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**JOHN H. KEAN**

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## INTERVIEW

*Q: Today is August 1, 1994. We are interviewing John H. Kean, formerly with USAID, retired October 1, 1978. To start off, I think we'd like to get a little of your early years, where you're from, where you were born, anything about your family that may be of interest, and your education as a way of getting a picture of your background and how it may have related to why you went to work in international development.*

### **Early years and education**

KEAN: Fine, I'll do that. I was born in Moose Jaw, Saskatchewan, Canada in 1921 and lived there until I finished high school. My parents were both Americans. My father worked for the Canadian Pacific Railroad during the time that I was there and for some years before that. He and my mother both grew up in Virginia. In 1938 my father went on a trip to the Canadian Rockies, disappeared and was never heard from again or any trace found of him. So it seemed like the best thing to do was for the family to go back to where my mother had lived before she was married and hence we somewhat abruptly picked up and moved from Canada to Washington.

Upon arrival here I went to Wilson Teachers College in Washington, DC for three years and completed a major in Geography there. That was essentially world geography in which we examined mostly from an economic point of view the geography of all of the continents of the world and some major international issues. I also took a minor in history during that period and became first acquainted with economics. At the end of three years I transferred to George Washington University, undertook a major in economics, completed a Bachelors degree there in 1943. I went to work immediately thereafter but continued going to school, completed a Masters degree at George Washington University in 1947 in Economics and then did some further additional graduate work beyond the Masters degree, also at George Washington in Economics. That phase of my life ended in 1949 when family responsibilities caught up with me in terms of working and going to school at the same time.

*Q: Any particular reason why you selected economics?*

KEAN: The course in Introductory Economics which I took at Wilson Teachers College strongly caught my interest and I had the feeling that this would be an interesting thing to pursue so I decided that as I made the decision to attend George Washington, that would be my field of study. At that time of course, there was hardly anything, I might say, nothing that focused on development issues. Micro economics and macroeconomics both essentially assumed that you were dealing with a developed and mainly industrial society.

So I completed my work in economics with only a limited amount of development-related study. I did take one course in Economic History of Latin America which was to some degree focused on development issues but clearly looking at them largely in terms of the concerns of a developed country and from the point of view of the U.S.

*Q: So you got your Masters Degree in economics from George Washington? And then?*

KEAN: By that time, of course, I had already been working for some time. But to pick up the story at an earlier stage, perhaps it would be worthwhile to mention that in my earliest times as a grade school and high school student I did have a particular interest in international affairs. Although far from the center of world affairs and efforts to deal with world affairs, I did develop a consciousness of what was going on in the world, noting in particular what was happening in Europe in the '30s and I even was quite conscious of the invasion of Ethiopia even though I was barely a teenager when that began. So that even from those earliest times I had a strong interest in and, within the limits of that time and situation, followed international developments with some interest. When I came to study at the college level certainly I had that interest already implanted. It was an easy thing for me to decide after I had graduated from George Washington to begin my career by looking for a job in the international field.

### **Work on international trade**

That led me to apply for a job at the Department of Commerce and I was assigned as the French Overseas Territories desk officer as my first assignment. My mentor was a long-time employee of the Department in the Bureau of Foreign and Domestic Commerce whose job on the more senior level was to look at France and French overseas territories and gradually my assignment became essentially that.

*Q: What did that involve? What were you doing?*

KEAN: Primarily we were looking at issues in terms of the normal functions of that bureau of the Department of Commerce, at international trade and investment issues. But, of course, this being wartime, we were also looking at issues that related to the war effort and to the impact of the areas that we were focusing our attention on in terms of the U.S. interests and of the U.S. wartime focus on obtaining access to strategic materials. However, during the first year my attention was in fact diverted from French Overseas Territories when I undertook an assignment to prepare an industrial handbook for the Civil Affairs Department of the U.S. Army on the years just before the outbreak of war in Denmark. This was a handbook for the use of the U.S. Army in case there was an invasion which led to the occupation of Denmark.

*Q: What did the handbook cover?*

KEAN: It looked at the whole range of industries that were most important in Denmark, both the manufacturing industries and food production, both agricultural and food processing.

*Q: I notice here on your resume mention of being a delegate to a GATT conference at that time?*

KEAN: Yes, it will be remembered that immediately as World War II was ending, the U.S. made a proposal for the creation of the International Trade Organization. While that proposal did not fly, it did evolve into the formation of the General Agreement on Tariffs and Trade and, beginning in 1946 actually, I began to devote a considerable amount of my time to preparations for the first and second rounds of GATT conferences at Geneva and Annecy, France in 1947 and 1949 respectively; a third round was scheduled for Torquay, England beginning in the early fall of 1950. I continued working on the preparations for that round and was a delegate to that conference as a member of the negotiating teams dealing with both the French and Italian governments. I participated in that conference from late September 1950 until mid-April 1951, the activity extending much longer than had been anticipated but that's just the way it went. The negotiations extended and extended.

*Q: What kinds of issues were you negotiating?*

KEAN: We were dealing primarily with tariff questions in the two negotiating teams that I was on. We were trying to work out with the respective governments a balanced alignment of trade concessions, as I say, mostly in the area of reducing tariffs, not primarily concerned with non-tariff trade barriers, although there was some occasional discussion of such issues. We did finally work out agreements with both of those countries that were signed at the end of the conference. We operated as an inter-departmental team in each case with members from State, the State member being the chairman, Commerce, Treasury, Agriculture and the Tariff Commission, now the International Trade Commission also being members of those teams. Team proposals arose out of the bilateral talks, were presented to and approved by the Trade Agreements Committee (a higher level decision-making group) and then negotiated with the other country.

*Q: That sounds like a very interesting assignment for your first job; something very stimulating.*

KEAN: Well, it came rather far along in that job as I had already been working for seven years before I got that opportunity. But it certainly was an interesting eye-opener and gave me a chance to visit Europe and to travel a bit in Europe to visit France, see at first hand the country on which I had focused a great deal of attention over the preceding several years.

*Q: Then you moved over to the Department of State, I gather, at that point.*

### **Move to the State Department and the Mutual Security Agency**

KEAN: Yes. I felt that it would be advantageous for me to make that transfer and get a different perspective on international matters from the point of view of work at the Department of State so I did arrange to make that transfer and began work in early 1952 in the Office of Northeast Asian Affairs. My particular assignment was to focus on the rehabilitation of the Japanese economy to get its level of activity up from the approximately fifty percent of industrial capacity which prevailed at that time and make Japan a more efficient and effective base for support of the war effort in Korea. The Korean war was, of course, at that time a predominant concern in that region of the world and even perhaps on the world stage as a whole where the U.S. war effort was absorbing a large part of our economic activity. So in order to strengthen Japan and to improve the capacity to supply the troops in Korea it was important to expand industrial capacity. So, for example, among the things that we worked on were allocations of steel production equipment to rehabilitate the Japanese steel industry and, at the other extreme, look for ways to work out contracts that would permit the Japanese steel industry to have access to iron ore sources in India or Malaysia or in the South Pacific.

*Q: Did you get to Japan in that time?*

KEAN: No, I did not have that opportunity. I would certainly have liked to do that and many of my colleagues were traveling back and forth but as a relatively junior member of the staff of that office I did not get that particular chance.

*Q: Well, then you finished there in '53, and you joined USAID. What led you to do that?*

KEAN: Actually, during the time I was in the Department of State, I was for the first months working as a regular Civil Service staff member of the Department of State but late in 1952 I was actually placed on the payroll of an office within the Department of State which had a responsibility for liaison with Japan. That office was funded by the Mutual Security Agency, then the lead agency of assistance to countries in the world other than those least-developed countries which had begun to be assisted through TCA. But MSA was the successor to the Economic Cooperation Administration, the original Marshall Plan organization. So that meant that from a purely technical point of view I was, in fact, already an employee of the foreign assistance organization even though I was continuing to work at the same desk in the same office at the Department of State. So when a big shake-up came at mid-year 1953 and the Administration decided to drastically reduce the staffing of the Department of State, it was a relatively easy thing for me to be transferred from that job into the Technical Cooperation Administration with whom I had done a great deal of liaison during the time at the Department of State. I was well known there and undertook a job for a brief time in the dying days of TCA where I was in the Southeast Asia office for a few months.

*Q: Before we go into that, on the MSA, who was the head at that time?*

KEAN: I don't remember who was in charge of MSA in the late Truman period. Harold Stassen was named head of MSA by Eisenhower and then became Director of the Foreign Operations Administration which consolidated MSA and the remnants of TCA. The latter was decimated in the wake of the Stassen "exams" when he had authority to fire anyone.

*Q: And then there was John Bell, who headed it for awhile and was the Coordinator.*

KEAN: Well, John O. Bell was senior State Department FSO who, at a later stage, was the Coordinator for Mutual Security during the period when we had several agencies operating. I think that was not immediately at the beginning of the Eisenhower administration but rather in the late '50s after John Bell returned from Karachi where he had been Minister Counselor for Economic Affairs from 1955 to 1958. His office from 1958-61 was in the Department of State when ICA was an "independent" agency under John B. Hollister and the separate Development Loan Fund (DLF) handled capital lending.

