

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

DR. HOWARD L. STEELE

Interviewed by: Charles Stuart Kennedy

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INTERVIEW

Q: Today is June 16, 2003. This is an interview with Dr. Howard L. Steele. This is being done on behalf of the Association for Diplomatic Studies and Training. I'm Charles

Stuart Kennedy. Do you go by Howard?

STEELE: Yes.

Q: Let's start at the beginning. Tell me when and where you were born.

STEELE: I was born in Pittsburgh, Pennsylvania, the east side of the city, on January 27, 1929.

Q: You and the Depression came in together.

STEELE: That's what my father always said.

Q: Could you tell me a bit about the family, first from your father's side and then your mother's side?

STEELE: Sure. My father was one of 11 children, grew up on a very small dairy farm about 35 miles east of Pittsburgh. He was the next to the youngest. He had 6 older brothers and they all were in the coal business or in the steel business and left the farm. He was the last son and his mother drastically wanted him to stay on the farm. His father, my Grandfather Steele, I never met him. He died when my father was 22. So, he said he went to take the milk down to the railroad station in the cans in the spring of his senior year in high school and 3 of the cans from the previous day half full and they had a note on each can saying, "We couldn't use this milk because it was sour." He couldn't figure out why they could not use only half of it. So, he decided to go to Penn State and find out what this whole marketing system was about. So, he did. He went to Penn State, graduated in dairy husbandry, and went to work for dairy farmers.

Q: Not for your family farm but for another?

STEELE: He went to work with a cooperative of dairy farmers called the Dairymens' Cooperative Sales Association, a bargaining organization. He stayed with them 20 years. They eventually had about 15,000 members. He was also on the First Pennsylvania Dairy Commission appointed by Governor Gifford Pinchot to try and bring some stability to prices and help the incomes of those farmers.

Q: On your mother's side, what was her maiden name and where did they come from?

STEELE: Her maiden name was Ruby Alberta Loucks, which is Pennsylvania German. She was a city girl from the big city of New Stanton, Pennsylvania, but at that time it had about 300 people. My father was a country boy from 4 miles away. Both of them were schoolteachers. The seniors took competitive exams in high school. If you scored a certain level or above, then the schools wanted to hire you to teach in a small country school. So both my mother and father taught school for a while.

Q: Was your father dairy farming and teaching school?

STEELE: Yes. His Uncle James Steele, a bachelor, lived on the farm and helped.

Q: You could do both.

STEELE: He was until he went to Penn State, of course. It was a rugged life. He said he was late for high school every day of his high school career because he had to take that milk down and then take the horse and wagon back. He would then run down to get the urban streetcar to get to the little high school.

Q: By the time you arrived in 1929, what was your father up to? Was he a full-time dairy farmer?

STEELE: No, he left the dairy farm when he went to Penn State. His mother kept the farm for quite a few years. It was run by my father's uncle Jim, a bachelor brother of his father. I remember Great Uncle Jimmy. He lived to 1947. But my dad said he had to leave the farm. He did not want to farm. He wanted to go to work for the dairy farmers, so that's what he did. In 1929, he was secretary manager of this bargaining cooperative. He started out as a fieldman check-testing butterfat tests that the dairies said they were giving and bacteria and this kind of thing. But he immediately became a manager-type. He went to Pitt at night school to study business.

Q: Where did you go to elementary school?

STEELE: That's an interesting question. I was born in the east end of Pittsburgh, but when I was 2 ½, my parents built a little house on the southwestern side of Pittsburgh in a place called Mount Lebanon Township. On the street where we lived there was an elementary school about 6 houses above. I went from kindergarten through 6th grade there, practically within sight of the house that my parents had built, and then to Andrew W. Mellon Junior High School and Mount Lebanon High School, graduating in 1946.

Q: How did you take to studies in elementary school? What interested you and what didn't interest you?

STEELE: I loved my teachers. We had great teachers. I particularly liked Miss Holtsinger, who was our sixth grade teacher, and English literature. I kind of got interested in that. I never was too keen on mathematics. I liked science, literature, got involved in theater and acting both as a young kid and then later on. We had some excellent teachers.

Q: By the time you started going to junior high, what sort of things were you reading? What did you enjoy?

STEELE: That was a long time ago. I read a lot of things about history and the Indians there in Western Pennsylvania. "With Rifle and Plow" was one that I remember. My father and mother both loved history. He took me with him lots of times on his trips

around to visit the farmers, so I got to see a lot of battlefields and historical sites. As a young boy I liked to read the history of the French and Indian War and the Revolutionary War and later the Civil War. When I got a little older, I got involved in some of the fiction writers, Hemingway, Steinbeck, Bromfeld and others.

Q: While you were in high school, World War II was going strong. How did that hit you all?

STEELE: Several ways. One, they were hiring young boys to work on dairy farmers. In 1944 I did work on a dairy farm. They gave you extra time off because that was considered an essential war industry, food. The same thing on transportation, railroads and steel mills and coal mines and so forth. But they let you have time off to go to work. I remember going to this dairy farm in May and not coming back and starting classes until October. There was a lot of work. That was when I was 15. The next summer, I worked as an engineer's assistant for Pennsylvania Bell Telephone. They kept their engineers who would have been retiring otherwise on to drive the cars and then we young boys did all the work. We would tap the telephone poles and drill them and so on. That was interesting.

Then my senior year in high school, my father left the dairy farmers' cooperative and got into the processing and distribution of dairy products in a small corporation there in Pittsburgh. So I started working as a grunt in the dairy at all hours of the day and night.

Q: World War II... Kids your age often got quite engaged with the war, where the war was. It was a great geography lesson. Did you find yourself following this?

STEELE: Absolutely. I was an air raid warden messenger as a young kid with a bicycle and a pith helmet. We learned all the aircraft, as you probably did, to spot them.

Q: I kept the Luftwaffe from bombing Annapolis.

STEELE: I did the same thing in Pittsburgh.

Q: We were successful.

STEELE: We were really successful. They didn't come anywhere near.

Q: Not a single bomb dropped.

STEELE: Isn't that silly? We had these blackout practices and yet there were the steel mills lighting up the sky.

Q: It kept a lot of teenage boys happy.

STEELE: Yes. I took up flying, road to a little strip at Bridgeville, Pennsylvania. Of course, I said I worked at the dairy, but before I went into the dairy as a senior in high

school, I was working at a drug store, Mandel's Drug Store, after school at night. I had magazine routes and paper routes and all things boys did at that time. But 2 of my cousins and a neighbor boy were Army Air Corps pilots and I wanted to be one in the worst kind of a way. So, unbeknownst to my mother and father, I would ride my bicycle after I finished work at the drugstore to this little grass strip and I had 10 hours in a Piper J3 Cub. The guy had 2 of them. He had been with Captain Eddie Rickenbacher in World War I and had been machine-gunned through the throat but he had one of those metal larynx voice boxes. He was a good instructor. I was about to solo and had 10 hours. One of his planes was down for a 100-hour inspection one night and I had to wait, so I got home late. It was almost dark and my mother was out in the kitchen. She hated flying at that time. She said, "Where have you been? It's almost dark. I was worried about you." I would not lie to my mother or anybody else for that matter. So as I went through the kitchen about as fast as I could walk, I said, "Oh, I was over in Bridgeville taking a flying lesson" and went on through the dining room. She said, "You were doing what?" That was the end of my flying for quite a few years. But I eventually did obtain all the credentials I needed and I flew a lot for about 20 years beginning in 1967.

Q: You were working for your father on dairy products. Did this attract you at the time?

STEELE: It surely did. I thought this would be a good career. The company, called Beverly Farms, Inc., was expanding very rapidly. It had a paper milk container franchise for the Pittsburgh area, American Can Company, which was the hottest thing in merchandising and sanitation then. Then Beverly Farms bought Greenville Dairy Company and it had a franchise in paper milk for the Youngstown-Sharon area.

Q: You're talking about wax containers.

STEELE: Wax first and then plastic later. And get rid of those old milk bottles. If you could see the way they came in sometimes with grease in them and mice and chemicals and everything, trying to get those suckers clean. So, it was a good merchandising company for dairy products and especially the supermarkets. They didn't go to retail. They went strictly to supermarkets and mom and pop stores.

Q: Were you an observer during the battle between butter and margarine?

STEELE: Yes. I was younger then. I can remember when they had to sell only white margarine that looked like grease or lard. Then they had a little pill the housewife could use to mix in and give it butter-like coloring. A pretty messy job for the housewife.

Q: You had to push the pill and break it and then knead it. The whole idea was to make it unattractive so you wouldn't take margarine but buy butter.

STEELE: One of our famous professors at Iowa State who ended up at the University of Chicago, Dr. Ted Shultz, who passed away a couple of years ago, literally was kicked out of Iowa State University because he thought soybeans and corn oil and soybean oil were the wave of the future. He opposed these very politicized dairy groups from trying to

legislate this kind of thing. He had to leave Iowa State. He went to Chicago and had a great career there.

Q: This was a very active political industry, too.

STEELE: Absolutely.

Q: When you graduated in 1946, what happened?

STEELE: I applied to Penn State because a lot of my cousins and uncles went there. That was where we all wanted to go. I got a letter back from the registrar saying, "If you are accepted for the freshman class of 1946, you will go to one of the 12 state teachers colleges for your freshman year unless you are a veteran. We have to make room for returning veterans. There is no guarantee that you'll get back on the main campus at State College. Pennsylvania your sophomore year." I had to be careful because my mother graduated from Slippery Rock, one of the 12 schools.

Q: It's been the subject of so many jokes, Slippery Rock State College.

STEELE: Right. It was a good little university.

Q: It was always used to show a podunk school.

STEELE: Right. I said, "Look, if I want to go to Penn State, I want to go to Penn State at State College and not down to Kutztown near Philadelphia or Millersburg." I used the eastern schools. I went to Washington and Lee University and I'm glad I did.

Q: You went to Washington and Lee, which is located in Virginia. You were there from '46 to '50?

STEELE: Exactly. I got a bachelor of science degree in business administration and commerce.

Q: When you arrived there in '46, what was the school like?

STEELE: It was like most of the other colleges and universities in that half the student body included hardened veterans who had been through hell for 2 to 4 years in the Pacific or the European Theaters. The other half included fuzzy faced kids like I was, just out of high schools. There were a lot of good times, a lot of good dances, and a lot of partying. But there was a lot of seriousness in learning, too, because at that university, we had the honor system and it really worked. I never had what I called an objective quiz until I went away to graduate school in college or in university setting. That is to say, all of the exams were discussion questions and you very quickly revealed what you didn't know if you hadn't studied in those types of essay exams. Coupled with that was very small classes, very good professors. They knew you all by name, by personality. So I found that I got a very good education there and I had no trouble in graduate school later. In fact, I did very

well.

Q: How southern was Washington and Lee then?

STEELE: Dr. Francis Pendleton Gaines was the 20- year president at that time. He was an eloquent speaker. He told us about how wonderful Robert E. Lee was.

Q: Who had been president of at that time Washington College.

STEELE: Yes. You're very knowledgeable. And Robert E. Lee died there on the campus in 1869. And the fact that George Washington donated James River Canal Stock to that struggling little Liberty Hall Academy and kept it afloat financially and they renamed it Washington College. We were told that \$14.65 of our tuition was paid for from income from George Washington's Canal stock. W. & L. was about 60-70% southern, but they had students from every state in the union. It was fairly cosmopolitan.

Q: Was it picking up any of the discussion which was beginning to come to the fore of race relations and all that?

STEELE: Definitely. We had an incident... I joined a fraternity. I was rushed by several Greek fraternities and I chose Sigma Nu. It was right there on the main campus, what they called Red Square. We had some African-American boys working for us and an African-American cook in the kitchen. One of these boys, Mallory, was sort of the local sports hero in Lexington among the blacks. He was shot and killed by a policeman. We had a lot of law students in the fraternity. So, we went up and we watched that trial with a great deal of interest because this was one of those trigger happy policemen. Mallory had been, according to the black people who testified, trying to break up a fight and stop the problems out on the sidewalk. This sergeant came along and told a patrolman, "This is the way we treat racial problems. Just stand back" and he shot him. Well, the guy had had a record, we found out, in Kentucky and someplace else, Alabama, I believe. All they did was fire him and he moved on somewhere else. He probably was just as bad wherever else he went.

Q: What were your courses? You got a degree in what?

STEELE: Business administration and commerce, but I took sociology and 2 years of German - I had to have 2 years of language – 2 years of science to get a bachelor of science degree, so I took physics one year and took biology, zoology, and botany the next year. I took all the political science courses I could, psychology, social psychology, sociology. I had a rather good liberal arts education, and lots of business management courses too.

Q: Did the outside world intrude? You were there at the development of the Cold War. Was there much in the way of world events that were something one talked about on the campus?

STEELE: Of course, because the Korean War broke out soon after I graduated in 1950. But the communists had taken over the China mainland in '49. I remember, our pledge leader, Colonel Paul J. B. Murphy, had been in the China Theater in World War II. He flat went back into the service, became active again after he graduated in '49. We had a lot of discussions about what the ramifications of takeover by Mao Zedong would be... Yes, there was a lot of discussion about world affairs and the Stalinist-type people.

Q: Did you go home and get jobs during the summers?

