so that's very good and I hope it continues.

*Q: I have a series of questions here which are more just picking your mind somewhat about FAS, but also just about agriculture in general and some events that are upcoming or that are already underway. I think it might be useful to record these as part of this session.*

*The first question is, now that you're no longer with FAS but still working very actively in agricultural circles in the private sector, how do you find that other people view the*

*agency? Maybe people that you had not dealt with when you were in FAS.*

SMITH: I think FAS has an outstanding reputation among the private sector and, I might say, among other government agencies. It's very much respected. And the people are very highly regarded. I find that all the time. There's one thing that's happened to the agency and looking at it from the outside I think that the '85 farm bill put an enormous amount of additional workload on the agency. And, quite frankly, I just don't think it was fair to do that without giving it additional resources.

I think that as a result of that, I think you all know that there has been a lot of criticism by GAO and auditors of the way certain programs have been managed. Certain congressmen are starting to take pretty hard shots at the agency recently.

My feeling is the opposite - that the agency has done remarkably well considering the load that was put on it with the farm bill. The EEP program and the marketing loan, the dairy buyout program, all that stuff has enormous work. I understand that there is some additional help coming, but I think it's a little late. I think something should have been done to really help the agency. I still think it needs to be done. But all in all, I think the agency has a pretty good reputation.

*Q: Do you see FAS' role in the future in international agriculture changing and, if so, how?*

SMITH: Yes. I think the agency is going to have to start thinking maybe a little different on how to approach this thing. I think the trade policy area will always be what it is. That's not going to change a whole lot. You're always going to have those issues and you're going to have trade negotiations and all of that. I think the analysis doesn't change.

I always was a strong believer that - and I used to use the analogy that you had to look at FAS as a three-legged stool. If you cut off any one leg, you're going to have a problem with it. The three legs were getting the market access, which is your trade policy - you've got to get the access to the markets otherwise you don't get anything. You've got to know where you want to get access, and how you go about getting the access, and you've got to do a lot of analysis and background. So the analytical function is just as important. And, thirdly, market development.

So I'd say that the trade policy and the analysis legs, other than more people and using the latest techniques - don't need much change. But the market development is where I think serious consideration has to be given as to how that's approached. Obviously, the cooperator program, I think, will always be there. I think there's a lot of things that might be able to be done in the cooperator program to maybe change some priorities.

My feeling is that the real potential for market development in the long run is your less-developed countries. That's where your consumption is low. The key there is going to be economic growth. As those countries grow, that's where your enormous potential

markets are. I think countries like the Mexicos of the world, Venezuelas, the Algerias, the Chinas, those are where you're going to see the tremendous growth in the future. And in your developed markets, the cooperators need to phase out there and the trade take care of that. That's an ongoing trade that's going to happen based on quality and price competitiveness, and logistics, and transportation and all of that.

*Q: I'd be interested in hearing your thoughts on the direction that the Uruguay round seems to be taking on agriculture, and as it relates or doesn't relate, and what you think might be likely to happen in the next farm bill.*

SMITH: In the case of trade policy, I think what the administration would like to get is certainly a laudable goal. But I think it's going to be unrealistic to get that major change that fast. I think that, clearly, a lot of pressure is on the export subsidies issue, and I think there will be something done on that. That was started with the Reagan administration and the famous wheat flour sales to Egypt. I think the culmination of a lot of that is that, probably, there will be some agreement on export subsidies. I think it's going to be very difficult to get the Europeans to do away with their variable levies and convert them all to tariffs. I'm not very optimistic about that.

As far as the farm bill, I don't see much change. I think people are happy with the farm bill and think they will make some minor adjustments on it. It will continue as it is and if, in fact, they can get agreement on doing something on export subsidies and phasing them out, then I think things like the export enhancement program, marketing loans - even though some people say those aren't export subsidies; I think they are - export subsidies will have to be addressed in some subsequent legislation.

Sugar, which is one area that I deal in a lot, it's really at this point very difficult. I don't know how it's going to come out. As far as the farm bill, you're not going to see much change in the program other than I think there will be provisions to guarantee access levels to the offshore suppliers and probably will have to go with some marketing production controls to do that in order to meet some of the gap issues that have been raised. If there is an agreement on export subsidies, it will be rather interesting how sugar is handled because Europeans have enormous export subsidies. It will be interesting to see how that is handled.

But I think there has been a change in the world to where it's starting to be recognized that you can't protect agriculture to the extent that it has been. There has to be, over time, a loosening up of the process. You've got to allow supply and demand to work more. To the extent that you want to support farmers, you've got to do it directly and try to minimize interference in the market. I think these are all things that are moving. And I think, eventually, you'll get there. But I don't think it will have with this trade negotiation that fast that you're just going to dismantle it all overnight. But I really do think that's the way it's going. I think what is pushing it is mainly budget. It just costs too much to do it the other way. It's costing the Europeans a lot of money; it's costing us a lot of money. So I think you will start seeing a gradual movement in that direction.

*Q: Another futurist question: Do you see the events in Eastern Europe having an effect on U.S. ag exports? And do you think FAS could have a larger role in those markets?*

SMITH: I think immediately it wouldn't surprise me to see us becoming a major food aid donor to these areas. Even the Soviet Union is having a little problem. It will be quite interesting what comes out of the summit. I won't be surprised to see something out of that on food aid - Poland, obviously. So I would think we'll start seeing that as a major thing.

I think as those economies develop - you know, you're talking about pretty capable people and a history of being able to make private sector work. So I think, say, 10 years from now, if those countries are really starting to hum economically, they would become pretty good markets for the United States. The problem is that they'll also become competitors. So it's not going to be all positive, but I think net-wise it should be a major benefit to not only us, but to the world. It's going to be another big source of demand for us.

*Q: Finally, as a closing question, if you had it to do all over again, would you have spent 20 years of your life in FAS, and would you recommend a foreign service career in FAS to someone starting out today?*

SMITH: Oh, no doubt about it. I've thought about that lots of times. And if I had to do it all over again, I can't think of anything I would have enjoyed more. My 26 years, which I spent in FAS, were great. I really enjoyed it. I was there at a very key time. I thinking timing was very important because I there during a period when the agency just got, all of a sudden, thrown into the forefront of, not only USDA, but I've have to say U.S. government policy because exports became so important in the economy.

I was very fortunate to hold some very challenging and good jobs. I certainly would recommend it as a career. And I think what they're doing with salaries right now, if that all goes through, I think it even becomes more attractive for people to go into the service. As far as going into the government service, I sure would recommend it to someone very strongly. I think it's a good agency, and I think there's some interesting work. I don't think that anybody that goes into FAS is going to ever be bored.

*Q: Well, thanks a lot. I certainly appreciate the time you've spent. These are valuable thoughts and reflections to record into future.*

SMITH: Glad to do it. It's been fun.

*End of interview*