*Q: I see. What was the role of MSA?*

KEAN: As the activity of the Marshall Plan was winding down in Europe, the major focus on the countries of Western Europe had significantly diminished as their economies recovered, partly as a result of the Marshall Plan inputs, of course, but also as a result of the speed up in the general world economy in the early '50s with the impetus provided by the Korean War. So those economies were no longer in much need of support and assistance from an economic recovery point of view. The focus shifted to security and bolstering the capacity of Europe and other countries to support defense in the face of the Sino-Soviet worldwide threat to Free World Security.

The impetus for the U.S. to become involved in world affairs on a wider scale derived both from a genuine concern about development in developing countries and their role in the initial phases of the Cold War. The Mutual Security Agency (MSA) was formed in 1951 to replace the Economic Cooperation Administration which administered the Marshall Plan or Economic Recovery Program (ERP). MSA began to be involved in such countries as Korea and Indonesia which had not been initially a part of the activity of the Technical Cooperation Administration, the Point Four program, but those countries became of strategic significance as the Korean War and the Cold War generally became a greater focus of attention. The Mutual Security Agency was shifting its emphasis to defense and security in countries like Greece and Turkey, Indonesia, Korea and other countries that were perhaps in the intermediate range of income levels at that time and not strictly speaking among the least developed, whereas TCA (as it had from 1950 on after Truman's first inaugural address in 1949 initiated the Point Four program) was focusing on development and technical assistance in India, Southeast Asia, and to some extent in Africa and the Near East.

*Q: Well, the MSA was really part of the containment of Communism strategy by strengthening the economies of poorer, weaker countries?*

KEAN: Yes, I suppose you could say that. But MSA was created in 1951 before John Foster Dulles and the Eisenhower Administration came to power in 1953. Obviously, there was this strong shift between 1945 and 1948 as the recognition of the clash with the Soviet Union became greater and greater. The Berlin airlift in 1948 precipitated a clear ringing test of the relationship with the Soviet Union which became steadily more world-wide in its scope and extended far beyond the direct confrontation in Europe.

*Q: Well, what was the MSA objective?*

KEAN: As the name implies, it had shifted from the European recovery program into a more security-oriented action. The idea was to undergird the economies of countries which could either contribute to the confrontation with the Soviet Union or which were threatened by the Soviet Union and needed to be undergirded in order to survive the pressures being applied to them. This was particularly the case in the Near East of Turkey and Iraq and Iran and other northern tier countries.

*Q: And your role in the MSA context was what?*

KEAN: Well, as I moved from that portion of TCA as it ceased its existence in the latter part of 1953 I became the economist in the South Asia office of the newly-created Foreign Operations Administration.

*Q: You were part of MSA prior to that change, weren't you?*

KEAN: Well, I was in the Department of State as I have described, being paid out of MSA but working in the Department of State on Japanese affairs. Then in the summer of 1953 I shifted for this brief period to TCA and worked on Southeast Asia for that brief time. Then when FOA was created and Mutual Security Agency ceased to exist, and TCA ceased to exist and became consolidated in the Foreign Operations Administration, I worked from then on in FOA and its successors.

*Q: So you weren't directly involved in the MSA programs as such?*

### **Inter-agency committee on the French economy**

KEAN: Well, if you want to go back to earlier times in that connection. When I was working on France in the Department of Commerce (France was, of course, a major beneficiary of the Marshall Plan), a great deal of my attention got involved in that and I was a member of an inter-agency committee which focused on issues relating to the use of Marshall Plan resources to strengthen the French economy. As a representative of an agency that had some concern with that issue I became a member of this inter-agency committee where, perhaps, our most important function was to look at the programming and use of counterpart funds which were accumulated on a massive scale. There was a billion dollars per year in aid to France in 1948, '49, and '50. This generated counterpart money in very large quantities and both the inflationary or counter-inflationary impact of

these funds and the investment direction was something over which we had some capacity to provide input and influence. Though the ECA Mission in Paris had the primary responsibility for negotiating those arrangements with the French government, they took instructions from Washington on major policy questions. The discussions that this inter-agency group carried on had some input to those policy directives.

*Q: What was the major policy objective with respect to counterpart funds?*

KEAN: One of the most complex problems was to attempt to program those funds in such a way that they would not impact the French economy in an unfavorable fashion. There was the continuing threat of inflation as the economy was being pushed forward by the substantial investments that were being made and a constant threat of out-running the production capacity of the economy by the financial investments that were being made. Despite the fact that there was a massive input of ECA-funded imports going into the country which had a counter-inflationary effect, there was a constant balancing problem of pushing the economy forward as rapidly as possible and, at the same time, avoid pushing it too hard and get it overheated and create an inflationary environment.

*Q: How cooperative were the French in all this or did they resent this intrusion?*

KEAN: Well, of course there was always the problem of the sovereignty of the French. All the Marshall countries had this problem and this feeling that counterpart was, in fact, their money, not our money, and that's true. From a legal point of view, it was. It was always recognized as being owned by the host country but it was also part of the bilateral agreements that the actual expenditure of those funds would be subject to joint agreement. That's how come the issue was joined. What the money would be spent for and how rapidly it would be spent were the issues. Also the relationship between the expenditure of that counterpart money and the regular budget of the country itself was all part of the general pattern of fiscal policy that would impact the country in appropriate or not so appropriate ways, depending on what policy was pursued.

*Q: Was there some particular investment strategy?*

KEAN: At the same time that we were dealing with these macroeconomic budgetary fiscal and inflation-related issues, there was, of course, a systematic approach being undertaken in planning for the recovery of those economies. In the case of France, at that time under the direction of Jean Monnet, the French government was moving in a fairly strongly socialist direction. Their concept was of a mixed economy under a *dirigist* or directionist philosophy where the government would play the major role in determining the nature and character of economic activity and economic development. A great deal of nationalization was going on during that period of such industries as electricity, steel and railroads. The U.S. inclination would not have been to move that far to the left or that far in the direction of a centrally-directed economy. There was a certain clash of ideology and interest and this just as much, I think, under the Democratic Administration during the Truman years of the Marshall Plan as following it, so that it wasn't so much a party ideology issue as a basic

orientation of the U.S. toward a more privately-oriented economy. So we had a clash over what was appropriate in terms of broad macroeconomic policy on the fiscal front but also the clash over how much nationalization was really a good thing for the French economy.

*Q: And your role in this committee was to address this kind of issue?*

KEAN: No, I think our role was largely focused on the counterpart question, which only indirectly got us into these other issues. It was obviously a matter for the Administrator and his staff in Washington and the Mission in Paris to be the primary focus of attention, and I was not there. I dealt on a liaison basis with those people who were dealing directly with those things.

*Q: Well, that's an interesting perspective on that stage. It's one a lot of people don't recall. But then you worked with TCA.*

KEAN: That was very brief.

### **Move to the Foreign Operations Administration as economist for South Asia**

*Q: Then it became FOA, and there was a different assignment at that time?*

KEAN: Yes. You see when I was transferred from the Department of State to TCA for a period of only about three months, in 1953, the Eisenhower administration was putting its imprint on the whole foreign assistance program. They were dissolving the Point Four program under TCA, dissolving the old Mutual Security Agency, consolidating the whole thing under Stassen in the FOA (Foreign Operations Administration). It fell my lot to be part of the South Asia division in the newly-formed agency. I served as economist for that division for the first year that I was there. My primary attention was on India. One of the tasks that I worked on quite a bit was the creation of the ICICI, a joint undertaking with the government of India by FOA and the World Bank to create an industrial finance institution in India.

*Q: What does ICICI stand for?*

KEAN: Industrial Credit and Investment Corporation of India. In effect, it was in response to the strong emphasis in India, focusing on industrial development as the primary engine of growth for the Indian economy.

*Q: This was the model of the times?*

KEAN: I think that's right. I think they were both following the general notion that the way to achieve development was to, in a sense, mimic western industrial societies, and push for modernization through industrialization and technological development. India gave second rank to a concern with agriculture. This reflected, I think, both the Fabian socialist

background of Nehru and other leaders in India who saw industrialization as the means to get ahead in the world and denigrated the significance of agriculture and the important role that it needed to play in the process of Indian development and modernization and the achievement of a successful balanced economy. They did not see that as nearly as important as industry. And of course, they were doing this within a rather rigorous and rigid planning system where all major economic decisions were under the direction of the Planning Commission of India.

*Q: These were the days when central planning was very common in international development.*

KEAN: And strongly favored in most developing countries following not only the Fabian socialist model but looking at Russia as perhaps the favored model, thinking about the rapid strides of industrialization in the '30s that were achieved in the Soviet Union, brutal as it was. They overlooked that brutality and saw the installation of massive steel works and electric power development and extension of railroads and other things as the indication of the way to go and the technique was to plan it all and direct it from the center.

*Q: And your work was specifically with the ICICI, or was the group working on that?*

KEAN: Well, this was for a period of a few months a major focus of attention, because we were working out the financing arrangements for that institution into which contributions would be made both by the U.S. government and by the World Bank responding to the industrial emphasis.