STEELE: Yes. I worked at the dairy every vacation. If I got home for Thanksgiving vacation at 7:00 PM before Thanksgiving Day Dad would say, "Do you want to work at the dairy tonight? I need someone on the midnight shift." So, I had lots of work. I worked summers. I drove trucks. Also, with my roommate, we started a sandwich, candy, cigarettes, chewing gum route to the 15 fraternities and the one big dormitory at Washington and Lee. That was very profitable our sophomore and junior years and then competition arose. When we started to break even our senior year, we stopped. We also worked in the little beanery called the Varsity there across from the theater. Mr. and Mrs. Williams were the ones that we worked for. They suggested if we could bring a car back our sophomore year they would help us organize those routes. They sold us the sandwiches and merchandise at wholesale, and suggested the retail prices we charged. The honor system really worked at W. & L. then. We put a cigar box down next to the sandwiches, gum, cigarettes, and so on, which were all priced with stickers. The money was always in the cigar boxes. Could one do this today on most college campuses? I doubt it.

Q: You graduated in 1950. What were you planning to do?

STEELE: I was already accepted at Penn State for my master's program. I had gone to Penn State's intense 6- week summer session between my junior and senior years in the summer of 1949. I needed a course in business law to graduate in my class. I had a pretty good idea that I liked the dairy processing and distributing business and I wanted to go to Penn State and get a master's in dairy marketing and a minor in dairy manufacturing. But I didn't know whether I would like the college of agriculture. So I went up there and took that course in business law and a course in dairy husbandry. I ended up teaching short course students. I was 20 years old and I wore a white lab coat and I'm teaching these short course students, many in their 30s and 40s, who came in, teaching them how to do Babcock butterfat testing, counting bacteria in milk samples, and so on, things I had learned 2 weeks before. It was incredible. While I was there, I also went and got acquainted with the chairman of the Agricultural Economics and Rural Sociology Department, Dr. M. E. John, and the man who eventually became my major professor, Dr. C. William Pierce.

Q: When you talk about coming home to work at the dairy, what kind of a dairy was this by this point? Was this your great uncle's dairy?

STEELE: No, it was a closed corporation founded by a 5- member family called the

Sappies. Theodore H. Sappie was the major merchandiser and president of the company and he wanted to expand but he needed somebody who knew milk supply and where to get milk and how to negotiate for it. My father was a natural for that. So, we became minority stockholders. We never had more than about 30% of the ownership.

Q: But you were distributing milk?

STEELE: Processing fluid milk products, making and selling cottage cheese, ice cream, chocolate milk and buttermilk and other dairy product.

Q: In '50 you went off to Penn State. For how long?

STEELE: I finished my masters degree in March of '52 and went immediately to work for the Greenville Dairy Company, which Beverley Farms had bought, up northwest of Pittsburgh in the city of Greenville, Pennsylvania. I had a sales territory including Youngstown, Ohio, and Sharon, Newcastle, all those areas, almost up to Erie, Pennsylvania. I had 23 driver salesmen working the delivery routes and a couple of regular salesmen. I had a lot of responsibility for a young man.

Q: Looking at the dairy business in those days, what were the problems that you had to deal with?

STEELE: Jimmy Hoffa and Harry Tevis. Jimmy Hoffa was international vice president out of Detroit of the Teamsters Union. Harry Tevis was an international vice president out of Pittsburgh. They were both fighting for control of Youngstown and Cleveland, Ohio, against each other within the Teamsters. Hoffa won out, became the president of the International Teamsters. Boy, they had a bunch of goons. I was roughed-up by them when they were trying to organize our dairy in Pittsburgh in the summer of 1947.

Q: I take it your drivers were members of the Teamsters.

STEELE: They had an independent union in Pittsburgh at Beverly Farms, and the Teamsters called them "scabs." They wanted them to join the Teamsters. So, it was a recruiting deal on the part of those Teamsters. Eventually they would stop drivers. They stopped me, made me unload a truckload of paper milk containers that I had just taken out of a railroad car and made me put them back in the railroad car. They roughed me up. They didn't seriously injure me, but it hurt my pride pretty bad. They would do the same thing with any of those drivers who were opposing publicly joining the Brotherhood of Teamsters. We had a terrible time. Eventually they started secondary boycotts, calling the big supermarket chains and saying, "Look, if you continue to handle Beverley Farms dairy products, these are scab products. We're going to pull our drivers off your tractor trailers." So, a little, independent dairy like Beverley Farms had to capitulate or lose its business.

Q: So what did you do, join?

STEELE: Yes. The employees joined and then we were completely organized by Teamsters, our office people at both plants, warehouse employees, and drivers. I had to join to haul milk. I had my own bulk milk hauling route, but had to carry and show a Teamster's Dues Book when challenged, even while driving my own truck.

Q: Your parents, where were they on the political spectrum?

STEELE: Good question. Father's board of directors in the cooperative was dominated by Taft Republicans from Ohio. My father called himself a progressive Republican. He loved Teddy Roosevelt. My mother was the same way. Governor Gifford Pinchot, Teddy Roosevelt's first head of the Forest Service, appointed my father to be on the First Pennsylvania Milk Control Commission. So, Dad liked conservation. He liked forestry. He liked Teddy Roosevelt and his trust busting and financial conservatism.

Q: You got very much involved in the dairy business from about '52 on.

STEELE: Yes. I started in 1946 as a laborer. Then I became a sales manager and I stayed until 1956. I decided that with this Teamsters problem and the management structure dominated by Sappie family members, it might not be a long career for me. My manager above me at Greenville Dairy Company was an alcoholic and we had a lot of problems with him. I was working 16 hours a day 7 days a week making good money, but I couldn't enjoy it, couldn't relax. So, I did like the teaching at Penn State. One of my colleagues at Penn State was Evan Brown - both of us took the same classes together all the time, we both got our master's about the same time - he went to The University of Florida to work on a Ph.D. when I went into the dairy processing business. He would write long letters once he finished his Ph.D. and ended up at Clemson, South Carolina, which was then called Clemson A&M College. He would stop in on a vacation with his wife to visit us in Greenville and say, "Howard, you ought to come down to the Southeast. There are a lot of opportunities in South Carolina for young professors." So, the more I thought about it, the more I realized I didn't want to stay in that dairy business dominated by the Sappie family. They were grooming one of the young Sappie boys to be president and I didn't trust him. I took a vacation and went down to South Carolina to Clemson. When I got there, Evan Brown had the wheels all greased and Dr. George Hubert Hall offered me a job as an assistant agricultural economist.

Q: You didn't have a doctorate at that time?

STEELE: No, just a master's.

Q: What's an agricultural economist in academic terms?

STEELE: What's he do?

Q: Yes.

STEELE: Well, there are a number of sides to the profession. There is production

economics, producing agronomic crops, tree crops, livestock products, poultry, how to improve income generating capabilities, how to keep good farm records, good production records, developing coefficients for use by the extensionists to work with the farmers. There is the marketing side, which I was very much interested in, improving the efficiency of gathering of agricultural commodities and centrally processing them, storing them, creating time, place, and form utility and redistributing back out, trying to improve the efficiency.

There is also agricultural policy, government programs and how they interface with farmers and how they help farmers or in some instances don't help farmers.

There is also conservation, natural resource management, soils, water, and so forth. Price theory. There are a lot of ramifications to the discipline of agricultural economics.

Q: When you were at Clemson, what was the agriculture of the area and did that dominate what you were working on?

STEELE: That was in the Piedmont of South Carolina just east of the Blue Ridge Mountains. They had so much poverty because of row crops over the years robbing the nutrients from the soil – cotton, short staple cotton, which nobody wanted, (even the textile mills didn't want it after World War II, they wanted the long staple Egyptian type of cotton), corn, tobacco, all robbers of nutrients in the soil. So, the program that I was brought in for, as was my friend Evan Brown and some other professors from Tennessee and elsewhere, emphasized a program to cover South Carolina with a blanket of green. This meant pastures, tree crops for timber and paper pulp, and tree crops for things like peaches, apples, and other fruits. That was a very intelligent policy on the part of the leaders of the state, to try and get these farmers out of poverty. They didn't do what Georgia did. South Carolina development officials brought little, clean industries into the rural areas so the people could continue to live in the rural areas. Georgia concentrated much effort in the Atlanta area, had many rural people moving into Atlanta with all of the social problems that created. So, I thought South Carolina had done a very enlightened thing.

Another thing they did was, to pass a special sales tax to build technical high schools. They said, "Our biggest resources is our people, black and white, and they're undereducated. If we're going to attract industry in these areas, we have to get better training for our people." That sales tax, I think Jimmy Byrnes was the governor that first started it, and then Fritz Hollins. Even Strom Thurmond was very strong on building technical high schools to try and improve the education of those people.

Q: Were you seeing the results of these technical high schools and the products of these schools were coming to Clemson?

STEELE: I was there when Clemson integrated in 1961.

Q: How did that go?

STEELE: Perfectly, quietly, properly. You didn't hear about people standing at the door like you did in Alabama and Mississippi. In fact, the president of Clemson University at that time was Dr. Bob Edwards. He said, "As long as I'm president of this institution, we're not going to interrupt the educational process one second for this matter. We're going to keep on running. We're going to keep the radicals on both sides of this issue out." I thought it was very enlightened. I realized things were really going to go well when they let this architect in who later became mayor of Charlotte, North Carolina, Harvey Gant. South Carolina had an interesting optional program for black students - before integration. South Carolina State was the black school. If you wanted to study something that wasn't offered at South Carolina State, the state would send you wherever you could be accepted and pay the difference between the tuition and fees at that school and what South Carolina State charged. This was an enlightened policy at that time. So Harvey Gant came into Clemson's architectural school, from the University of Iowa, I believe, the first black student at Clemson in January 1961. Next semester, Lucinda White, a nuclear scientist, black, from Chicago or MIT or someplace, came into Clemson to study nuclear science there in the Engineering School. The students struck. Why did they strike? They said, discrimination, the ratio of black women to black men is one to one. The ratio of white women to white men is only one to 40. I figured, if that's the seriousness of the situation, it's going to come along alright, and it did.

Q: Was Clemson a state college?

STEELE: Yes.

Q: Did you find that politics intruded at all on your business?

STEELE: Very much, not state politics per se, although there were a lot of active people in the extension service who were involved in the state politics out in the countryside. But intra-college politics is pretty nasty, and departmental politics can be pretty nasty too, maybe only exceeded by some inside protestant churches. I just didn't want to have anything to do with it. I wanted to get ahead on my merits.

Q: There had been the solid South, but the South was beginning to change while you were there.

STEELE: Very much so.

Q: There was this feeling of non-governmental interference yet in the agricultural field the government has always been up to its neck with extension services, research, very positive things, and then subsidies. Were the conservatives able to deliver this?

STEELE: Our chairman of the department of agricultural economics and rural sociology, Dr. George All, was adamant, a very powerful man. He knew all the politicians. He wanted them to get rid of the subsidy on short staple cotton. He said, "You're perpetuating not only the farmers but their sons and daughters in poverty with this. It's a welfare program. We need to get the sons and daughters trained to do something else and

get out of the production of short staple cotton because it's all being produced for the government." That was an enlightened point of view.

Q: Did anything happen on that?

STEELE: Yes.

Q: Did they get out of it?

STEELE: There's still some problem. You've probably read a lot in recent years about the black farmers not being able to get credit and how they've organized and they've charged the Department of Agriculture with discrimination. Most of them have been cotton and tobacco growers. They want to continue those big subsidies.

Q: You were trying to get people out of cotton and tobacco, was that the theme of much of what you were doing?

STEELE: I was working with the dairy industry utilizing the new, improved pastures and legumes as a part of the program to "cover the state with a blanket of green." There was an expanding Grade A dairy industry – they called it Deerying. First, they had never had a cost of production study in the dairy industry in South Carolina until Dr. Hooper Spurlock from eastern Tennessee and I put it together with a number of our graduate students. We did the first one. The Dairy Commission had records of size of farms by location and by size of herd. We took a randomized sample of those in the 4 different regions of the state, lower coastal plain, upper coastal plain, sand hills, and piedmont. Then we went around and interviewed those dairy farmers with our graduate students and got coefficients with which to estimate costs and returns for production purposes so we could see what the status of the industry was. It was quite interesting.

Q: The dairy industry has sort of died in an awful lot of places. Where was it at the time you were doing this?

STEELE: The problem down there was that the minimum butterfat content for a bottle of milk was 4% in Charleston, Columbia, and Greenville-Spartanburg, the 3 major metropolitan areas. They couldn't figure out why the per capita consumption was going down. You couldn't sell a product that had less than 4% butterfat in it. Therefore, it was illegal to sell skim milk or low-fat milk and so forth. That was because of the Guernsey and Jersey breed groups who were very powerful politically. They controlled the laws. So, we went around and did taste tests with six matched pairs of dairy products, one of the pairs being higher solids, not fat, lower butterfat, the other one being higher butterfat-

We did more than 6,000 samplings in supermarkets, in schools, and in homes of these pairs, and we asked consumers which they liked best and why. It was interesting to study the statistical results. There were 6,250 observations, young people, middle-aged people, older people in various locations, schools, supermarkets, homes. At about 35 years of age, there was a bimodal demand curve. People who said, "This is the richer, better

tasting, whatever their value statement was, they had chosen a higher solids/lower fat product. These were the consumers under 35 years of age. Over 35, it was the other way around. So, we became known as the “White Milk Boys” from the north by the dairy Guernsey breeders. They thought we were trying to ruin their market. We were just trying to show them that they needed to change that butterfat law and they were missing a segment of the market. That was interesting.