*Q: This was sort of an industrial development fund?*

KEAN: Yes, exactly.

*Q: A lot of lending going on?*

KEAN: Exactly, which would be a means of financing both using local resources and international resources, it would be the channel, in other words, for major industrial developments in India.

*Q: Was there any particular industrial strategy?*

KEAN: You know, I don't think that I had much opportunity to be directly involved in that issue. It was mainly the structuring of the agreements and the funding arrangements, and the sharing of the total funding that we worked on rather than the subsequent operational aspects. Once it was set up and going, I did not have any great occasion to be directly involved.

*Q: Did FOA provide a substantial amount of the funding?*

KEAN: Yes, as I recall, it was approximately equal between what the U.S. government was contributing and what the World Bank was contributing.

*Q: What scale are we talking about?*

KEAN: If I remember correctly, the initial input was something over a hundred million dollars, so it was a big commitment and therefore focused staff attention to this particular activity.

*Q: And this was involved in some of the steel mill development and things of that sort?*

KEAN: Yes, it would have certainly gone on to be a major investor in the Burla and Tata industries as they evolved in the '50s. Among the other issues that we were looking at was the Indus waters settlement between India and Pakistan. This involved investment in a large number of major dams for both diversion of major rivers so that the two countries would end up with what they came to accept as a reasonable sharing of those waters and make them available to provide irrigation and flood control. To a major degree, it was for irrigation in the Punjab and other areas along the border between India and Pakistan. In order to work out an appropriate sharing of the total waters in the Basin, the World Bank had developed understandings with and between the two countries and the U.S. was a party to this. The U.S. was funding some of the major dam construction, sometimes jointly with the World Bank, sometimes separately.

Another major area of attention during that period was the continuation of what had been begun under TCA, the support of and creation of major university centers for agriculture. Now this somewhat belies what I was saying earlier, but nevertheless, I don't think I mean to suggest that the industrial emphasis was any less significant as far as the Government of India was concerned but they did not ignore agriculture altogether. They recognized that the people of India had to eat and there was an important need for stabilization of the food supply. India had suffered a major famine due to the failure of the monsoon in 1943 when it was integrated India. It included what later became Pakistan. That left the clear lesson that they needed to expand the irrigated acreage in order to stabilize production in years when the monsoon was less satisfactory.

*Q: Your role in this?*

KEAN: Again, as the economist for the office, I had some concern with the impact of these major programs on the macroeconomic situation, and a responsibility therefore to advise upper echelons of the Foreign Operations Administration as to what we thought were some of the major implications of the investment activities both in industry and agriculture on the economy as a whole. I also looked at individual project activities in terms of what we conceived of as the most appropriate way to improve or achieve as effective an impact as possible. Naturally all this was looking at the situation through the eyes of the Mission with the Mission's reporting of what they were doing, reading daily telegrams, extended airgrams and economic analyses coming from the Embassy and trying to reflect on these

questions and issues both in a macro and in a micro sense to reflect back to them what Washington felt was the appropriate posture for the Mission to be taking.

*Q: This was during FOA Administrator Stassen's time?*

KEAN: This was during Stassen's time because Stassen had by that time taken over as the Director of the whole operation.

*Q: What is your sense of his administration, what was he trying to achieve, or what were some of the issues that came up during his time?*

KEAN: You know, from my perspective, I have to say that I don't know a great deal about the things which he personally was most directly involved with. Obviously, he and the Administration as a whole were greatly concerned with Cold War issues by this time. Clearly, the country was seized with the Cold War as the major issue. India was, of course, unprepared to become an ally but it was obvious that India was also in a certain sense a battle ground of the Cold War. It was therefore important from the point of view of major broad geopolitical interests to support India in a way which would prevent India from throwing in its lot with the Soviet side. So in the largest sense we became what the Foreign Assistance program continued to be for the next 25 years-an instrument of foreign policy where we were examining both the relationship between the U.S. and a particular country or country group in the broad geopolitical and military constellation but also in terms of the ability of that economy to function effectively and as independently as we could maneuver to help them to be or to press them to be. "Independent" meant not being subverted by the Soviet Union. Virtually every foreign policy issue was an issue of the degree to which the U.S. and the western countries in general could influence those countries with whom we were dealing. We wanted them to be both independent and successful but also not be subverted by or become members of the Soviet orbit.

*Q: This was a time in terms of development strategy when they began with the agricultural universities initiative and also the community development initiative?*

KEAN: Yes, I started to go in that direction a few moments ago and then it got diverted, but we did support the establishment and the development that had been begun under TCA of major inter-university relationships. The major U.S. land grant colleges were associated with particular opposite-number universities in the various states in India, and those were major relationships in which substantial numbers of quite senior members of the faculties of the U.S. universities went for extended periods to live on the campus of these universities.

Their objective was to support and assist them in formulating policies which were to a substantial degree, at least, the mirror image of the function of those land grant colleges and universities in the U.S. I think that was a very strategic and critical function in India, and I think for a long long period was regarded as an extremely important factor in achieving a level of technological and institutional development that would undergird agricultural

development for decades to come in India. It clearly was a major strategic choice to place an emphasis on university development as the instrument of agricultural promotion in the country so far as education and extension were concerned. This was a strategic divide, I think.

In retrospect one can criticize that policy, although it was not an issue as I recall at the time, as to whether this was the most appropriate way to achieve the transfer of technical knowledge and the improvement of capacity for agricultural development in India as opposed to a strategy which might have put much more emphasis on a much wider scale development of educational capacity to support agriculture at lower levels of the educational system. Certainly many people who have looked at agricultural strategy and development strategy generally have criticized what FOA, ICA, and USAID did in succeeding decades in many countries and have pointed to experience in countries where this was not the major emphasis. They argue that the much broader scale development of educational capacity at the primary and secondary levels would have had or could have had a much more broadly beneficial effect by providing means to educate very much larger numbers of people to have a greater understanding of their role in the development process. It was a somewhat elitist approach to educational development and agricultural technology transfer and I think something which should be examined in the broadest terms. I think that Robert Barnett has made a very strong case in recent times for the preferred strategy being the one which was not followed in India, that is, emphasis on lower levels of education.

*Q: Do you know where that took place?*

KEAN: I think one can cite primarily the more independent role for development in Malaysia and in Thailand. By 1965 to 1970 those countries had begun to make significantly greater progress in agricultural development than India had, although India in the '70s turned things around and made dramatic strides and became essentially self-sufficient. So it may be debatable, but there, I think, is where the issue gets joined. I do not pretend to suggest that this was an issue which we consciously examined at the time. I think the die was cast.

The position that was being pursued was largely supported by virtually all concerned. But one might also say that FOA (as had TCA maybe) became the captives of NASULGC, the National Association of State Universities and Land Grant Colleges. Perhaps they saw in this strategy a means for self-aggrandizement, if you put it in the crassest terms. By channeling large resources through those institutions they were strengthened. It gave them an opportunity for playing on the larger world scene which they never would have had had a different strategy been followed and much less emphasis placed on inter-university relationships and technology transfer. The U.S. university community lobbied hard for this approach. They became a constituency for foreign aid which it needed. So perhaps to a degree the two became allies not altogether based on conscious development strategy.

*Q: This was also a time when community development was becoming a primary interest.*

KEAN: Yes, during the '50s community development was certainly a major focus of attention. It got a lot of emphasis within the structure of FOA and ICA. A whole segment of the agency focused on this as a strategy for development and India was perhaps its primary point of focus. The Government of India set up the block system and laid out virtually the whole country in terms of community development blocks. Each of those blocks was given a great deal of support and autonomy from the center to carry out the development of both the communities per se and of agriculture in this context. That process precipitated a lot of tension with the line agencies such as the Ministry of Agriculture and the Ministry of Irrigation in terms of who influenced farmers to do whatever was to be undertaken. The philosophy contemplated a good deal of local grass-roots initiative. As it was carried out in India, there was a good deal of directed community action rather than grass-roots initiative. Now that may be unfair but that's my perception.

*Q: There was less participation of the villagers?*

KEAN: At least in terms of initiative, I don't think the ordinary Indian villager was given as much opportunity for initiative and direct participation in the process as at later stages of similar kinds of action which USAID did not characterize as community development. And I don't mean to impugn the community development system in India. But as it was practiced in India it came to be regarded as something of a roadblock. And I say this despite the fact that in a subsequent situation I came to know quite well Horace Holmes, Mr. Point Four of India, a leading advisor on Community Development.

*Q: You are saying part of the concept included participation. The practice was not fully reflective of this philosophy?*

KEAN: I think that's fair to say, but you know, I was not working in India. I was in Washington, and maybe it's an unfair judgment for me to make, but I think that is what we perceived to some degree at the time, and I think my later understandings of this from other brushes with the situation would lead me to conclude in that direction.

*Q: Were there other issues that you were addressing at that time? You apparently covered Nepal and Ceylon. That was part of your scope of work.*

KEAN: Yes, technically speaking, but I guess 95 percent of my attention during the period 1953 - 54 when I was economist for the South Asia Division, was focused on India because that's where 95 percent of the action was. I think that the things I have touched on are the main things that I was consciously aware of, so far as India was concerned.

*Q: And in terms of what you were working on.*

KEAN: Yes, in terms of what I was reflecting on, because I was only one member of that staff, I wasn't the key member of that staff, I had familiarity with a variety of things that were going on and perhaps had less influence on some of them than I had knowledge of. That's the way it was. But then from 1954 to '55 I was moved into position of being desk

officer for both Nepal and Ceylon, of course, as it was known then, not Sri Lanka. This was my first taste of functioning as a country desk officer in a foreign assistance role. I did not get an opportunity to visit either of those countries while I was in that role but it was a good introduction to the process and to the situation. I was part of that division still, focusing on South Asia so they were familiar colleagues and I did have a great deal of opportunity to interact with people coming and going to those missions and people coming from those countries who were native citizens of those countries as they went about the business of implementing programs.

*Q: What was our U.S. policy and development policy toward those countries?*

KEAN: The situation in Nepal was one where that country was just emerging onto the world scene as a country which allowed foreigners to play any role whatsoever. It was only in 1951 that Nepal was opened by the government to the world at large, to admit visitors and to interact formally. It was at the earliest stages of its efforts at modernization. Expansion of irrigation and the initiation of a community development program paralleling that in India was underway, as well as some efforts in the area of improvement in the health system. At the same time we were involved in extending a certain amount of financial assistance, budgetary support to that government, so we had occasion to look at its rudimentary budgeting processes. It was certainly a country that was at the first stages of modernization. Its fiscal and monetary policies and its budgeting processes needed strengthening. We extended some support in public administration to attempt to get the country organized in a more effective way.

Nepal was an absolute monarchy in which the king's role was predominant. Such democratic institutions as existed were rather traditional and quite rudimentary, but at the local level, the panchayat system continued to prevail. Locally-elected officials at the village level had a considerable amount of influence at that level. Nepal presented severe problems then as it still does now in the sense that access to the country was limited and internal transportation was severely inhibited by the extremely difficult terrain and the lack of any kind of roads. Virtually all transport was on the backs of bearers on rudimentary trails over very high country where access to the highest valleys began at 8,000 feet and upwards from there to 15 or 18,000 feet, so there were very severe problems and constraints. There was the beginning of an effort to try to do a mineral survey in the country, to see if there were opportunities for rather quick return investments that might pay. But the most accessible part of the country was in the terai which is on the extreme southern fringes where the conditions were both culturally and ecologically very similar to northern India on the other side of the border. That being most accessible, perhaps that's where we focused most of our attention and most of that on initiating irrigated agricultural development with a more modern approach.

### **Officer in Charge of Israel Affairs**

*Q: Anything more on your India, Nepal orientation, or you went on then from there to be Officer in Charge of Israel affairs. That's quite a shift, wasn't it?*

KEAN: Yes, in May of 1955 I was asked to move to the Near East Division and become Officer in Charge of Israel affairs. That was a very abrupt change without much transition and certainly very little prior orientation. I remember sitting down with the then departing Officer in Charge of Israel for two or three hours, and that's about all the orientation I got. Suddenly I was in a new big part of the world in a very controversial situation. I was plunged into things I had little preparation for and little awareness of, and I suffered some awkward moments when I didn't know nearly enough about what I was getting into to be where I was.

*Q: What were some of these controversies and issues and things that you were having to deal with?*

KEAN: Well, obviously in the first instance just to deal with the representatives of the Government of Israel was so different from dealing with the situations that I had seen in the previous two years when I had been in the South Asia Division. The local representatives of the Government of Israel here in Washington were very strongly involved in the whole relationship. Unlike the embassies of India and Nepal and Ceylon who essentially never darkened the doors of our offices and had no particular role in this relationship, I found myself dealing with the Israel Supply Mission in New York, with the Counselor for Economic Affairs in the Israel Embassy and a senior economic officer in the Embassy and they were on my doorstep virtually every day. I found myself in a much faster-paced environment in terms of what was happening and the communications that were going back and forth between our office and the Mission in Tel Aviv. So it was simply something where I had to run awfully fast just to stay even.

*Q: On the Israel question what were some of the things you had to cope with?*

KEAN: Well, Israel was not a typical developing country. It was, of course, a newly-created country only seven years old at the time that I began to be involved. It was receiving even then relatively massive amounts of aid but not as much as the U.S. has been subsequently committing to Israel, but nevertheless, very significant amounts of aid relative to the size of the country and its economy. So our impact on the country was very large. I guess one could say rather predominant, despite the fact that Israel was also receiving assistance under the reparations program from the Government of West Germany and international institutions, but the U.S. role and the U.S. relationship with Israel were different in kind as well as different in scale from most countries. The political environment, the degree of politicization of our relationship was an eye-opener. One could hardly touch anything in relationship between Israel and the U.S. in its foreign assistance operations that didn't have potential political dynamite implications.

So I think I can say that I approached this naively and had to try to learn very fast, but I certainly made some gaffs and mistakes in the process of trying to understand the relationship between Israel and the U.S., between Israel and its Arab neighbors. It is fortunate that I was given a 7-week orientation trip a couple of months after I took on this

responsibility, and was given the opportunity to visit not only Israel but the surrounding Arab countries -Lebanon, Syria, Jordan and Egypt before going to Israel itself. And in the process I began to have a somewhat better appreciation of what this was all about, that it was not simply a matter of the U.S. supporting the development process but there were tremendous implications in terms of the relationship between Israel and its Arab neighbors and in terms of our effort to try to provide some means of supporting the approach toward peace and stability in that region. I'm still not sure even after the one year that I devoted to that task that I was as fully aware of all the issues as I should have been. I would say I should have had six months of some kind of orientation process before I was thrust into the responsibility, but that's not the way it was.

Now some of the issues: We were massively supporting the Government's concern with the water problem. If there is anything critical to life in Israel, it is water. And of course, water was a bone of contention between Israel and Jordan and Syria, in particular, and to some extent between Israel and Lebanon. Most importantly, however, it was an issue with Jordan, but the Syrians were the more serious threat. The upper Jordan and the Hula swamps which lie above Lake Tiberias were an area to which the Israel Government gave a great deal of attention the first years after independence in 1948. The Hula swamps were drained as an area where they thought they would have a significant potential for rapid agricultural expansion and at least initially I think they achieved significant success there.

At the same time they needed to divert water to improve the supply of water for irrigation, divert water out of the Upper Jordan River and sought to do so even though the Jordan River at that point represented the boundary between northern Israel and Syria, and military action by the government of Syria prevented their pursuing that strategy. They, therefore, moved somewhat downstream and began by working in the Lake Tiberias/Kinneret/Sea of Galilee to attempt to improve the quality of water and to pump water out of Lake Tiberias for transmission through a major system of tunnels and canals southward into the agricultural areas between Tiberias, Haifa and Tel Aviv and beyond into the Negev. This is a process which evolved through the years and the U.S. was constantly concerned with this because it impinged on water available for Jordan.

And at that time, it is perhaps important to remember that Jordan included the whole area known as the West Bank, in other words, that area lying west of the Lower Jordan between Tiberias and the Dead Sea. Those Palestinian farmers had had water rights and if they did not have continuing availability of water, both ground water from wells and from the river, they would be put out of business. Essentially, I think it was clear from the beginning, the Israelis set about to make the Lower Jordan, Tiberias to the Dead Sea a saline drain, and to use all of the available fresh water for diversion through the system of canals and tunnels that they were in the process of developing to expand agriculture throughout the coastal littoral of Israel.

*Q: Were we supporting this?*

KEAN: We were clearly supporting this even if the primary funding for it was generated by Israel both from domestic resources and from assistance provided through the world Jewish community, through bond sales and contributions, and in that sense, Israel had a really exceptional level of external support both governmental and nongovernmental. Israel was unlike any other developing country or quasi-developing country that I have ever dealt with. The level of investment that was going on was very large. Despite the importance of the U.S. for this purpose and despite the significant amount of technical assistance being provided, control was pretty heavily in the hands of the Israelis. There was tension between the U.S. and Israel because we were trying to play an even-handed game, to support Jordan and the other Arab countries in terms of their having a continuing capacity for agricultural development using the scarcest resource, namely water, in the region. So an effort was in process to work out a Jordan waters agreement and this was a very high-level, very intensive effort. Both the U.S. and the World Bank were involved. The U.S. had a high-level team engaged in this activity throughout the time that I worked on Israel.

A lot of attention was being devoted to the arrangements, the terms, the total water availability, the sharing, the way in which that would be shared, the places where it would be used, what was technically feasible. All these things were of great importance. At the same time we were doing many things in terms of a technical assistance program. As in many other countries during that period if there was a problem it was often put at our doorstep and we would undertake to do what seemed to be useful and appropriate to address it. Perhaps there was little effort at prioritization. If there was a problem, we would see what we could do about it.