Q: Had the cut in individual dairy farmers hit the United States already?

STEELE: Yes. There was no question about it that the inefficiency of the small herds – 10-14 cow herds – was pretty evident. You needed equipment, better equipment, better sanitation. And the interesting thing to me in South Carolina, having been active in the dairy business in Pennsylvania, was that there was a lack of knowledge of herdsmanship. They had a lot of labor on those farms but the labor wouldn’t take any initiative unless the owner said, “You do this, or you do that, Joe.” You don’t run a livestock operation that way. If the owner of the farm was in town getting feed or something, nothing happened. Until they got out of that mold. Of course, that was logical because they mostly were cotton hoers, weeders, out in the fields like that. They weren’t herdsman-types. So, when you finally saw somebody who loved animals and studied animal sanitation and so on, a true herdsman-type, and who could make the decision When the cow is ready to birth a calf, you’ve got to be there. When that started taking place, then the herds got bigger and bigger and more efficient.

Q: You kept this up until when?

STEELE: 1964. I took off to finish my doctorate at the University of Kentucky. When I was hired by Dr. George All, I said, “I think I’m going to like this work and I hope you like me, but I realize that if I want to stay in it I have to go on for my doctor’s degree.” He said, “I’ll help you in any way I can. By Clemson University rules, you can take up to 6 credits a semester without penalizing your salary.” I kind of eased in. I didn’t know whether I could cut it or not at the Ph.D. level. I took about 12 credits and found that I did very well and then went on to the University of Kentucky to finish.

Q: You got your doctorate. When came the change?

STEELE: I came back to Clemson, and finished my dissertation. It took me about 2 ½ years working at night. I was doing some exciting work in pricing and demand theory, trying to improve the quality of the responses that we got from consumers as to what motivated them to buy certain foods. So I got involved in indirect interviewing techniques.

Q: This was beyond just milk.

STEELE: Yes, I was doing this with eggs, with peaches, with all kinds of commodities. Egg yolk color was one thing that I was working with. They found a way to pelletize coastal Bermuda grass, which was a lot cheaper than importing alfalfa meal in from the

Midwest to put in hen egg laying rations. But when you put alfalfa meal into that hen's feed system, it makes the yolks get darker, so we had to figure out where the breaking area was as far as consumers were concerned. So, we did that. That was one of the studies. The milkfat was another one, where we interviewed these consumers.

Q: When did this revolution come around so that today you walk in and you get skim milk, 1%, 2%, 4%? People are really watching the butterfat content.

STEELE: I think part of it was because of the medical profession. Part of it was self-evident to the dairy industry because they could see their per capita consumption going down so they knew they had to diversify into these other kinds of products. Consumers wanted them, demanded them. So, those 2 things together is what led to that.

Of course, there was a lot of concentration in the dairy processing business. This company I worked for, my father worked for, went bankrupt 10 years after my father retired in 1966. Most of these smaller, independent dairies did go bankrupt., sold out or merged. Some of the bigger ones got out of the business. Borden now is into pre-prepared foods and plastics and all kinds of things. Dairy and ice cream is a very small part of their total revenue because the chains – Kroger's, A&P, Safeway, Giant, and others – started doing their own processing of dairy products and using them as pricing lost leaders in their supermarkets.

At Clemson University, my friend Evan Brown was right. He said, "Howard, we're going to get a chance at this university as young professors to do some exciting work that we wouldn't be able to do back at Penn State or Ohio State or Michigan State. At those universities we would be way down the seniority lists." So, I did do some of this. He was right. I did some innovative research. As a result, I was asked to speak at the Southern Ag Workers Conference, the American Ag Economics Association meetings, American Dairy Association meetings, and present some of these results. Ohio State University heard me, some of the professors there, and they said to the chairman, Dr. Mervin Smith, "We'd like to get Howard Steele to come to Ohio State." So, in 1964, he flew me up to Columbus, Ohio from Clemson and I was interviewed, I knew I was about as high as I could get at Clemson without spending many, many more years. I was anxious to move on. Mervin Smith offered me one of 3 jobs, 50% teaching dairy marketing, 50% research, 50% research dairy marketing, economics, and dairy extension economics. Or they had just signed a contract with the Agency for International Development, an institution building contract at the University of Sao Paulo in Brazil at a place called Piracicaba, the agronomy school about 130 miles northwest of the capital city of Sao Paulo. Dr. Smith made these offers to me while we were flying back from Wooster, where I was interviewed by the director of the Ohio Agricultural Research and Development Center, the agricultural experiment station headquarters. I had already interviewed the others, associate deans and dean at the campus at Columbus. Just as we were in the final approach to Don Scott Field, which is Ohio State's airport there, he told me his opinions when I kept asking him, "What do you think the pros and cons are of this job and what about that job?" We had gone over them fully, then I said, "Mervin, what would you do if you were me?" He said, "I'd go to Brazil for a number of reasons. Since you asked me

personally, you get a 10% bonus on your salary. You have education and housing allowances. You have travel and vacation. And it's a different culture, a different language. And the kinds of things that you would be doing there in Portuguese are very elementary and they need them badly." I thought, "Well, that makes sense. Let me go talk to my family and Clemson" and I did and we decided to go.

Q: When did you acquire a family and how did this go?

STEELE: I married my high school sweetheart in 1952, a woman named Sally Eloise Funk. She was a year behind me at Mount Lebanon High School. I had known her older sister. We started dating my senior year. She went off to music conservatory while I was at Washington and Lee. She got a degree from Westminster College's Conservatory of Music at New Wilmington, Pennsylvania. She took a job teaching music at Mercer County schools north of Pittsburgh about 60 miles. The president of Beverley Farms, Mr. Sappie, said, "I would like you, when you finish your masters, to take over sales managership at Beverley Farms' Greenville Dairy Company," which was another 15 miles from Mercer. So, it was a natural. Sally and I decided we'd marry. We did on June 6th, D-Day, 1952. I had made arrangements to buy the car that Beverley Farms provided me because I felt certain that I would be drafted and have to go into the Korean War. We were trying not to have any children, we thought. "What works for mother in terms of birth control does not work for daughter necessarily." I thought Sally was having an appendicitis and she did, too. It turned out that appendicitis is 50 years old today, our oldest son, John. When our local doctor said to Sally, "I think you're pregnant," "You think,?" I responded. I've got to talk to my Selective Service board. What do we do about this?" He said, "Go to Youngstown Hospital. There's a frog test over there that is a positive indication of pregnancy." Sure enough, there was a frog test. The frog died. So, the draft board gave me an exemption until the possible due date of this child.

Q: And you were not drafted?

STEELE: I was not drafted. I had tried to join the Army Air Corps in 1948 during the Berlin Airlift. They had so many pilots in the active reserves from World War II they didn't want anything to do with me. I tried to join the Naval Air Corps. By that time, my eyes were bad. And I tried to join the Navy Supply Corps when I was at Penn State and they didn't want me. So, I said, "Alright, none of you want me. I'll wait until I get drafted."

Q: So it was '64 that you went to Ohio?

STEELE: Ohio State.

Q: It was 50% at Ohio State and 50% in Brazil?

STEELE: No, 100% in Brazil. We moved to Brazil, arrived in Piracicaba, Brazil, October 15, 1964. I had to teach my first lectures in agricultural economics in Portuguese the end of November with the new term of the school there. So, I had to go into an immersion language training program. I had four years of German courses in high school and

college, but had never had any Spanish or romance language. We were fortunate that there was a missionary immersion language-training center at Campinas near Piracicaba. Our Brazilian minister at the Methodist church in Piracicaba, Reverend Jerson Vega, had a number of young people who were doing that teaching and he arranged for them to come and teach the professors from Ohio State in the immersion system.

Q: How long were you there?

STEELE: The original assignment with Ohio State was 2 years, 1964 to 1966. It was in the middle of the sugarcane area of that part of Sao Paulo. But most of my projects were working with farmers' cooperatives that were being developed, the business side of corn and livestock. I wasn't in sugarcane at all. That was already developed. Coffee was developed. We were looking at the domestic crops, livestock, fruits and vegetables.

Q: You got there not too long after there had been this military coup.

STEELE: We came in right after the military coup of '64. The president was General Costello Branco, "General Whitehouse" in English. I had a number of left-wing students in my classes and that was interesting. I've written all about that in my recently published book *Food Soldier*. The average age of the student body there was about 24. There were a lot of professional students hanging on. We were warned about them in our security briefings. Pretty soon, it was easy to spot them. There were these clandestine mimeographed propaganda sheets which would show up under the classroom doors in the mornings, and they always pictured me as a dog with long ears smoking a pipe, which I did in those days. One of these left-wing communist sympathizers would start to ask a question about some subject we were talking about and then make a speech and just keep going on and on and on. Sometimes the other students would boo him or her down and would stop them, embarrass them. I found that humor worked very well. Quite often, they'd finish and I'd say, "That was a wonderful Portuguese discussion, but what was your question now? I've lost track of it." A little humor helps.

Q: What were the parts of Brazilian agriculture you were dealing with?

STEELE: A very interesting question because the coffee industry was outstanding, modern, productive, in world trade, marvelous grading and packaging and so forth. Sugarcane, a big industry, very productive, very well organized. In contrast, the dairy industry, the corn industry, the soybeans and rice, fruits and vegetables, and so on, were a disaster for the domestic markets. I couldn't figure it out at first. If they can do this for their export markets, they certainly can do it for domestic. But there was not a price incentive to do so. That's the kind of thing we began to work on.

Q: Were you running into that bugaboo of the Brazilians, the horrible inflation? Was that at the root of the problem?

STEELE: It was a part of the problem. That part of Brazil, Sao Paulo state, was founded by northern Italians. My counterpart was Dr. Alcides Zagato, a wonderful guy, a very

brilliant guy, but all book knowledge. I tried to get him to go out and interview farmers with me and he always supported me and then he'd find some reason why he couldn't go. It finally dawned on me what the problem was: he was embarrassed. He had a full professorship in agricultural economics and he didn't know how to talk to a farmer or a middle man. It was all theory. But we then got some of the younger professors and some of the graduate students in our department to go with me - that worked out quite well.

Yes, inflation was a serious problem. When he was paid in cruzeiros, inflation was only 120-160% when I was there; later in the '70s it got up to 1000-2000%. How they survived, I don't know.

Q: I never understood this.

STEELE: He would be waiting to get his money in cruzeiro notes. His wife would be outside the gate with the car running. He would run down to the car. They would go into the center of the city and buy glass, wire, anything, sand, stone, anything that would hold its value.

Q: Parlay it into real...

STEELE: Because the currency would lose its value overnight. The government was printing too much paper money, to try and offset their debts. Too much money chasing too few goods leads to monetary inflation.

Q: How can you operate? You're trying to get people to run an efficient corn operation. Would they do this for barter or what?

STEELE: What I saw of it was the marketing side. That's where the cooperative activity came in. Cooperatives had a bad name in Latin America because there were a lot of crooks that stole farmers' money. So we called them producer associations. Producers who have a similar need banding together to solve common problems. That's the model that we used in the United States and that's the appropriate model because you get people with similar problems together and they want to solve those problems jointly.

The biggest project I had working with the cooperatives (a producer's association) was 200 miles northwest of Piracicaba in a place called San Jose de Rio Prato. There was a medical doctor there who was so upset at the prices he was getting for his coffee and the fact that he and his neighbors got practically nothing for their corn, he started a cooperative action. He and his neighbors had to bag up their corn and other grains, and send them to Sao Paulo on the train or trucks. Then they had to haul back their ground feed or livestock rations. Well, imagine the double cost of transportation on soybeans or corn into Sao Paulo 280 miles away and then back? Why do that? So, we were trying to get them to keep those products, grade them there in the production area, use the off-grades for animal feed with grinders and feed mixing components, not pay that double freight, and then sell the cash grain in truckload lots. That was a big increase in the efficiency of the operations and could become sources of much additional income for the

farmers.

Q: I would think that, here you are, a gringo from North America coming in and putting forth these things. Obviously you were breaking somebody's rice bowl. This may be inefficient, but for somebody, it was making a lot of money.

STEELE: Well, that's a good point because you had to be pretty careful. It had to be the Brazilians' idea. A man named Professor Ray Cray interviewed me at Ohio State before I left for Brazil. He had been in the Ohio State program in India. He was on the main campus in Columbus. He said, "Steele, I understand you're going to go to Brazil for us. Let me ask you a question. Are you somebody who wants to get the credit for everything? The ideas you come up with, do you like to get up there and talk about your idea from the stage and so forth?" I looked at him and said, "Well, I don't think that would be good in a situation like I'm going to go into in Brazil." He said, "That's right. That's the point I want to make. If you're willing to plant seeds in the minds of these Brazilian counterparts you're working with, whoever they are, you're not going to find a plant sprouting out right away probably, but eventually you're going to discern the germ that you have helped plant with that "seed idea," and some day your counterpart will say to you: 'I had an idea.' It may not be what you thought it was going to be, but it's in the right direction. You've got to jump in behind it and say, 'Boy, what a great idea. Wish I had that. How can I help you?' If you're one who doesn't want to take all the credit for everything, you'll do well. But it's got to be the Brazilians' ideas. They're the ones that have to generate the changes and they're the ones that have to live with them." So, we did not go in there like a bunch of bulls in a china closet. That would have been a disaster.