*Q: For example.*

KEAN: The Technion, a university in Haifa was an institution which the Government of Israel wished to develop as a high-level technical institution, sort of the MIT of Israel. So we undertook to provide a substantial amount of assistance in a variety of fields to strengthen and support the Technion, and I don't think there was anything radically wrong with that. It was rather consistent with what we were doing in a variety of other countries. At the same time, it was typical of that time. We were engaged in as broad a spectrum of technical assistance in Israel as in any country at that time. We had people working in glass technology, agricultural extension, agricultural credit, education, health, industrial credit and we had a massive participant training program, bringing people to the U.S. on a pretty large scale. At the same time, we were aware at all times that our economic assistance had political implications and often we were pressed to do things for essentially political reasons such as to supply a substantial number of trucks when perhaps those trucks had a greater military significance than they had a development or civilian economic significance. And sometimes we would be leaned on to approve these activities, even if we weren't quite sure they were entirely legitimate as development actions.

*Q: Part of your role was to approve an activity?*

KEAN: To work on and come to a decision and recommend what I thought was right to the Assistant Administrator or on up to the Administrator in accepting or resisting such blandishments to do such things as that.

*Q: Did you have much latitude to reject anything?*

KEAN: Well, we could make arguments and perhaps at times make some changes, but as I say, it was a heavily politicized environment so there were a lot of things that were done because we were told they were essential and needed for the larger political strategic purposes. The economic environment in Israel was such that they were making rapid strides. They were, however, dealing with great stresses because they had a shortage of domestic fiscal resources. The GOI would have preferred then that we operate as we do now - cut the Mission by 90 percent, drop most technical assistance and just write them a check to spend as they saw fit.

### **Turkey: first overseas assignment**

*Q: But after Israel, you joined the Foreign Service and went overseas?*

KEAN: The Assistant Administrator or Assistant Director of that region began to lean on me during the period I was working on Israel to say that it was clearly important if I was going to work in this kind of international agency I should be prepared to take an overseas assignment. So after a year of working on Israel, I agreed that I would do that, and it was suggested that I might go to Israel, but as a family we decided maybe that wasn't quite the thing we wanted to do, and prepared to go to Turkey as that was an alternative.

So in the summer of 1956 we went to Turkey at a time when the Mission was headed by an ex-Marine Lt. General who was in that position clearly because Turkey was a linchpin of the northern tier. General Riley had been the successor to Count Bernadotte in the Israel-Jordan truce supervisory arrangement after Count Bernadotte was assassinated. General Riley, therefore, typified the situation that prevailed in Turkey. The whole operation was to support Turkey's defense posture vis-a-vis the Soviet Union. That was our whole reason for being, of course. It was clearly a part of the geopolitical Cold War setting and we provided a major amount of defense support assistance to undergird the Turkish economy. It had significant implications for the civilian side of the economy as well because, of course, only if a civilian economy was functioning satisfactorily could the military be adequately supported.

Turkey maintained an oversized army. I think it's very clear in every sense. They had 500,000 people in the Army but only a fraction of those were actually effectively under arms and adequately armed to be a part of the armed forces. I suppose they would, in case of drastic need, have been available to be mobilized and to be supplied and more adequately trained. But I think it was also part of the Turkish Government's approach to have a large number of people in the army because this was a way of providing some sort of sustenance and employment in an economy that was limping and having severe difficulties. So it had

both a quasi-military and strategic side and political side in terms of the maintenance of political stability within the country.

The U.S. role in Turkey was really a very important one. From the days of the Greek-Turkish program in 1947-1950, during the period when Greece was under great stress and Turkey was threatened by the Soviet Union. Historically, over the centuries, Turkey and the Russians were constantly at odds and frequently at war, so this was something the Turks were quite accustomed to and they had this historic sense of enmity toward the Russians. So it suited their purpose to be an ally. We spent a great deal of time negotiating with the Government of Turkey on the size and the requirement for Defense Support assistance. It ran in the range, while I was there in the period 1956-58, of 75 to one hundred million dollars a year. In terms of the size of the Turkish economy at that time with a population of 21 - 23 million people it was a significant amount of money and especially at a time when the Turkish economy was faltering. Supply shortages of every sort were endemic throughout the economy, so our Defense Support input and the purchases that it made possible to keep the economy functioning whether in the area of transport or agriculture or industry, was of really vital importance both economically and militarily. We had a massive program of military assistance going on in Turkey. We had a joint U.S. military assistance team in Turkey with sizeable numbers of people in Ankara and at a dozen or so bases scattered around the country. We had important strategic bases of our own in Turkey. We had missile bases there which were the only means of potentially having a strike capability in the Soviet Union since at that time we lacked long-range missiles.

So this was of really critical strategic importance. That cuts two ways when you are dealing with a country. They knew that they were so important to us that we couldn't afford to let go of them. At the same time we recognized that they were so important to us that we couldn't exert undue leverage on economic and development issues that were not in accord with their views and priorities. So our hands were somewhat tied both because we were clearly addressing the strategic issue and because if our concepts and ideas clashed the Turks were always in a position to insist on what they really wanted to do. If we didn't like to play the game their way, we would be the sufferer as much as they.

*Q: What were some of these issues you were associated with? Your role; let's clarify that.*

KEAN: Well, in terms of my role I went there as Acting Program Officer for a period of about six months. There was not a Program Officer on the scene, and this was my first occasion to be in an overseas setting. So it was a rather unaccustomed role for me. Given the state of the economy and of the agricultural economy in particular, the weather was a critical factor in whether they had enough food, enough grain, particularly wheat. It happened that there were droughts. Anatolia is subject to periodic drought. During that time hence there was a great need for or alleged great need for PL 480 food assistance. This was not exactly new; this had been clear from the earliest days of U.S. assistance in Turkey, beginning in 1948. So we were somewhat geared up with physical facilities at the ports for the importation of grain into the country and the issue was always what was the nature of

the need, when did it become critical, how would we respond to it, how large a program would we undertake, how quickly would we begin shipments as the fall season moved along and began to be able to make some assessment of the crop.

And so I found myself in the midst of a rather difficult complex situation in which we were not only dealing with the Turks on this question but dealing within the Mission where we had a Department of State Economic Counselor who was the Deputy Director of the Mission and an Agricultural Attaché who was largely integrated into the Mission even though he was attached to the Embassy, the Mission Agricultural Officer and then we had a Special Economic Adviser, who played a significant role, and we had a Treasury attaché who was an integral part of the Mission even though he was a representative of the Treasury.

*Q: You are talking about the USAID Mission?*

KEAN: The ICA Mission, called U.S. Operations Mission (USOM). All this under the Marine General who was the Director, and here I am, a first-time Program Officer trying to figure out what my role is and not get my neck too far stuck out, but learning as I went. So I would write a telegram, and try to get it cleared, and this wasn't always so easy after discussions with the Turks and the Ministry of Agriculture and the Ministry of Foreign Affairs (MOFA), which was our primary liaison as far as the Mission was concerned, unlike in other countries where it was usually a Ministry of Planning or the Ministry of Economic Affairs. Not that we didn't have contacts with a Ministry of Economic Affairs; there was not a planning organization as such in Turkey. Turkey was pretty much an unplanned economy; it was an ad hoc system, even if it was dominated by state enterprise as it had been since the time of Ataturk. So we brokered everything out rather than planned it. But because our programs had significant implications for the economy, PL 480, Defense Support and supply arrangements, generally, as well as the programming of counterpart funds (which both of those programs generated) brought us directly into many issues relating to the operation of the economy as a whole, on a macroeconomic level including budgetary, exchange rate and state enterprise management and pricing issues.

The Turks were pursuing a policy of an over-valued lira. That operated to their advantage in some respects but it led to vast distortions in the economy, because it meant that it was (from the point of view of a producer or from the point of view of the government), very cheap to import materials and equipment, in terms of the lira expenditures, i.e., they had to put up a relatively modest number of lira per dollar. We were constantly battling against their over-programming equipment imports as opposed to supplies for maintenance and repair of existing equipment. Now one other force that was operating in this realm was the rather meager capacity to do maintenance, so equipment that was perfectly serviceable wasn't getting serviced both because of lack of capacity to service it and lack of supply of spare parts because it was too cheap to buy a new tractor or a new piece of coal mining equipment or whatever out of the Defense Support program, and shortchange the allocation of maintenance supplies. At the same time, there was distortion in the other sense that they would often design factories to make excessive use of equipment as opposed to labor

because importation of equipment was so cheap in lira terms. They would have a certain amount of budget and it was cheaper to buy cheap dollars to import equipment than to design a plant that was more labor-intensive. So we had that kind of battle all the time.

This changed somewhat in the second year I was in Turkey because the Turks finally got religion on this issue and decided they could not, in fact, support this degree of overvalued exchange. They significantly devalued the lira and the whole situation became rather more sensible in terms of programming external assistance. But at the same time the economy was on such a ragged edge that it was difficult to provide adequate supplies out of the economic assistance we were providing in the form of Defense Support. In view of the vast needs in an economy that wasn't generating nearly enough export earnings, a major issue all along was to find ways to expand exports. Now clearly, the devaluation of the lira was a significant boost in that direction, and was the most critical factor that they could act on to expand exports in terms of macroeconomic policy.

We were supporting them on two major agricultural fronts: (1) expansion of grain production, and (2) increasing their capability to produce and effectively market fruits and nuts which were traditional items for sale in Europe. As the exchange rate became more realistic that became more feasible while, at the same time, expanding agricultural production generally, that is, large scale agricultural production of wheat in the semi-arid Anatolian plateau. We were encouraging them to import fertilizer, expand irrigation, and to get extension going on a better basis. We were also assisting Turkey in the area of primary and secondary education, a pretty sizeable effort in that field involving teacher training and curriculum development and school construction as well as supporting development of democratic trade unions. We were also seeking to strengthen the private sector by supporting the Chamber of Commerce but this was an uphill battle in a country so ideologically devoted to state enterprise.

*Q: Was this before the time when we made a big push on wheat production? Wasn't that in Turkey or elsewhere?*

KEAN: No, the big green revolution push on wheat came later, but we were trying our best but without a specific technology that would have been anything like as effective. I mean we were trying to introduce better seed, yes, and we were trying to produce a better system of getting fertilizer out to the farmers and importing an adequate supply of fertilizer, but there was no green revolution technology available to us to make vast strides in a relatively short time. I think essentially that's a roundup of what I was primarily involved in.

*Q: You were working with the Turkish government yourself?*

KEAN: Yes.

*Q: What kind of rapport did you have or relationships?*

KEAN: I would say generally fairly good. We dealt generally at a middle level in the Ministry of Foreign Affairs, but sometimes with Mehli Esenbel who was the Director General of the Ministry of Foreign Affairs, in other words, the man right under the Minister. A person who reported directly to him was our day-to-day liaison person. We met frequently and had generally good discussions, but we always had the feeling that the Ministry of Foreign Affairs was a bit off-center in terms of the place to be dealing as the primary point of contact with the Government of Turkey whereas economic decisions were being made in the Ministry of Economy, Ministry of Commerce, and Ministry of Finance. With the Ministry of Finance, we had an informal relationship but it was not the formal channel for communication government-to-government. As defined in the bilateral agreement, the Ministry of Foreign Affairs was the contact. The person that we dealt with was having his own troubles in his relationships with the economic ministries. The Ministry of Agriculture also had a significant role. We were also working with the water authority. The man who later became Prime Minister and President of Turkey, Suleyman Demirel, who was head of the DSI, Devlet Su Isleri, the State Water Authority, was a power unto himself. So we had those bureaucratic problems of other major elements of the Government of Turkey that didn't always kowtow to the Ministry of Foreign Affairs with whom we had to carry on our primary liaison.

*Q: Within the Mission structure, you indicated already some complications but there was an ambassador over General Riley, I guess?*

KEAN: Yes.

*Q: And how was the relationship with the Embassy? Or were you more integrated?*

KEAN: Well, we were separate physically from the Embassy but we had all the key economic officers of the Embassy housed with us within the USOM and reporting in a certain sense at least, to the USOM Director, so the Mission Director's staff meeting consisted of agriculture, treasury, and state people as well as ICA people, and at the same time, when the Ambassador held a staff meeting some of those same people trooped off to meet with him. I was not a party to Embassy staff meetings and, from my point of view, most of the time I was there I only infrequently had occasion to meet with the Ambassador. I was only acting Program Officer the first few months I was there, and then we had a Program Officer who was my boss who perhaps had somewhat greater awareness of some of the issues than I might have had or that I remember, but you know, largely these economic issues of allocation of resources, foreign exchange, determination of the kinds of supplies, the direction in which they went, the use of counterpart and the programming of counterpart and foreign exchange rate issues were certainly the grist of our everyday mill along with a massive amount of technical assistance.

Programming and budgeting took up a very sizeable amount of my time even though I was not the guy who did all the routines of that. There were other staff people who were doing those things, but nevertheless they certainly took a part of my time. I was focusing a fair amount of time on broader economic issues, but not with a great deal of capacity to weigh

in too heavily on them. Because of this relationship I was mentioning of being in a country where we were too important to them and they too important to us to be very powerful in influencing these economic, as opposed to geopolitical, issues.

**Return to Washington:  
Officer in Charge of Egypt and Syria (UAR), Sudan**

*Q: Then you came back to Washington for a couple of years, and took on Egypt and Syria. Boy! you take on all these big ones, don't you?*

KEAN: Yes. I got a hint from General Riley a couple of months before I was to return to Washington that that was going to be my fate, and that surprised me a little bit, because I had been to Egypt in 1955 on this familiarization trip in relation to Israel and then just before I learned that I was going to be working on Egypt and other countries, we made a tourist trip from Turkey during the Easter vacation to Egypt and Jordan and Lebanon. So back I went to Washington to take on what was then the UAR, the United Arab Republic which was Syria and Egypt joined in a union, a rather tenuous relationship. Sudan which was then administered as a part of the NESAB Bureau (Near East South Asia Bureau) was also part of my responsibility from 1958 to '60. During this time, I did make one trip to the Sudan and a somewhat incidental stop in Egypt.

*Q: You were still in the Foreign Service?*

KEAN: No, I actually went back into the Civil Service, because my assignment in Turkey was a temporary Foreign Service assignment as a staff officer.

*Q: Then you took on the UAR and the Sudan?*

KEAN: Yes, at the time that I arrived on the scene to work on Egypt we had just reopened the Mission following the break in diplomatic relations and the withdrawal of the assistance program in Egypt at the time of the 1956 Suez war. So we were just beginning and making initial plans to resume programs that had been going on and perhaps most critically to extend PL 480 assistance to Egypt. We had really no program going in Syria. The relationship between the U.S. and Syria had always been quite tenuous so as things began to pick up in relationships with the then UAR, we were really only beginning a program in Egypt and continuing a program in the Sudan which had begun at about the time Sudan became independent in 1956. It's hard to say where the greatest focus of attention was. With a going program in the Sudan and a very activist Mission Director, named Bob Kitchen in the Sudan, the level of communications initially when I came on the scene was certainly more active vis-a-vis Khartoum than with Egypt, but it was also apparent that in terms of the potential importance of the countries Egypt and Syria had the greater demand on our time. With the small staff that we had, we were going to have to focus on Egypt primarily over the long pull.

*Q: What was the scale of our program at that time?*

KEAN: Well, it was next to zero in the summer of 1958. We were feeling our way back into a new relationship with Egypt as anyone knowing the time period would be aware. Not only had the Suez war interrupted our relationship but the Suez war grew out of the U.S. decision not to finance the high dam at Aswan.

*Q: The Suez war grew out of that decision?*

KEAN: Yes, the Suez war was indirectly, at least, in part if not in large part, a result of the western decision, U.K., U.S. and World Bank decision not to finance the high dam because Egypt, in 1955, decided, to a degree, to throw in its lot with the Soviets and in September 1955 sign the Czech arms deal in which they bought massive quantities of Czech and (and to a lesser degree Soviet) military equipment and began to negotiate with the Soviets for the financing and construction of the high dam at Aswan. So the whole western relationship with Egypt (which had been quite active in the period after the 1952 revolution though strained at the same time), had to be rebuilt. The strain, of course, derived from the Cold War as well as the U.S. relationship with Israel. Egypt, as an Arab country, resented the tremendous support that was being extended to Israel. So it was a break of massive proportions in 1956 which was only being slowly healed as we began to try to rebuild a relationship with Egypt for broad geopolitical reasons even though it was fairly clear that Nasser had thrown in his lot to a very substantial degree with the Soviets by entering into the arms deal. Now, the U.S. had had a quite substantial and very broad-based technical assistance program in Egypt from the period 1952-1956.

One of the major undertakings that the U.S. had entered into during that period was to set up a project in 1953 as a binational fund which was unique for the Near East. It was called the Egyptian American Rural Improvement Service, EARIS. That went forward in the planning and early development stages for reclamation of a fairly substantial chunk of land, several hundred fedans or acres in the lower delta next to Alexandria, which was being reclaimed from Lake Mariyut and two smaller pieces of land out in the Fayoum Depression, south and west of Cairo. The model for this administrative structure was borrowed from Latin America. At least nominally, the Ambassador (for the U.S.) and the Egyptian Minister of Agriculture were the co-directors of this joint fund. The work on the reclamation activity, which that program was designed to carry out, had been drastically slowed down but hadn't fully stopped during the period of the Suez war and the following year and a half when the U.S. no longer had a Mission there and for some period didn't have diplomatic representation in Cairo. The first thing that was done was to revive that program and resume the suspended activity for which funds were already in place. This was a fairly easy thing to do. So that was the first activity that was undertaken as assistance resumed.

The Mission was opened with a few key personnel in mid-1958 under the direction of Ross Whitman (who was also Counselor of Embassy for Economic Affairs.) To reactivate EARIS a small staff, which initially included Horace Holmes ("Mr. Point Four" from India) was sent to Cairo. He and Paul Kime and Al Lackey and a secretary were sent as the people to administer the revival of this activity. It was in early 1959 when that group went to Egypt

and opened up this technical assistance activity. The land reclamation part was pretty largely in the hands of the Egyptians and had gone forward during the hiatus. We didn't have technical people there primarily concerned with reclamation. They were mainly focused on planning for the resettlement component of the program, which meant the design of villages, the development of the village facilities and the services that should be provided and working out the concepts that would underlie this resettlement process. The resettlement really means bringing people from other villages in the delta to settle this new land.