Q: How did you find Brazilian mentality? You said they had very efficient export industries, but were you dealing with a different type of person, the domestic producers? How did they respond?

STEELE: The ones that responded most favorably at first to what we were trying to do were the Japanese-Brazilians in a producers' association called Cotia. They were trying to develop their own grading standards. There were no grade standards in the '60s for things like tomatoes, peaches, grapes. But the Cotia organization had some very smart managers. They were developing standards and trying to enforce them to get higher prices. People would look around and see what the Japanese-Brazilian farmers were getting for their produce and they wanted to have a piece of the action. They wanted to join Cotia.

One example. I went into the old market in Sao Paulo in the middle of the night one night when some people who came down from Ohio State. I had met the manager of Cotia. He spoke English, Japanese and Portuguese, was a very bright guy. I took them into Cotia's warehouse and there were truckloads of the farmer producers' tomatoes in Cotia's warehouse. They had a covered warehouse. It was one of the few operations that did. The manager was having the drivers and the laborers take boxes of tomatoes out of the middle of each truckload there and put them down on the floor. Then he went down into each

box and he found misshapen tomatoes, diseased fruit, and he rejected not just the boxes with the numbers of the patrons on them, but the whole truckload. The guys from Ohio State said, "How can you do that?" So I asked him, "How can you keep from losing your job?" He said, "They know what the standards are. We've had all kinds of training sessions. They know what kind of prices I've been able to get when they ship to the standard. These neighbors who have the rest of their tomatoes rejected are going to shake that farmer up who tried to cheat on them and us or they're going to throw them out of the association if he or a neighbor do not ship to our standards: yes, I take some risk" and he smiled.

Q: Did you find yourself running into local opposition? Were you having problems trying to promote better marketing?

STEELE: No, because the prices that they were getting for the commodities where they were making these kinds of changes, the income that was being generated by not having to double transport product back and forth to Sao Paulo, showed up in their income stream quickly within a year or so, often within a season. The biggest problem we had was with people in the U.S. Agency for International Development in Rio de Janeiro calling us in and saying, "We can't program and chart any progress that you're making. You see the kilowatts of hydroelectric power that we've helped generate here? Look at the kilometers of highways over here. What are we going to program for Ohio State University's money that we've provided them here in Sao Paulo?" My chief of party, Dr. John Sitterley said, "Well, we will eventually. We're being very careful in the number of students we select to go to the United States in the participant training program. But we can only select the right kinds. We're not going to select political appointees, sons and brothers. So, in time, you'll be able to chart the number of graduate student trainees that we've sent up there and have come back. But one of the things we're trying to do is instill changes in values. We may not ever be able to measure that. These people are going to do that if they get in positions of responsibility and authority in time, but how in the world can we chart that?" I thought it was very interesting. Some of the psychologists and programmers in AID were extremely anxious to be able to chart progress.

Q: What was Ohio State getting out of this?

STEELE: Some prestige, of course. They and some other universities were in the forefront of participant training activities and humanitarian assistance in one sense of the word, developmental assistance and its humanitarian side. There was an exchange of professorships. There was a broadening of the horizons of the faculty. They got some money, too. They got some very nice operating funds and overhead returns...

Q: Were you getting grad. students coming down from Ohio State?

STEELE: Yes, we did. We had them come down. We used them quite effectively in helping us design our projects. They had had enough training that they could do statistical sampling, conduct interviews when they became proficient in Portuguese, and so on.

Q: Did you find that you were teaching the educational institution and that the students

didn't get too political on this? Did the students find agricultural economics not to be their bag?

STEELE: Those who were left over from the left-leaning governments of Jamie Quadros and Joao Goulart that the military overthrew eventually left the university. I don't know where they went. They got out of the student body. I was glad for that. By the end of the second year, we had some real good students, hardworking students. We did have trouble with the faculty. They considered themselves to be the biggest, best, most advanced university of agronomy in South America. They were pretty badly inbred. We had trouble getting our master's program approved by the Catagraticos, the chair professors that really controlled that university. We finally had to compromise. They wanted to call it "diversificacao" (diversification) rather than "specialization" and we were trying to get specialization in a discipline. They had 22 departments. For a man to get a ring put on his finger and a crown on his head and be called an "engineer agronomo," he had to have taken courses in every one of those 22 departments, so he had a little bit of knowledge about a lot of things but not much about anything.

Our compromise was that they said, "We're going to make them have a 5th year. We're going to call it 'diversification.'" We said, "Well, that's not a good idea." They said, "Well, but it can be used as the first year on a master's program." So we compromised. And it worked.

Q: You left there in '66. This is a good place to stop for this session. How did you feel? Did you feel you had made an impact?

STEELE: Yes, I did. I was so excited about it that I tried to get real excited about Ohio apples and grapes, the processing tomato and greenhouse industries, and so on, back in Ohio, but I kept gravitating to the Brazilian and other international students. I went back and did consulting beginning in 1967, then again in 1970 to finish writing a book, *Comercializacao Agricola* (Agricultural Marketing) which was published by Editora Atlas, S.A. in Portuguese in 1971.

Q: We'll pick this up then.

Today is June 24, 2003. What do you call the field?

STEELE: Agricultural Economics. It's rural development. It's institutions. It's marketing systems.

Q: Ohio being an agricultural state for eons, the things you were interested in, they had already gone way beyond that state, is that it?

STEELE: At Ohio, yes. Ohio was in the forefront along with other great land grant institutions like Michigan State, Iowa State, Penn State, and others, Maryland, of course,

of developing institutions of higher learning in developing countries. We were sent to Brazil to the agricultural faculty there at the University of Sao Paulo to help start a graduate program with them at the master's level at first. But I think your point is well taken. What you're driving at is that things that we did in Brazil and even more so in countries in Africa, very backward developing countries, and some in Asia and others in South America and Central America where I served, things we did were very elementary, very basic, especially in my field, agricultural marketing, trying to cut down on the losses of valuable product, trying to maintain the quality of that product, trying to avoid mishandling and bad handling and get a better quality product in the hands of consumers or for export at better prices for consumers, middlemen and farmers.

Q: Apparently the losses in the Soviet Union during its time were horrendous. A third of the agricultural product was lost due to mishandling and poor distribution.

STEELE: Right. One of my assignments later in the Joint Commission activities that Secretary Kissinger started was recycling petrodollars. We were in Saudi Arabia with a big program. The United States was in Iran under the Shah at that time., also in Tunisia, Egypt, Israel, and so forth. I went on an assignment for the U.S. Department of Agriculture (which I joined in January 1971) to the Joint Commission For Economic Development/Riyadh (JECOR) to the new lands 280 miles northwest of Riyadh with a friend and colleague, an extension economist from Ohio State. I was with the Department of Agriculture at the time but I hired him to come with me. We went to the new lands, where former nomadic tribesmen were now being trained to become farmers. They were bringing water up from an aquifer about a mile down under the desert and making the desert bloom. They were losing 40% of their beautiful tomatoes, 60% of their wonderful watermelons and other melons. We did some quick "armchair, down and dirty research." There was no refrigeration, no protection from the sun., no refrigerated trucks, badly handled product That was typical.

Q: You left Brazil the first time when?

STEELE: The fall of 1966.

Q: How did you feel things were going as far as where they were vis a vis our program here in the United States?

STEELE: We had established this master's program that was just getting started. They called it "diversificacao"(diversification.) Really it was a specialization program. Insofar as our charge was concerned, working with the 12 Ohio State faculty there, we were picking up young professors, young instructors, the first bright graduate students who we thought had great potential, to go to the United States with participant training funds and get some additional training up here so that when we pulled out and they came back they could take the program over. We also were successful in developing a bit of an extension program, a bit of a research program, which didn't exist at that institution before. It was based on the old European system, pure theory, little application.

Q: This was one of the real problems where the United States has been quite successful, that you've got to get down and dirty in these things.

STEELE: Exactly.

Q: Were you having problems getting your students to get down and feel the soil?

STEELE: Not at all. The students were enthusiastic. The professors were the ones that we had trouble with. I mentioned last time that my counterpart was Alcides Zagato, a wonderful man, a very good theoretical economist, a full professor. I couldn't get him to go out to meet co-op or agribusiness people or to talk to farmers. He always supported me. My colleagues had the same situation in their respective fields. But he could always find a reason why he couldn't go. It finally dawned on me that it was face saving. He never had talked to a dirt farmer or a marketing specialist and he wouldn't know how to do it and he didn't want to lose face. But he recommended that his young assistants go with me. So, we got the mission accomplished but it was through these younger Brazilians...

Q: You came back in '66 and you were where?

STEELE: Columbus, Ohio. The main campus.

Q: How long were you there?

STEELE: I stayed there until I came to the Department of Agriculture in 1971. I went back to Brazil in the summer of 1967 and did some additional work with a producers' association of local farmers' groups that was trying to form a strong federation with the smaller groups. I did that in the summer of 1967. Then I went back in 1970 and finished the first agricultural marketing textbook from scratch in Portuguese in Brazil. They had some books translated from Spanish or from English, but they called me from USAID headquarters in Rio de Janeiro – Dr. Dick Newberg, Director of Rural Development for USAID/Brazil – just before I left in 1966. He said, "I've seen your apostila (a workbook that I'd put together with students' cases and notes and theory and application and so forth over the 2 years that I was there teaching the various courses). We want to publish this as a book. Brazil needs this." Dick was partially responsible for a \$500 million a year program we were funding in Brazil in 1965 dollars. I said, "Dick, I appreciate this. This is an honor, but it's in no shape to be put together. I'm going to have to bring it up to date with current cases and edit it, and so on." He said, "How long will it take?" I said, "Well, I've got a full teaching load, research and committee assignments, counseling assignments and so on at Ohio State when I return - It will take me a couple of years." He said, "I'll hold the money for 2 years and that's it because it is in a cruzeiro fund which is losing value, But we need your book." So I went back in the summer of 1970 and finished it.

Q: When you were working with these cooperatives, were you up against the competition? I think of the Del Monte or Kraft Foods. These are big commercial firms

that are doing the same thing in Brazil.

STEELE: There were some of them, but I think I indicated the last time we were together that the mystery to me was the way the exporting firms – and those were the big ones, coffee, sugar, citrus to Europe – they were well organized and they were as efficient as any organization that you’ll find anywhere in the developed world. But it was the domestic commodities that were just a sort of “catch as catch can operations”, as you find in many developing countries. Massive open- air markets. You wondered with all the trucks and boys carrying boxes how the market could clear itself during the middle of the night with all this congestion and confusion. It did happen, but with large losses.

What we were trying to do was help the farmers find economic activities and engage in them that they never had before. For example, instead of sending all the beautiful produce stuffed, then shoved on top of busses or in trucks, a laborious drive down to Sao Paulo from San Jose de Rio Preto, 280 miles up in the northwest of the state, and the bags of produce thrown them from bus to bus and truck to truck on the trip down. I don’t know how many times it was handled. That wasn’t as bad as the perishing of these beautiful products in the heat or rain. But my point here is that that once the product got down to Sao Paulo’s central market, after all the handling, and then for the farmers’ association to buy feed grain back to feed poultry, dairy, cows, that corn and soybean meal had to be back-shipped. Somebody had to go down and buy it in Sao Paulo and back-ship it and grind it or they bought the feed ground. Very expensive and inefficient. We were trying to get them to keep those grains close to the point of production, and avoid double transportation costs.

Q: This was the military rule of Branco. Was the military rule with you or against you or just not much of a presence?

STEELE: They were very supportive. General Castello Branco was there the first year we were in Brazil. Then there were a number of other generals who took over in the next 20 years. The head of economics at the University of Sao Paulo was Antonio Delfiin Neto, a Ph.D. from Vanderbilt with postdoctoral work from Chicago. He was the one who was the major economic advisor to the Brazilian federal government. He was also the Chair Professor of the Department of Economics of the University of Sao Paulo in the city of Sao Paulo. The new military government appointed him to what was known as Ministerio de Fazenda. Just imagine if we took the Department of Commerce and the Department of the Treasury and combined them into one department. That’s how powerful that man was. He was extremely supportive of everything USAID was trying to do for Brazil. I think he ran interference with the military for programs like ours.

Q: In '70 you came back.

STEELE: Summer of 1970.

Q: You had been at Ohio State. You had gone to Brazil for a couple of sessions but you were ready to leave Ohio State.

STEELE: Yes. That came up in the summer of 1970 after I finished that book down there. We had a new chairman who came into Ohio State University a year before that, a 34 year old gentleman with a brilliant scholastic record, an econometrician. He didn't like international development. I could see he was pulling the rug out from under our programs financially. He was not interested. Everybody he hired, whether it was a livestock extension specialist or a researcher in price theory, he'd hire an econometrician trained just like he was. So, I could see the handwriting on the wall that I was not going to be promoted to full professor.