*Q: Why were they doing that?*

KEAN: There was steadily growing pressure on, and demand for, land as population increased. The Government was anxious to show that it was meeting that need and the U.S. found it politically desirable to cooperate. A large block of funds was committed to this project in 1953 as the last act in Egypt of the Point Four program before it was consolidated into FOA. Lake Mariyut was one of the best areas for reclamation in the country. It was at the level of the Nile, not up on a bench land, and it was an area that had been flooded. Lake Mariyut was the area that was being drained for reclamation, and somewhat fortuitously it turned out that this was some of the best land around. It had a great deal of calcareous material from the sea bed that had been there before the delta was built up and with a certain amount of leaching to get the salt and alkali out of the land, it turned out that it was very rich. So it was a very fortunate place to undertake this program and it did well in future times as people got onto that land.

*Q: Was this because of overpopulation or did people have to move for other reasons?*

KEAN: Well, the key issue in Egypt, of course, is land. The rapidly growing population already meant too many people per acre to productively employ them in agriculture and there were few alternatives. People were therefore selected from some of the most crowded villages in the delta. Young families were the preferred group for the resettlement. This was the next step.

There's a lot of fiction in the whole notion of the joint fund arrangement. The Egyptians regarded EARIS as their project. They thought of this jointness as strictly window-dressing. As far as they were concerned, we were welcome to come and meddle in their business to the extent of providing technical assistance but the rest of it, the joint jurisdiction was something they never acknowledged de facto, even though they acknowledged it de jure: but "we went through the motions". We occasionally held these formal meetings between the Ambassador and the Minister to ratify something or sign an agreement but the ordinary day-to-day activities were carried on by the Mission Director. As the Mission was opened, the Economic Counselor of the Embassy was made the Mission Director, so you had it integrated at the head between the Embassy and the Mission, and that's the way it existed for quite a long time there all the way through all of my association with Egypt which then ran for nearly eight years.

So we are beginning something which is a major chunk of my career. Except for a period of seven months when I was in Pakistan in 1960 to early '61, I was in some measure associated with and concerned with Egypt either in Washington or in Cairo for the whole period from 1958 to 1966. There were periods when my major attention was focused on other things and I was only partially concerned with Egypt. Nevertheless, during all of that period except for the time in Pakistan I had some reason to be concerned with Egypt. As I said, I visited the Sudan in 1959 for about six weeks and then spent ten days in Egypt and had some opportunity to become acquainted on the ground with the situation in both of those countries. I did not go to Syria at that time because we really didn't have anything going there.

Over the next 16 or so months, while I was working on Egypt in Washington, we continued to gradually expand the program. A presentation was made in Washington late in 1958 about a set of things we might undertake to do in Egypt. That was included in the Congressional Presentation for the 1960 fiscal year and so with the beginning of fiscal 1960 we began to expand and increase our involvement. This was a response to the gradually thawing political relations between the countries and a deliberate effort to try to expand our relationships with Egypt. This was a counterbalance to the expanding Soviet involvement there. With the beginning of construction of the high dam in 1958 the Soviet presence became very significant. Throughout my whole time of involvement we were in a sort of head-to-head struggle against the Russian penetration of Egypt. It wasn't as direct as I've seen it in other countries (e.g. Afghanistan) but it was still intense. Clearly the U.S. and the Soviet Union were striving for influence there and so our involvement reflected that.

Our activities in the first year or two included EARIS and a few other activities but mainly the beginning of a program in the western desert to explore the feasibility of large-scale development of deep wells in the oases of the western desert (Karga, Dahkla and Farafara). From ancient times these oases had been a site of civilization. There is evidence that at one point there were as many as a million people living out there. They depended on shallow wells, but President Nasser had the conviction that there was a potential for large scale development again using deep-well water. So we sent a USGS team out there to drill test wells to determine the feasibility of development along those lines. That program went on for several years, and later when I was living in Egypt we continued to be deeply involved in that program. It proved to be not such a potential bonanza, although there was a lot of fossil water there which had been deposited geologically eons ago and under artesian pressure. Once the wells were punched, the water would begin spouting fifty feet into the air, but within a year or so the level of pressure declined. Then you would have to sink a slotted tube in the ground and install a pump to continue to draw water. Obviously there was a very slow rate of recharge and you would end up with an inverted cone of the water table in this geological formation where the inflow to the point of the well was relatively slow. You had only a limited supply of water that would not last indefinitely into the future. If pumped at a high rate, you would pretty soon exhaust the supply. Hence, it wasn't going to be a place to settle large numbers of people. That would have been great news for Egypt to have a place to resettle its growing population that was doubling every 23 years and rapidly outrunning the resources of the Nile River and the Nile Valley.

We also put in place a more general agricultural program which aimed to support the Ministry of Agriculture in providing improved research and extension systems. This was not a new activity. There had been similar programs before the 1956 expulsion of the Mission, but I think it's fair to say that the Egyptians were somewhat reluctant participants in this program. They weren't really ready to acknowledge that foreigners had a lot to teach them. They felt that they already had a high-yielding agricultural system. It was a system that had evolved over a period of many decades. They knew how to run it, it was highly dependent on the irrigation system and the system of crop rotation which had also evolved over many decades.

We did send people abroad for training and that had its political as well as its development dimension in terms of having an ever-larger pool of people in that country who had western connections. From the time of the Napoleonic invasion of Egypt on through the 19th century and then with the British and to some extent with French and Germans there was a lot of western orientation and western culture and western ties in Egypt, but they had an ambivalent feeling: "Yes, we are sort of western, but we are not really western; we're really Arabs, Muslims, middle Easterners; we're really people who have our own culture and our own future and we are not sure we want to be associated with these people who are too close to Israel anyway." That was basically the nature of the attitude that existed and formed the tenuous basis of our relationship.

#### **Assignment in Egypt-1961-1964**

After a few months in Pakistan I was transferred to an assignment as Program Officer in Cairo early in 1961 which continued until late 1964. This was a period of testing between the U.S. and the Soviet Union. The new Kennedy Administration that came into power early in 1961 just at the time that I went to Egypt was pretty determined to make a major drive to wean Nasser away from excessive dependence on the Soviet Union. Hence, we began a pretty massive buildup and, in the first two years I was in Egypt, we committed some 350 million dollars there including loans and grants and PL 480 assistance.

It's well to remember that Egypt's population was rising at three percent a year, doubling every 23 years, that there is only a limited amount of land in the Nile Valley, that this continuing buildup of population means that villages and the towns and the cities keep growing and keep occupying more and more of the alluvial land in the Nile Valley which is the optimal land for agricultural production. This drove Nasser to demand, to press on every front for reclamation. This went on throughout the '60s, and even beyond Nasser's time, and continued to be a focus of attention in the '70s and '80s. But the solution to that problem was not all that easy.

First of all, there was need to assess the quality of the land that was available for reclamation. As the population expanded, cities, towns and villages grew and occupied more and more of the area of alluvial soils in the Nile Valley that were most easily irrigated. Good land became scarcer and scarcer. Fewer and fewer acres were actually available. The

high dam was itself thought of as a major answer to this, of course, and in preparation for that, the Nile waters agreement had been worked out between Egypt, on the one hand, and Sudan, on the other. (Nobody gave any particular thought to Ethiopia as the source of the Blue Nile. They were just essentially ignored as was Uganda as the source of the White Nile.)

Before the high dam construction was more than barely begun, an agreement was made which allocated fifty one billion cubic meters per year to Egypt out of the eighty four billion per year that is the average flow of the Nile measured at Aswan. The thought was that the construction of the high dam would provide an adequate supply of water to irrigate all of the acreage downstream and provide for the conversion of the last 700,000 acres in upper Egypt from the old style basin irrigation where you flood the land, impound the water, let it sit for a time, let it drain off, plant your crop and get one crop a year only. Instead, with conversion to full water command through canals, a complete cycle of crops could be obtained on those 700,000 acres. In addition, on much of the other land downstream, especially in the delta, the dam would provide an adequate amount of water so that they could follow an optimal crop rotation and have enough water to produce not only the traditional crops of clover and corn and wheat and cotton, (cotton being very important) but also increase the production of rice which was a high value export crop.

During the period after the high dam construction was well underway (from 1961 to 1963) the FAO carried out a major study of available sites for reclamation. To the great consternation of the Egyptians, it determined that there was only a small fraction of the land that could be classified as class one. Most of the lands that they thought of as sites for reclamation were class two or class three, and by the time you get down to class three and all the subclasses under it, you are dealing with pretty lousy economics and technology and water regime environment. So it was really a big blow to the fundamental strategy of the high dam and to the future of the economy of Egypt. In other words, the high dam did not hold the potential for nearly as much expansion as it had first seemed in terms of reclaiming land for resettlement and agriculture. The construction of the high dam went forward throughout the period up to 1964 which almost exactly coincided with my departure from Egypt. Nineteen sixty four was the last time the Nile flooded.