Q: What is an econometrician?

STEELE: Mathematics applied to economics, mathematical model building to explain economic behavior.

Q: People try to explain foreign policy in this way. To use diplomatic terms, it's a pile of crap.

STEELE: It is.

Q: In agriculture, I imagine it's the same.

STEELE: Same thing. Mathematics and statistics are good tools to be used at the appropriate time in the appropriate way, but this discipline was "the tail that was wagging the dog."

Q: It happened in social science and history. It was the rise of the computer. It gave people a tool to play with and they went overboard.

STEELE: You're right.

To make a long story short on that, when I could see what he was doing at Ohio State, and the folks at USDA had been hiring me as a short-time consultant, but they kept saying, "Why don't you come down?" They kept raising the ante. I said, "If I want to continue in international development work, I think this is the place to do it." I never regretted that decision to make that move.

Q: You came into what?

STEELE: The Department of Agriculture.

Q: The Foreign Agricultural Service?

STEELE: No, the group at that time was a small group called the Foreign Economic Development Service. They had been a part of the Foreign Agricultural Service of USDA but they were pulled out because they wanted to do more than just intelligence. They

were into technical assistance and economic development

Q: The Foreign Agricultural Service is out to gather intelligence and help sell our major exports.

STEELE: Which are both very laudable. But that charge was different than ours. Ours was to help develop less than developed countries. Our administrator, Dr. Quentin West, repeated over and over again (I used to go with him up on the Hill to testify to Congress, and I helped him write his presentations to the congressmen on occasions.) He had a sort of a canned approach and he was very good at it. He said, "We're in this business for 3 reasons: humanitarian. We want to be there and help respond when there are floods and there is starvation because of some disaster. Two, we're in it because we know that in the rural sector, in poor countries, you put an additional unit of income in poor peoples' hands and it becomes the engine of development because they spend 60-70% of that additional unit of income. They want better clothing, better education, better health. That has a driving effect on the whole economy. Don't put it in the cities where they become social welfare problems. The third leg of this stool that we put our programs on is, we're not altruists. We know that if they are healthy and have a growing economy, they will become trading partners with us." There he was tied in with the FAS philosophy.

Q: How did you find the culture at the Department of Agriculture?

STEELE: I have to tell you that both in the academic life that I had and also in the Department of Agriculture, I tried to avoid joining any cliques or groups because there were political cliques and groups everywhere in academia and also in the Department. I tried to maintain a very rigid independence. When I found that we had some problems with new administrators or new directors, I tried to stay overseas and not get back and get involved with it. Maybe that's a copout.

Q: Did you find a rivalry between the regular Foreign Agricultural Service and your service?

STEELE: We did. Good point. In the early days, and that's not true today, I always would pay a courtesy call in the embassy on our agricultural attaché, if there was one there, or on the commercial or economic attaché if he was filling in for agricultural attaché. I found in the early days about half the agricultural attaches, and these were mostly the old timers, might say: "What are you doing in this country, Steele? You're in competition with us." I'd have to explain the 3 pronged stool approach of our administrator. The other half would be very cooperative and give all the information they had that you might find useful in your work. In the last few years I was in active service, we couldn't work close enough. I liked it.

Q: You kept doing this until when?

STEELE: I retired in 1997 from the government.

Q: Let's take 1970. What did they start you out doing?

STEELE: I was then in a group called the Technical Assistance Division of our agency. We had probably 250 people around the world out in residence. We had another 200-some supporting them here in Washington, almost 1 to 1. We also had an international training division that programmed 4-5,000 participants a year from these developing countries in agricultural programs, sent them out to the 68 land grant colleges and 1890s institutions around the U.S. So, I wasn't there very long. I was a deputy director for marketing in a USAID contract called a PASA (Participating Agency Service Agreement, a contract between USDA and some other U.S. government agency, usually the Agency for International Development) to write a bulletin, a manuscript, talking about ways to improve the efficiency of agricultural marketing in developing countries. It was a theoretical piece, but we had a lot of inputs from people who had been out and come back. That turned out to be a very popular bulletin from the Department of Agriculture. I spent most of the first year there working on that, putting it together, and getting it published. Actually, about 6-7 months later it was pretty well along and the International Training Division director asked me to take 15 Brazilian diplomats around the United States and then down to Mexico on a study tour both theoretical and applied, so I did that. That was fascinating.

Q: What were they looking at?

STEELE: We were looking at various aspects of American agricultural production and marketing, distribution, food consumption patterns. These were Brazilian directors of agriculture in the various states. Some of them were livestock specialists. Some of them were horticultural specialists. Some of them were agronomic types. They were amazed. The livestock men said that at Texas A&M we had rigged all the figures. They were kind of left of center types from Goias and Mato Grosso. They were still raising beef cattle in those 2 states like Texas did in the 1800s. They couldn't believe that we had 1500 pound steers that had been fed concentrated rations and were only 15-18 months old. They just refused to accept it. One left our group. He rejoined us in Mexico and apologized to everybody. He had enough English that he went out on his own and found out that all the statistics were correct. So, we looked at integrated work between farmers in the mountains of North Carolina where they had been tobacco growers and tobacco had ruined the soils. They had come in from North Carolina State University and taught the tobacco farmers how to raise crops that would not rob the soil and were high yield, high income vegetables. They brought in baby food processing companies to buy their vegetables. It was an integrated project and these men from Brazil had never seen such a thing before, where the state university, the academic institution with its extension service, the state department of development, and the local co-ops worked together to increase the income and the output of these former mountain hill crop farmers.

Q: Did Brazil have an extension service?

STEELE: Yes, but they sat over here and they were completely separate from the research people and from the academic people at the university. They didn't want to talk to each other. That was another thing that we did at Ohio State. So did the other

American institutions. We tried to get these people to talk to each other. And it worked. We helped them form an association, the Brazilian Agricultural Economics and Rural Sociology Association. That's one of the more powerful ones in the world today. We Americans are proud of the Brazilians and that accomplishment which we "nurtured." The agronomists, entomologists and food technologists from Ohio State there in Brazil had the same success helping to organize Brazilian associations in their fields.

Q: What were you doing in Mexico?

STEELE: After having seen all of the United States, we spent time here in Washington on theory and basic statistics and such. Then we went to North Carolina. Then we went to the Corn Belt, Indiana, Purdue. We went to the Ely Lilley experiment station and research center outside St. Louis. We went to Texas and saw rice and cattle there. Then in California, you can imagine what all we saw there. Then we went to Chapingo in Mexico right outside Mexico City, which was the national agricultural research center. They were doing research on beans and corn. We also visited The International Corn Research and Development Center, adjacent to Chapingo, which was founded by Rockefeller money. The Brazilians got to see what Mexico was doing at the national and international levels in basic research in corn and beans.

Q: Was Mexico moving along?

STEELE: Sure. They have a lot of intractable poverty in various states. But agriculturally, Mexico, yes, is moving right along. You look at things that we get from Mexico now. Some of that is because of American capital, but you can't just throw capital at something and not have well trained people that can use it.

Q: What were you doing after this?

STEELE: They started moving our unit around. The administrator of the Foreign Economic Development Service became administrator of the Economic Research Service of USDA. At that time ERS had about 4,000 economists, sociologists and statisticians. He moved us in as a new division, the 6th division of that agency, and we were re-named the Foreign Development Division of ERS. He asked me to join an international development center that was put together with some ERS people and some others. So, then we began to respond to needs from USAID principally or from the Food and Agricultural Organization (FAO) of the UN, or the United Nations Development Program (UNDP), or the various development banks. Whoever wanted the specialists in American agriculture and American rural sociology and rural development, we would respond to those kinds of things. I started traveling around the world a lot.

Q: What were you finding as you got out there?

STEELE: I found out with the knowledge that I had - I was not a very bright guy, never had been a brilliant scholar - but one who liked people and tried very hard always, no matter where I was, to respect people for who they were and what their talents were and

tried to find ways to support those talents and help them. So, I got a lot of things accomplished working with these people in developing countries. I might plant some seeds or some ideas but the idea would nurture and would blossom and then it was their idea and my response was always: "How can I help you support it, how can we work together and get this mission accomplished?" Some strange things happened., For example, a man who had studied at one of our land grant institutions got a master's degree. This was a Brazilian. He went back to the state of Sao Paulo and suddenly found himself soon to be (because of his political connections) in charge of food supply for the metropolitan area of Sao Paulo. Ten million people at that time. Persio Junqueiro was his name. I liked him very much. I had worked with him in the early days of my time in Brazil. But when I went back in 1970, I found that he had this very difficult, new responsibility. I called him and told him I was in the country. He said, "You're going to come to dinner with my wife and me. We're remodeling our house. We're going to take you to the racetrack. We'll have dinner and we'll watch the horses run." Fine. He took me aside and said, "Howard, I've got to do some basic research and I've got to work with some people in basic research. How do you draw a sample?" You go straight to the computers here in the U.S. He had been trained on using computers but didn't know how to do a basic, simple sample drawing. So, it wasn't brilliance on my part. It was just that I had had some broad experience and was able to convey that to these people.

Q: At this time during the '70s, were you involved in what became known as the Green Revolution? This was basically better rice.

STEELE: That's where it started. That's the way it started with the International Rice Institute. Yes, but I was also a consumption economist. I had a lot of excitement looking at demand theory and what motivated consumers to buy products. Here, 2 stories. One, I had a group of participants at Ohio State from India and Pakistan when the green revolution (wheat in this case) really kicked off. In those days, it was both East and West. They were in the same class but as individuals they got along well. They were so excited when they got information from their fathers or brothers or neighbors that their yields of wheat had doubled, or tripled. So, my technical assistance officer and I said, "That's marvelous. That's just great. Where is all of this wheat?" "Well, it's on the farms. It's piled up on the farms and we have it in schoolhouses." "You don't have enough storage for it, do you?" "No." "What about transportation?" "Well, we're waiting. My father said he's waiting for trucks. There is a scarcity of trucks in our part." Here again, marketing was very important.

On the rice issue, the second story was, when they went to cook that stuff, somebody had not done a home economics type study of the finished product. It all made a big blobby mess and women didn't want it. So, back to the drawing boards. In other words, when you go into these kinds of programs, you really have to go into it with a holistic approach. You know what I mean when I say you've got to look at all aspects. Our researchers had not been doing that. That's true here in a developed country like the United States. Europe was the same way. They were still at loggerheads with each other sometimes. If it's that way in the developed world, what do you think it's like in the developing world? That goes back to my earlier point.

You raised the question of the extension people that were over here? Extending we didn't know what. Here were the research people. They were researching. We didn't know what. Here were the academics teaching theory without any consideration of their responsibility to the citizens of Brazil or Tanzania or what have you.

Q: The distribution system is so vital. Good roads, good trucks, good trains. And then marketplaces and all. But most of that stuff's not very sexy. If a new administration comes in, a dam looks a lot better than a bunch of silos.

STEELE: That's a good point until the public makes its needs known, arises. The reason the Soviet Union fell was not enough food. The reason there was finally a revolution in Brazil in '64 to throw the communists out while the military stayed in the barracks. The politicians didn't know what to do. It was the housewives that went out banging their pots and pans in downtown Rio and Sao Paulo and Bella Horizonte and I don't know but what they might have said to their husbands, who were military, politicians, businessmen, bankers, "If you don't straighten things up, you're going to have a terrible time here at home." Things began to happen. I think that's another key. Organizing around the problem, getting in the case of farmers not to necessarily be militants and go out with machetes and those kinds of things, but to get the brighter members of their group to go and negotiate with the buyers and the politicians to try and convince them that, here we have 5,000 members in this part of our country that are associated together as corn producers and we think there ought to be a better highway into our system.

Q: How about your work with AID? AID mission directors tend to come from one of the branches, Forestry, etc. If they have a forestry background, they're planting trees. Were we doing the practical thing about developing communications and marketing?

STEELE: Of course, the answer is a mixed bag. I worked for some very enlightened AID mission directors, ambassadors, too. I've worked with some who were not that way. There was a time in AID when the way you got your promotion was to commit a lot of money to new projects fast. You pushed to have money committed for projects. Then it took 2 years to get the money flowing to the country from Washington. By that time the mission director had moved on to another post. There was very little follow-up so there were a lot of white elephant projects on the books in various countries where these types of AID mission directors had served. Now, I'm pleased to say, near the end of my career, they were keeping mission directors there up to 6 years so that there would be some implementation. I don't want to get into personalities, but I just felt there were some who had no business being mission directors. They weren't interested in the country they were serving in. They were interested in playing golf, taking big trips, and trying to get monies committed without too much application and very little personal attention themselves. I suppose one of the best ones I ever had to work with was the one in Brazil, Stuart Van Dyke. He was a real gentleman. I saw him when I was in Bolivia. He had retired from the Foreign Service, but he was a consultant. He came into Cochabamba, Bolivia. He had some heart problems, so he couldn't go up to La Paz, up to the high altitude. But Stu Van Dyke was every bit as enthusiastic at probably 85 or 86 years of age as he was as a 45

year old. Those were the kinds of men. I admired. It was a real pleasure working with them.

Q: Did you work this whole time out of Washington or did you have overseas...

STEELE: I was in residence overseas 3 ½ years in Bolivia and more than 2 years in Honduras, almost 2 years in Guatemala early on, earlier than Bolivia, and 2 years in Sri Lanka. Those were my residence assignments.

Q: Let's do it chronologically. Guatemala was your first one?

STEELE: Yes. 1976-'77.

Q: What were you doing there?

STEELE: I put together a loan proposal for the Agency for International Development mission in Guatemala with the help of some wonderful people that I brought in, lots of them, specialists from around the USDA and other colleges and universities. We put together a loan proposal to build interior assembly markets owned by indigenous Mayan producers in the highlands of western Guatemala. The idea was that you kept, protected and stored this beautiful produce that they were producing. They were producing temperate vegetables and fruits in the highlands. They also had some semi-temperate things like okra and other tropical products, pineapples and others, in the lower lands. But mostly these centers would have been in the highlands where they would assemble the product and there would be protected storage, then truckloads of high quality produce could be assembled to be shipped to Nicaragua, to ship to Honduras, exported to the U.S., or wherever, doing the grading close to the point of production, and then also sending well-graded produce into the central market. That fell down on hard times. The loan paper was approved. We had 2 indigenous leaders that were agreeing to cooperate with each other and blend their organizations of indigenous farmers together. Then what happened? The U.S. withdrew its financial support from the Guatemalan government, and the guerrilla warfare really got bad. I was visiting Guatemala with my youngest daughter in 2001, the first time I'd been back into the highlands, since about 1980. I was pleased to see they have freezing plants and beautiful fruits and vegetables being produced all over the highlands. Our ideas were being used. The ones who first put our ideas into practice was a producers' organization called Quatro Pinos (Four Pines.) So, you know, I didn't see it develop while I was there, but it came on later.

Q: Then you went to Bolivia?

STEELE: Yes, from there I went to Bolivia.

Q: You were there from when to when?

STEELE: From October 1977 until the late summer of 1980. I was asked to head up a program which they called Coca Crop Substitution in the Coca Zones of the Yungas and

the Chapara. As soon as I got there, I said (and I was not real popular with the Drug Enforcement Agency), “Hey, there is no true substitute for coca either technologically or economically unless it’s opium poppies for heroin, so let’s be realistic about this.” So we renamed the project Diversification in Coca Zones. We started to bring in specialists to find out if those farmers could produce in the jungle of the Chapara and up in the Yungas in the valleys things like black tea, bananas, pork operations, other commodities. We started by working with the groups of peasant farmers called sindicatos. I had 12 University of Florida professors there working with these sindicatos, (syndicates, of campesinos or peasant farmers). We started finding out what their needs were. They needed a school or a gravel road or this, wanted that. So, we started trying to win over their confidence and their loyalty by doing things for them.

Well, the drug mafia didn’t like that very well. So, they were paying these poor campesinos \$100 for a hundred kilogram bag of dried leaves out on the highway out of which they would make a kilogram of pure cocaine hydrochloride. Cut to ten percent purity at this time, the finished product would sell from \$250-500,000. So, as soon as we started making a little progress with some of these sindicatos and they wanted to move away from the production of coca for cocaine, the mafia doubled the price to \$400 without significantly hurting their marketing margin at all. It wasn’t all pure profit. They had to pay off the police. They had to pay the “human mules” to smuggle “bricks of cocaine.” They had some transportation problems, etc. But, man, what a powerful thing that was.

Q: Were you under threat?

STEELE: Absolutely. At first, until we started really making inroads, it wasn’t serious. They just doubled the price and then they’d try and get these farmers not to cooperate with us. Some would pull away. But then as time went on, they started flattening the tires of our Florida team’s vehicles, or the group of Bolivians that we had organized called Prodes (Project for the Development of the Yungas/Chapare). We had a big group of Bolivians that were working for Prodes. I had imported 70-some vehicles, pickup trucks and jeeps and what have you, motorcycles, too. Well, then they started pulling distributor caps. Finally they started shooting. That phase of my career ended with the cocaine coup d’etat of General Garcia Mesa in Bolivia in the summer of 1980.

Q: What happened?

STEELE: October 1977 when I arrived until July of ’80, we had 7 different presidents claiming to be president. Three in one day. So, we had 5 serious coup d’etats. Two of those were shooting. The others were peaceful. Then some things happened. General, Garcia Mesa, wanted to be president. He brought in a bunch of argentine guerillas, security types that came out of Argentina’s dictatorship. They started driving around La Paz in paneled trucks with green crosses on them. These goons would take people out and imprison them - I guess some of them never came back – who were opposed to Garcia Mesa. Our ambassador tried to reason with the political people before this all came about. Our intelligence knew what was happening. So, our country pulled him out. I was up here

on vacation because my father had passed away and I had to arrange for his funeral and take care of the farm in Pennsylvania. It was time to go back. I had used my vacation up. So, being a good guy, I drafted a cable to let them know I was coming back with my wife and little daughter. There was a man in the State Department working under the Assistant Secretary for the Bureau of International Narcotics Matters. He refused to sign off on my travel cable. He said, "You can't let your wife and daughter go back. We have an evacuation going on. You have 2 weeks to get back there and get everything finished up and get out of there." I said, "Well, that's impossible. If you're not going to allow her to go back, I'd like to see this in writing because she's entitled to separate maintenance." But he refused to do it, so I knew he was lying. So I called Alex Watson, the charge d'affaires. Alex is a great guy. I told him what was happening. He said, "That rascal. We're having a phasedown because we're not happy with this new government. But it's not an evacuation. You get Jane and Jenny on the plane and get back down. Would one month be enough for you to finish up your reports and get your stuff packed?" I said, "That's wonderful, Alex. I really appreciate it." I always have liked that man. So, that's what happened. It was sometime later. In the meantime, I had been invited to go to Honduras and I was planning on going to Honduras with my family, but it moved it up a month.

Q: By this time had the diversification program pretty well broken down because of the new president?

STEELE: Yes. One of the things that I disagreed with was putting the monkey on the back of the poor little campesino. I never agreed with the DEA's idea of going in there and burning those fields up, poisoning them. That's not the way. The only way you're going to stop this nonsense is 1) education, getting the demand down. That's extremely important and difficult, I know that. The other thing is, you interdict the central marketplace. You go after the mafia. But you've got to have a companion program in place that you give those farmers alternatives so they can make a living. They're not going to make as much money perhaps as they did growing coca leaves. But a lot of them pleaded to us that they wanted chocolate beans, cacao. They said, "The mafia steals our bananas and oranges. Yes, they pay us for the coca, but they make us produce coca. They bring in the seed. We don't do record keeping. We don't know what kind of charges they're charging us for it. But we don't like to be in their tentacles." It wasn't every one of these groups, but we ran into a lot of them that were being discriminated against. So, I suggested that if you wanted to do this thing right, you interdict the central market at the same time we have these alternatives. We have rooms full of options for those farmers that would have worked. But first you had to get the truckers independent. That was another thing the mafia did. They controlled all the truckers, and a lot of policemen and a lot of military.

Q: Leaving Bolivia, off to Honduras. You were in Honduras from 1980 to when?

STEELE: Until the fall of 1982. I got there in late summer of 1980. I went back for my father's funeral. My wife, Jane, and little Jenny made the move to Honduras. So I got back after I settled Dad's estate and took care of my mother. I got to Honduras around September of 1980. I was there until about October of 1982. Then I went to Sri Lanka.

Q: What was the situation that faced you in Honduras?

STEELE: Those were some of the most exciting work assignments I had. I was responsible for Public Law 480, Title I and Title III activities. Title III was a new wrinkle back then. Title I was the long-term loan to buy surplus U.S. government commodities at very favorable terms, a low interest rate, 30 year repayment, other terms. If the country agreed to sign a Title III agreement pledging to improve the agricultural sector, whether it was the marketing system, storage, transportation, other aspects of the rural sector, roads and such, by monetizing the sale of the U.S. surplus commodities in the economy and putting that money into these developmental improvements, that became a grant. At the very liberal terms that our Title I agreements were, it was almost a grant anyway. But then at Title III it automatically became a grant. They didn't have to pay any principal back at all.

Q: What were you doing?

STEELE: That was the first part. I was responsible for putting that together. Bring in a Kansas State University technical assistance team to try and convert what was called IHMA, the Honduran Institute of Food, which had been set up, I think the U.S. encouraged them years back when there wasn't much of a private sector in Honduras, that the government should buy, store, handle, sell, export all the basic food commodities – corn, beans, rice, sorghum, etc. Now that there was a growing private sector group in Honduras, a growing capital market, process manufacturers, the U.S. in its wisdom said to the Honduran government, “This is one of the biggest money losers you have next to electricity. So, why don't you think in terms of getting out of the business of buying all these commodities, storing them, handling them, keeping them in good shape, and selling them, and make the IHMA into a research entity that gives advice to the policymakers, does basic research? And they bought off on that. A lot of those Honduran people I worked with like Dr. Benjamin Villanueva, who was the minister of finance, had his doctorate from Michigan State, a very knowledgeable guy, very flexible, he had trouble convincing some older government officials that this was the correct way to go. The Kansas State University team USAID brought in soon convinced the government this was the correct approach.

The other project that I managed for the USAID Mission/Honduras, was an export development project in the Comayagua Valley of Honduras. Getting farmers trained to use their land all year, even in the dry season but with irrigation. These were 5 land reform cooperatives, called asentamientos, with about 250 families in those 5 organizations. The farmers normally let their fields lie fallow in the dry season, that is didn't produce any crops. So, we put together a project – there was lots of water running through the valley in a large river and its tributaries from the surrounding mountains. – we put some check dams in to get the water into little ponds that would be available for irrigation during the dry season. Then we taught them how to raise vegetables in the dry season on that land using drip irrigation. Very technical, but they were willing learners and good learners. We had to have good management. Fortunately, I had a man named

Dr. Donald Braden who had been with the Standard Fruit Company in Central America for years and knew vegetables. He was an agronomist with a Ph.D. from Rutgers. He knew how to work with those Honduran campesinos. He would just give them fits if they did something wrong during the work time, but as soon as the whistle blew and they stopped packing cucumbers or other produce, he'd go play volleyball with them and drink with them. So, he had the right touch.

Before I left there we were exporting 110 tractor trailer loads of super select cucumbers to the 6 Ls in Miami and they'd distribute them all the way up to Ontario, Canada, from Christmas until April, and were working on tomato production and other things for the domestic canners there right across the river.

Q: This was a period where we were having trouble in Nicaragua, El Salvador, and Honduras, where the Contras were training. Were they stepping on your cucumbers?

STEELE: No, not at all. Honduras is a pretty good sized country. I used to fly a lot. I flew a Cessna Skylane II that my neighbor wanted me to fly because he had bought it for his son and his son was in Florida and he was flying all the time and wasn't going to classes. So, the father brought the plane back. He was in real estate and wanted somebody to fly it. Boy was I delighted. I would fly down to Comayagua to where our projects were. From Tegucigalpa, it took me like 29 minutes to fly. It was like a 2 ½ hour drive over the mountains. I flew down to Apollo, an island in the Bay of Fonseca, between Nicaragua and El Salvador right in the middle of the war and I landed on a strip there just on Sunday to practice a little bit. I took my former mother-in-law and some other visitors down. Of course, there were soldiers who came out who were guarding that. In those days, I wore a Fudpucker World Airlines captain's cap and a blue jumpsuit. They would salute me and I'd salute them back. They assured me that everything was safe on the island. They wanted to know what was the soccer score the night before.

John Negroponte was our ambassador.

Q: Did the war intrude?

STEELE: Not in the least. Ambassador Negroponte and the military were building a brand new airport there near my cucumber project that had been a military base anyway. They had these large refugee camps on the borders which VIPs would come down from Washington and study, but our projects went on full speed ahead. We had no problems at all.

Q: One thinks of Honduras as having military rule and also some of the families that control it. Did the internal system interfere with your work?

STEELE: No. I worked in El Salvador before that civil war and I can tell you there were 25 families that ran that country. They controlled everything. I didn't see that in Honduras. Yes, I saw some problems like a man named Miguel Facusay, who was Lebanese by ancestry. Anybody who was in business down there from any place over in that part of the world was automatically called a Turko.

Q: Because the Lebanese came out of the Ottoman Empire and all that.

STEELE: You're right. Miguel had a soap factory. He had this canning fruits and vegetables factory in Comayagua. He was a banker. He was in everything. There were a number of people like Miguel Facusay. He was accused of having sold his factory to the government and then buying it back and selling it again and buying it back and made a killing out of it that way. I don't know whether that was true or not.

Q: But basically you were developing an efficient supply machine to deliver goods to the United States and other places. Was the money going to the campesino.

STEELE: Oh, it was unbelievable how much money they were making. In fact, they were making too much money. We had a problem with this. Yes, this was the Caribbean Basin Initiative in its earliest phases before it really got a lot of attention. But we knew what was coming and we knew that was one of the engines of development there. Yes, the problem we had was that these campesinos wanted that money now. Here in the United States, we pay a nice first price upon delivery and then we settle up a month later and we also have checkoffs. Especially in the produce business, which is so volatile – you can have disease problems, weather problems, market problems, but one year out of every 5 you've got some kind of a serious situation. So, we put money aside in reserve accounts. Now, they didn't want to have anything to do with that. Why? Because they had been ripped off over the years by dishonest managers and crooked accountants and so forth, bankers, too. So, what we did – and some would raise question about this ethically – we had a known price in Miami. Of course we had our instantaneous communication at our little packing plant. Don Braden ran this with the 6 Ls, the Lipmann Brothers. The Lipmanns were absolutely honest. They were the best brokerage firm I've ever dealt with. If a trailer load on one of those ships, if a trailer refrigerator broke down and they found it, they'd unload that trailer and they'd repack it, throw out the stuff that wasn't any good and get rid of the other, and accounted for all of that. I'm off my point except to say they were so good. We would get a first price from them and we would pay the campesinos immediately that amount of money out of working capital. That was enough to satisfy them immediately and make them very happy. Then we'd say, "There may be some slow sales up into Canada, so we may hear about additional sales later from that last batch that went out. But we know how much you shipped. Here's your record. So you'll participate in that, too." But then we got the presidents of these 5 groups to agree that that money ought to go into the local bank account as a reserve and couldn't be spent unless there were 2 signatures on there: the president of the sindicato and the manager, Don Braden. Well, they would come in with their hats, the board of directors, "We want another truck." Don Braden would say, "Well, you just got a truck this year. You don't need a second truck." "We want another truck." "I don't think you need another truck." "Well, it's our money." "Well, I don't want to approve that and here are my reasons." The next day, they'd come back with a whole membership and their families. One of the radicals would get up with a bullhorn and say, "We need our money." Dr. Braden would say, "Okay, but you're not going to ship cucumbers here next year. I'm not going to accept any cucumbers from you because you don't know when you're going to have a

disaster disease, hailstorm or whatever. This is for your own good.” It was pretty tough. He was the bad gringo. But the one group that he refused, they insisted and so he did release the money out of their account to that group and they didn’t ship the next year and the year after that they had a complete disaster. They learned the hard way. And they had no funds to recover.

Q: Did you have any problem with the United Fruit Company? For years they had been the bad guys down there.

STEELE: No. They were diversifying and so was Standard Fruit. They divested themselves of many of their lands and were contracting with sindicatos or cooperatives of producers but providing technical assistance packages and forward pricing. There were enough trained Hondurans by the time I was living there that they kept the farmers out of trouble and negotiated prices with Standard and United Fruit. United Fruit also closed down several of their large research stations. USAID and the U.S. government and the Germans and somebody else, I think the Swedish, helped the Honduran government take over the United Fruit facility. That became the nucleus for the first Honduran agricultural research center. From that they had satellites in place. But they always had relied on United or Standard for all their agronomic research.

Q: During this period, there was a great deal of migration from Central America to the United States. Part of it was because of the war but it was also for economic reasons. Did this play any role in what you were doing?

STEELE: I can’t say that it did. I would suggest that El Salvador had the highest concentration of people per square kilometer. When I worked there on a tripartite team before I went to Guatemala, that was the only agricultural sector report – it was a tripartite team of the World Bank, USAID, and the Inter-American Development Bank – that the government would refuse to allow to be published. It was a very serious report saying, “You’ve got to have land reform here. You have got to do this and that.” Well, it was done in more diplomatic terminology than that, but there wasn’t any question about what this tripartite team said was going on in the rural sector of El Salvador and that if they didn’t do it they were going to have a revolution. It came to pass. They didn’t do anything about it. That’s where the out migration was the most serious problem. And in Nicaragua, too. There were Hondurans that were leaving, but I think Honduras had a pretty good development approach and not as much out migration, surprisingly.

Q: You left Honduras in ’82. Off to Sri Lanka.

STEELE: That was a change.

Q: You were in Sri Lanka from when to when?

STEELE: 1982 to 1984. That was frustrating. In Latin America, I spoke Portuguese, spoke Spanish, understood those languages very well. I think I understood the culture pretty well, too, after a number of years there. Sri Lanka was a different ballgame

completely. Why? Because the Bandaranaiques, first the husband and after he was assassinated his wife, moved Sri Lanka into the Soviet orbit and refused to allow even English to be taught in the schools. So I was assigned to work in the ministry of agriculture in a group called ARTI, the Agricultural Research and Training Institute, a separate part of the ministry. I had these young officers, some of whom were Tamils, some of whom were Sinhalese, getting along well together, having gone to the little agricultural college up at Kandy, very bright. English was just a language they had only recently learned at college. As soon as something sensitive came up or something that was a little controversial, they would revert to their native language, Tamil or Sinhalese, and I didn't speak either of them. So, not only did I not know what was going on, I wasn't even able to pick up any nuances, as I would have in Central or South America. But still it worked alright because they were such good young people. They were in their 20s, some in their early 30s. They wanted to learn, wanted to change things.

Q: If Sri Lanka had such an orientation towards the socialist world, why did they allow somebody like you to work there?

STEELE: Because they threw the Bandaranaiques out and went democratic and moved to the West, moved it out of the Soviet orbit. The Soviet orbit died in 1989. It was in deep difficulty at the time. Jayawardene was the president who moved the country to democracy and toward the west. The Chinese also had an influence there that tried to move Sri Lanka away from the Soviet influence. There was competition between them. The Chinese built a beautiful auditorium for them there in Colombo. But I think behind all of this, I was impressed with one thing. You think that the British Empire is dead. No, it's not dead. It's just behind natives. The British still controlled the banks in Sri Lanka. They controlled the tea companies. They controlled a lot of the industry. But yes, they have Sri Lankans that are in the presidency and in management, but I believe that the boards of directors and the money is still tightly controlled by the former colonials. That had an influence.

Q: What were you doing?

STEELE: I was brought out again by the AID mission there to try to help the ministry of agriculture through this Agricultural Research and Training Institute, set up a system of grades and standards and begin to report market prices and price movements and inventories and movements of goods from the interior markets into the central market and then back out to other centers of population. That was interesting because they had no system of grades and standards. I don't know why the British had not set up a system of grades and standards for local produce, and a market news system - usually where the British were there were things like this historically, but not in Sri Lanka. So, I took a group of them down to the main rice market in downtown Colombo one day after I'd been there for some time and figured it was time to do this now. Samba rice is the commodity of preference in Sri Lanka. They have one of the largest per capita consumptions of rice in the world. They had this big Mahaveli development project, a big dam, a big irrigation scheme, that we were helping support. And so everybody was excited because they were going to have irrigation. Instead of consuming 100 kilograms

of samba rice a year per capita, they'd be able to consume 105. I said, "What a boring diet. What about fruits and vegetables?" I got their attention. I said, "That's just my bias, of course, but I think you ought to try and diversify. More animal protein, more fresh fruits and vegetables, maybe not consume a lot less rice but not go thinking you're going to increase the per capita consumption of that product." So, we went down to the central market and I said, "Show me the best samba rice here." They looked around and went over and picked out one merchant's rice. I said, "That looks very nice. How do you know that's the best?" "Well, we just know." "What is that, samba number one? Samba A+? Samba 101? What is that?" So, we started working on grades and scientific standards for grading products that are acceptable by both middlemen, producers and consumers so you can begin to report prices and you don't have to really examine every unit before you buy." That was a novel concept to them. In 2 years, I didn't get it fully established. I brought an agricultural marketing specialist out from the U.S., and we did get them to report high quality, average quality, low quality standards and prices. But by the time we left, they did not yet have the objective criteria like how many broken grains, the size of the grains, the amount of chaff, the amount of moisture in a given volume of product, and so on. They didn't have those technical coefficients developed yet. But they were working on them.

We had proposed – Charlie Porter was the man I brought from the Ag Marketing Service, who was an expert extension marketing specialist in Maryland and Pennsylvania – we got them a nice little computer for the Ag Research and Training Institute and they were going to use it for research during the day and we were going to have these reports come in at night and we'd have people put the data in the computer, crank it out, and go to the television station and radio stations the next morning to report the prices. Not. The woman who controlled the statistics center, that was her computer and she locked it up with 2 padlocks every night when she went home. We couldn't use it. It was so frustrating. Typical old time development country philosophy. In fact, the system was finally implemented when she retired. She was very powerful.

Q: People get into these positions... Were you getting any reflection of the system in India?

STEELE: I bought my automobile when I arrived there from the wife of the political officer of the embassy who was asked to leave Sri Lanka within 24 hours by the Sri Lanka government. At the time I arrived, he was the only person in either AID or the embassy who spoke Tamil. That's incredible because 15% of the population were Tamil, a pretty large minority. He found out that they were really getting upset because up in the northern part of the island where they were in the majority, they couldn't have their own mayors, their own police force, their own school system, and so forth. He said at a social gathering, "The Sinhalese are going to have to do something about this. They're going to have to give some local suffrage to these people or they will be in serious trouble." They kicked him out of the country. I bought his car from his wife. Of course, in July of 1983 the civil disobediences broke out. That lasted longer years. There were 60 million Tamils right across the Palk Strait from Sri Lanka. What kind of enlightenment was that? The war's been going on. 60,000 people killed, I believe. And they're finally trying to have

peace there.

Q: How was the food distribution system when you were there?

STEELE: There were a couple of supermarkets but most of it was the old British system. The British had built good highways because of the tea and coconut plantations and the necessity of getting coconut and tea to the main ports. So there were good highways except they weren't being maintained properly. So, if you had a big rain, which you had a lot of, you have potholes. You wouldn't know how deep they were. So you had to slow down at every pothole. That was a real problem.

Communications? They had a good communications system. They had radio, television, telephones. The telephones worked except sometimes in the monsoon season they would not work very well and you were out of telephones. But basically they were hanging on and trying to maintain the system that the British left. They weren't making a lot of innovations when I was there.

Q: Did they have an agricultural research station there?

STEELE: They did. They had good agricultural research up at their university and then they extended out to the country. But it was pretty much limited to rice production, tea, coconuts, the export commodities. Of course, they were keying up for this new great Mahaveli project which was going to create irrigation. They were beginning to think in terms of, okay, diversification into other commodities.

Q: You left there when?

STEELE: 1984, and came back home.

Q: And then what did you do?

STEELE: I spent from 1984 to 1997 working out of Washington on short-term assignments. The last 4 years of my career, I was the U.S. Department of Agriculture's liaison officer with the Inter-American Institute for Cooperation on Agriculture, which is in the 34 countries of the hemisphere. The only one that's not involved is Cuba. That was almost a full-time job.

I was also a head of the delegation to the Economic Commission for Europe's Agricultural Committee meetings every year. I did that for 4 years. That was an interesting assignment because it was the one place where we met early on as voting members with the Soviet Union. It was one of the few places where we actually met and worked directly with the Soviet Union. We found out a lot about their food supply problems and their domestic problems in agriculture. We also were voting members in that committee with the European Common Market countries, now the European Union. Before the World Trade Organization was set up, that was the place where the grade standards for international trade were pretty much established. 22 countries, mostly

European, but including Israel and the Soviet Union and the Warsaw Pact countries and the United States. This was where food grade standards for international trade were established. I enjoyed that.

I particularly enjoyed working with the Inter-American Institute for Cooperation on Agriculture and writing position papers for our under secretary and secretary.

Q: Did you ever find yourself having to deal with this perpetual battle that goes on between the United States and Europe, the common agricultural policy of France and Germany?

STEELE: Did I ever. I could count on the Russians, the Poles, always the UK, but I couldn't count on France. France would oppose us at every chance for some reason and they would gather the rest of the EU people and they would try to stop what we were proposing or amend it. So, that was a lesson in international politics.

Q: Were there real issues or was this just not to go along with the U.S.?

STEELE: Some of both. The last executive committee meeting I attended, I had my 16 year old daughter with me. It was over Thanksgiving when our country was shut down, when Gingrich and Clinton couldn't get along in 1995. They had to postpone a meeting. It ended up being Thanksgiving. I was grouching, "Those Europeans don't understand our holidays. I have to go travel over Thanksgiving." My youngest daughter said, "Well, where are you going, Daddy?" I said, "I'm going to Geneva." She said, "Can I go with you?" I said to her mother (she and I were separated then), "I think this would be a good experience for Jen. Let's agree to take it out of her educational money." So, I took her. I said, "I want you to go to the first plenary session up at the Palace of Nations and see what happens. There are 22 countries around this big U-shaped table and the press is there. We have simultaneous interpretation. I think you'll find it interesting. Then, you can go take your cameras and take pictures and tell me about the restaurants, etc." Unfortunately, the acting chairman of the European Economic Union was a Mrs. Cosgrove-Saks from Jolly Old England. She was up on the dais. When the chairman of the meeting recognized her for her opening statement, she started pointing her finger at me and saying, "The United States of America is causing us all the problems there are. They're not paying their dues. And it's because of them that we're going to have trouble in this organization. This particular committee is." She went on and on and on. Uncalled for. I said to myself, "Howard, you've got to hold your tongue here a minute, but you've got to respond. Think this thing through carefully." Well, as she was about to finish her diatribe. Up went the Russian flag. Up went the Swedish flag. Up went the Swiss flag. So, I just kept quiet and listened to them. They said, "Well, the United States is not the only country that has budgetary problems. We do, too" and they explained their problems. After the 4 of them were finished, I was recognized. I said, "Mrs. Cosgrove - Sax, you have spoken so truly. I'm sorry to hear that some of my colleagues are having budgetary problems in their own countries. It's sad. If you read your papers this morning or listened to BBC or CNN, my country's government is locked up. We don't have any money. We're out of money. This is the first time it's ever happened since the Revolutionary

War. It is so serious, Mrs. Cosgrove Sax, that my 16 year old daughter is accompanying me here and I took some money out of her education account so she could come here and visit this lovely country and hear these deliberations. I may have to borrow money from her to get home.” As soon as that went through the translation, everybody started to chuckle. When it died down, I said, “This is the time for us to all sit down and figure out what we can do to work our way out of these budgetary constraints.” It just diffused the whole thing. Then I apologized to my daughter afterwards. I said, “That wasn’t fair to use you.” She said, “I thought it was funny dad.” We had a great time. Before the meeting started, we got there on the weekend before, we went up into the Alps on a narrow gauge train. It was beautiful. We had some great times together. On the plane on the way back, she said, “I don’t think I’m going to be a graphic artist. I just don’t have that kind of talent.” Well, the last 5 or 6 years prior to that, I thought she was the most talented sculpturer and painter and drawer I’d ever seen. She said, “What would you think if I majored in international relations and maybe did graphic arts as a minor?” I said, “Well, there are a lot of opportunities in international relations. There’s a lot of competition, too. But every one of them whether it’s private sector, government, or foundations, or whatever, they all have public relations needs and they all need materials, so I think it would be a good mix.” Well, she went to Boston University and double majored in international relations and economics. She was a photographer for the student newspaper which satisfied her graphic arts interest too.

Q: What was the Interamerican group you were talking about?

STEELE: It’s the Inter-American Institute for Cooperation in Agriculture (IICA for short). That was founded under Franklin Roosevelt’s Panamerican Union, which he helped organize to try and get the Latin American countries not to side with the Nazis. The Panamerican Union put a lot of money into Latin America. One of the things the administration did – this must have been under Cordell Hull obviously – they developed an agricultural research and training center in Costa Rica at Turrialba just south of San Jose. It’s a beautiful valley. Secretary of Agriculture Henry Wallace went down there in 1942 and dedicated this place as one of the first research and training centers in agriculture in Central America. It wasn’t the first, but it was one of the first. The first was founded by the United Fruit Company at Zamarano in Honduras. It’s called the Panamerican Agricultural College. But Turrialba was more advanced. The one in Zamarano was a 2-year school where they put young boys and girls out getting their hands dirty as well as learning the theory. Turrialba and what was then called the Inter-American Institute for Science in Agriculture, but then they separated and formed CATIA, the research and graduate training arm still located in Turrialba with professors coming in from around the world, exchange professorships, students coming in primarily from all over Latin America but some from Africa and elsewhere, too. IICA moved to the new headquarters in a suburb of San Jose and became the technical assistance arm for the other 34 cooperating countries in the western hemisphere. Let’s recognize an early shortcoming in our relations with IICA and CATIE. The United States gave the organizations a lot of money but didn’t give much technical assistance them. We were just suppliers of funds. In fact, the U.S. supplied 60% of IICA’s operational budget through a quota system established by the Organization of American States of which

IICAI is a part. Canada provided 15%. The U.S., Canada, Brazil, and Argentina together provided about 90% of IICA's operational budget each year. The other 29 countries provided the rest. Well, as USAID started closing missions, bilateral programs and technical assistance in the early '90s, the President George H. W. Bush and his State Department advisors decided that we're going to have more influence in seeing things being done in member as U.S. bilateral programs were being phased down. We're going to have to do a better job with the multinationals, the multinational organizations, FAO, IICA, UNDP, the development banks we help fund, you name it. And they also said, "What's in it for the U.S.? What benefits can we get here in our agriculture from IICA's activities? Yes, we'll still provide 60%, but we want to be partners now." Canada said the same thing. Canada threatened to pull out unless they saw some benefit to Canadian agriculture. So, we started trying to have more influence on program activities and developments. There was an election in 1993 for director general. The serving director general had been there for 8 years. He was an Argentine. We called his administration "the Southern Cone Mafia" behind the scenes. It was loaded with Argentines, Brazilians, Chileans, and a few Colombians. They controlled the organization for many years. The Caribbean and Central American countries were really crying because they weren't getting help and they needed help badly. So, we jockeyed around and finally decided, okay, there were 3 candidates: a Mexican, a Guatemalan and the former minister of agriculture of the Dominican Republic, Carlos Aquino Gonzales. The Mexican candidate was not well-known by the Mexican embassy here in Washington, and they didn't know he was a candidate for director general of IICA at first. He was Mexico's ambassador in South Korea, we learned. Guatemalans came and made arrangements to have presentations made by their candidate to USDA and over to the special representation to the OAS, the ambassador. Carlos Aquino, we were told behind the scenes that he didn't speak English, that he was not very bright. He came to town, gave a marvelous presentation in English with a Texas A&M accent (that's where he did his graduate training) and did the same presentation in Spanish. We were impressed. We did some checking around and found out that he was one of the few honest ministers of agriculture that our ambassadors and USAID directors remembered... He had served twice. He was also active in the private sector. So, we finally threw our weight. Behind his candidacy We found out the Mexican had been in trouble with the Portilla regime in Mexico. Instead of throwing him in jail, they made him an ambassador to South Korea. But he had also worked for the Argentine mafia, a former director. We heard through the grapevine that there was a big consulting firm set up in Buenos Aires with all these people and they were going to get all kinds of lucrative contracts. So, Carlos Aquino Gonzales won the election as the next director general of IICA in Mexico City in September 1993. It was interesting. He turned out to be an outstanding director general. So I enjoyed working with him and his cabinet, not that everything was sweetness and light. We had some problems. We had to replace 2 of our American deputy directors. He fired one and one had to resign. We finally got the third one down there and there was a marriage. He lasted 6 years.

Q: What was the main work you were doing?

STEELE: With IICA?

Q: Yes.

STEELE: Putting together responses, policy papers... We had an interagency working group for IICA. It was made up of a number of the agencies that had international programs and interests all over Latin America in USDA, plus AID, plus that Office of the Special Representative to the OAS. Of course, State Department controlled the money. Since it was a technical institute, we controlled the policy in the technical matters. But we had to have everybody in agreement.

We tried hard to get wording in the medium term plan for the institute that Brazil and other countries would pay their arrearages and their assessments... Canada and the U.S. paid ours every year. Even some of the smaller countries did, too. By the way, we worked very hard with the 13 countries in the Caribbean, which each had a vote. We kept them together in a block to help get Aquino elected. They needed help. We tried to get the medium term plan to give some help to the Central American countries and the Caribbean countries and to solve the banana problems with the European Union, these kinds of things as well as supporting agricultural research in and trade development with the countries.

Q: But agriculture was very political, wasn't it?

STEELE: Oh, very political.

Q: This was the French wine, or Somali...

STEELE: Actually, those countries - you mentioned France but it was also England and the Dutch - they always had quotas- (end of tape)
They had quotas, subsidized prices and quotas, to protect their interests in those areas. But yet everybody knew that with the World Trade Organization coming on, these were of a temporary nature. Most of the countries had their independence, especially the English countries, and the Dutch. So, the people in Central America that could produce bananas, these were American companies - United Fruit, Standard Fruit, Del Monte - in Ecuador and Central America, they said, "This is discriminatory. We're going to set up a legal case against these unfair quotas and price protections, even under the Uruguay Round we can charge discrimination." So, yes, it was a political problem.

Q: Did you run across a problem while you were doing this of the so-called "Frankenfood?" That's the genetically modified agricultural products. Particularly Germany and France... This was designed to scare the hell out of the populace of Europe so they would eat French and German food and not American food.

STEELE: Pure and simple, non-tariff, non-price trade barrier. But we have the same things, you know. It's a serious thing and that's what the World Trade Organization has been designed to try and stop: non-tariff, non-price trade barriers. Japan, a typical example. They wouldn't import any rice.

Q: During the time you were doing this, was this an issue? This came later?

STEELE: The propaganda about this came later. We had been irradiating fruit like strawberries, raspberries, nuts and other commodities for years and it was known but until "The New York Times" or some correspondent who wanted to make a name for himself raised the issue, it was a non-issue. We had been modifying livestock... You mentioned the revolution in the production of rice and wheat. That's genetic engineering. It's just that we do it faster now because we take leaf culture. We know how to manipulate genes. Before, we had to cross pollinate and then we had to wait to see what grew. It was a laborious process. Now modern technology is leading to new trade barriers.

Q: During your time that NAFTA came into effect, this must have had a rather profound effect, didn't it?

STEELE: Yes. It started with the Caribbean Basin Initiative. That was because Cuba had gone into the Soviet orbit. We were getting such a large percentage of our sugar from Cuba. Suddenly it was no more and we subsidized sugar production in Texas and Louisiana and we asked all these countries - Belize and Mexico and all the rest of them - to produce sugar. Then we had to put quotas on them because our people were producing so much more efficiently than these countries were that we had a surplus. That was the forerunner of this. Of course, you get things all out of whack when you start to sign these agreements.

But I want to come back to something you asked about earlier: the Germans and the French and the modified food products. I saw some of the most beautiful citrus being produced in Brazil before I left there in the mid-1960s. It was replacing old coffee. They pulled out the coffee and put in citrus. Gorgeous fruit. Of course, a lot of these people that I visited - I did a little study for USAID on some of these return participants for the AID mission there in Brazil - and they said, "Why can't we sell this fruit to the United States? We're not allowed to." They said, "The Europeans like our fruit, but we can't sell anything to the United States." I said, "Be patient. Florida, Texas, California, Arizona, they're paving those citrus producing states over with highways and high rises and shopping centers. I've looked at some orange juice statistics. The per capita consumption of frozen concentrated orange juice is going up exponentially." I said, "It's just a matter of time until the Florida industry will not be able to keep these citrus products out. There was the Mediterranean fruit fly scare and so on. Many tariffs and other trade barriers. To protect their own interests." Now, of course, Coca-Cola owns big holdings all over." Minute Maid and the rest. You pick up any can of concentrated orange juice today and it will say "Made from fruit from the United States, Brazil, Belize, and Ecuador." I used to argue with my friends in Florida about this. I'd say, "You're kicking a dead horse. You and California, Arizona and Texas will not be able to meet the growing U. S. demand for citrus juices. I was right, but ahead of the time"

Q: By the time you left in 1997, it was a whole different world, wasn't it?

STEELE: Absolutely. Tremendous changes in 34 years working in these various areas. Like I said, I went back with my youngest daughter as a graduation trip when she finished up at Boston University. Incidentally, she had her junior year abroad studying in China, in Chinese for 5 months, and 4 months in Australia. She's an amazing person. I said, "Where would you like to go for your graduation trip?" She said, "I'd like to go either to Bolivia or Honduras where I was a little kid." So, we went to Guatemala, Honduras, Costa Rica. She had never seen either Guatemala or Costa Rica. I was absolutely floored... We rented cars or we had drivers in Guatemala. I had a J3 Jeep when I was there after the earthquake in 1976. I drove everywhere and never worried about anything. But we got a briefing at the embassy the first morning we were in Guatemala City and they told us how bad it was. The woman sitting next to us on the plane, a middle aged Guatemalan woman, and I got to talking about our respective backgrounds. She said, "I hate to tell you this, but my country's in bad shape." She and her daughter had been accosted, followed home from the airport. In the garage they were beat up. Their car was stolen. They both ended up in the hospital. So, the only time we went to the interior in Guatemala, I hired people that I knew were reputable through our pension. I saw the most beautiful things growing and being processed and exported for foreign exchange in these countries. All the work that I had been somewhat involved in with a lot of other Americans, I mean, it's now there, it's been successful, and the natives are fully involved in the successes.

Q: So the civil society's coming apart.

STEELE: I don't know what they're going to do with that military/police criminality. Somehow they've got to get on top of that. Apparently there are a lot of soldiers who were just thrown out on the streets and so they took their weapons and they've become racketeers and criminals. It's too bad.

Q: After retirement, what have you been doing?

STEELE: Well, I wrote that book, *Food Soldier*. I did some consulting. I do a little consulting. I have a little consulting firm. Frankly, Stu, I do as little as possible. Only if I really am excited about a possibility will I... I'm having so much fun. My wife is still working full-time. You didn't bring this up, but I retired from the Department of Agriculture on August 1, 1997. I married the widow Elaine Carmody Haddock on August 23, 1997. She came to Washington from Vermont in 1963 to work for the FBI, then later fell in love with and married an FBI agent named Thomas Haddock. He died at the very early age of 51 of prostate cancer, leaving her with two small sons. I had known her for 10 years at a distance. Well, she and I found we had a lot in common after my wife Jane left me in 1994 after 17 years of marriage. Elaine and I are having a ball. We remodeled my house and I'm Mr. Mom now. We have beautiful flowers and shrubs and I provide labor for her. She does the management of that. I do vegetables and she provides labor for me. As I'm sure you know, overseas life is quite often hard on marriages and families. I experienced that. But those facts would require a lot more interviewing, so let's stop now. I had a great career overseas and regret very little. My four children all benefited from

their experiences even though their mothers didn't.

Q: Great. On that note, we'll stop.

End of interview