After that you begin to have the closure of the valley and the diversion of the Nile through the penstocks so that all water used for irrigation downstream was used to generate power. The high dam was designed with twelve generators to produce ten billion kilowatt hours per year of electricity. It turned out that that was an over projection. They could really only sustain ten generators instead of twelve. Nevertheless, that represented a vast amount of power that was available to Egypt for household, commercial and industrial development. That was the other side of the dam that was supposed to be the great bonanza to solve Egypt's burgeoning economic problems. Given the Soviet input to the high dam and the importance that was attached to the high dam by the Government of Egypt, we undertook to build a grid for electricity distribution throughout the Nile delta. The Russians built the transmission line from the high dam to Cairo, a 700 KVA line which was about as high a tension long distance transmission line as had been built anywhere up to that time, and they

were going to build it without a ground wire and successfully did that, so that they used the earth itself as the ground for the circuit. That was something of a technical triumph for the Russians, but the amount of power that was going to be available from the high dam and was all going to come on line in a big rush once the generators were turned on meant that the Government of Egypt was confronted with a really serious problem of how to make effective use of that power.

They set about to find a use for it. Interestingly, rather like Ghana, they decided to use some low grade aluminum ore (not as high a grade as bauxite) in middle Egypt. So they built a massive smelter there that used about half the power from the high dam. It may or may not have been a wise decision, but it was their decision and they went ahead with that. Even so, it was the general consensus that there was still going to be so much power available that it was going to be a very difficult problem.

*Q: Were we involved in that smelter operation?*

KEAN: No, the U.S. was not involved. That was a purely Egyptian undertaking. I'm not sure where they got the financing for it, but it was part of the big picture strategic issues that we were dealing with. But in a sense, we were undergirding a lot of stuff in Egypt indirectly through this massive input of PL 480. That meant that they didn't have to spend foreign exchange to buy critically needed food. So they had funding available for other things and in this sense we were underwriting a large block of what was going on in the economy. Yet we had very little influence.

To get a picture of what was going on in the economy of that country, was extremely difficult. When it came to writing the usual kind of program submission to get the kind of data you would like to have was impossible in one sense or like pulling teeth and exasperating in another sense.

*Q: Do you think the Egyptians were really aware of what was happening?*

KEAN: The Egyptians were aware of what was happening in the sense that they were happy to have the input that we were making and delighted to be freed up to make some decisions they would have been hard pressed to make otherwise, but they didn't want meddling in their decisions at all nor even our knowing what they were doing. It ultimately became apparent that they were putting the economy on a war footing in preparation for the 1967 war which turned out to be a disaster for Egypt.

Now it's important also to keep in mind that this was the period when Egypt moved from a kind of modest socialist approach under Nasser, from what was called in the late '50s Arab Socialism (the Democratic Cooperative Socialist Society), where the private sector of the economy was still significant to a very much more statist and centrally controlled approach. Up to 1961, the private sector was rapacious, no question about that. It wasn't a great and wonderful private sector. It was a pretty rough-hewn sort of gang of thieves that ran the private industrial and commercial sectors of Egypt. Nevertheless, it was private and it was functioning in a sort of way. The Government moved in and took it over in the fall of 1961.

They also began the process of massive land reform. (There had been some modest attempts at land reform before that.) The land reform said that no landowner could own more than 100 fedans. Well, I guess there was a series of reductions, 200 fedans, 100 fedans, 40 fedans, and they kept squeezing down these larger landowners progressively, and then redistributing this land to farmers in 2 to 5 fedan plots. Not very many people got 5 fedans because 5 fedans was a lot of land in a year-round irrigated cycle. You can theoretically turn out a lot of agricultural produce. So this was a really massively changing and turbulent society and a disrupted economy, and a period of great resentment and tension. The U.S. wasn't sure it was happy with all of this action.

I saw certain things about it that seemed to me to be good in the sense that yes, you would get a lot more farmers owning land and they would have an opportunity to develop it, really feel it was their own, and give it their best and not have to be tenant farmers to the extent that had been typical of the situation before. At the same time, it was a pretty messy, brutal business. The government massively intervened everywhere. Prices were administered and distortions to normal incentives caused serious problems. Critical inputs to farm and factory were poorly allocated. It was a rather badly-run, centrally directed system.

Nasser was seeking during this period to be the real leader of the Arab world and resisting blandishments from the West in every sense. So we were trying to make water run uphill by trying to get better and closer relations and at the same time trying to supplant the Russians. You had the Israel-Arab tensions. We were still massively supporting Iran, and the Arabs and the Iranians were at odds. By 1958, Iraq had broken away from the Baghdad Pact and threw in its lot with the more radical Arabs. The tension that was particular between Iraq and Iran was reflected in Egypt which was trying to become the leader of the Arab world and seeking favor with the Iraqis. All of these tensions both internal and external made for a really rough go. Egypt invaded Yemen in 1962 and this added to the tensions.

In early 1961 you had the assassination of Lumumba. Nasser chose to make this a cause celebre. He blamed it on the Belgians, ran the Belgians out, burned their Embassy and just about murdered the Ambassador. It was a tense time in our relations. When you have all of these different tensions going on in terms of economic policy and international relations, it made for a very difficult environment to try to do what we were supposedly there to do—to do development and to make friends with these nice fellows. Well, I can tell you, on the personal level, it wasn't altogether a picnic during the first year or so we were there because the tensions were running very high. It came down to the personal level with ordinary Egyptians quite often.

*Q: Let's continue on after your time with programs in Egypt. What was the next phase in your career?*

### **Development programs in Jordan**

KEAN: After returning from Egypt and spending a year with the majority of my time focused on Egypt, in the summer of '65, I was asked to turn my principal attention to Jordan

and did so then from the summer of '65 to the summer of '66, but not entirely leaving Egypt behind. The interesting thing, perhaps, about my relationship to Jordan was that I was the desk officer for that country but the Assistant Administrator, Bill Macomber, had just recently returned from being the Ambassador to Jordan and hence definitely felt that he knew all about Jordan, so it was an interesting position to be in, to work on the country but have him sitting nearby.

*Q: Was there something specific that he was trying to promote or do?*

KEAN: He was, of course, as Ambassador deeply concerned with Arab-Israel relationships, and I'm sure that continued to be a considerable focus of his interest. At the same time he was not disinterested in all of the more specific developmentally-related activities that we were carrying on in Jordan at that time. And remember that this is a couple of years before the Six Day War in 1967 so that Jordan at that time included all of the territory on the West Bank, including East Jerusalem. As a result, it was a rather different situation than prevailed after the 1967 War. In fact, Jordan was a country which was doing remarkably well; it was achieving a growth rate in the mid-'60s, which was I think pretty enviable among developing countries, of about 5 percent a year. This rather remarkable growth rate rested substantially on tourism. That was a very important element in the total economy, but an increasing element. The one to which we gave considerable attention was the development of export potential for fruits and vegetables, especially for marketing in the wealthy Arab countries of the Persian Gulf.

Now we were not only supporting the Government of Jordan for promoting tourism but also in the development of tourism sites, and we had teams there working on various kinds of sites, both antiquities which were architectural monuments and on parks and other sites, but particularly focusing on bringing more tourists to Qumran, the site of the discovery of the Dead Sea Scrolls; that was certainly an emerging draw that the Jordanians felt could be an important potential for the future and thought that tourism could continue to be a major source of growth.

But as I had mentioned earlier in the discussion of Israel, the matter of water resources was also of critical importance both on the East Bank and on the West Bank. On the East Bank the most important features to which we gave attention were storage dams in the wadis that flowed into the Jordan Valley from the hills of Moab on the East Bank of the Jordan and the effective use of the water that was being allocated to Jordan under the somewhat informal arrangements between Jordan and Israel where we had supported the development of a diversion works in the lower reaches of the Yarmuk River and a tunnel and canal along the East Bank known as the East Ghor project. This provided a considerable boost to the capacity of Jordanian farmers to raise products for sale abroad. It was a key feature of enabling the country to expand that kind of production and export. Combined with that we were promoting and supporting the development of cooperative organizations among farmers using that irrigation water from the East Ghor canal. The wadi projects were intended also to provide a limited but still critical supply of water in the dry season so that small agricultural plots could be used in those otherwise very dry wadis where little could

be raised unless there was a supplemental supply of water where water was stored in the winter during the rains and then released for use during the dry season or at least part of it because you couldn't be sure that you would always have enough water for a full irrigation program throughout the dry season. In addition to these things we were working on a variety of programs, including roads, phosphate production, development of the port of Aqaba, public administration programs to improve the Jordanian overall administration but particularly in finance, and a fair amount of support for agriculture extension and research, for educational development and a limited amount of health and population activity.

In October 1965, I had the opportunity to visit Jordan, not for the first time but for the first time while working with my attention focused primarily on Jordan. I went to the region for the purpose of developing an outline of a project with the Government of Egypt, but did visit both countries. The occasion for going to Egypt was a little bit paradoxical. When I had been there in the last year of my residence in Egypt I had developed a notion of supporting somewhat decentralized activity and development work at the Governate province level. When I returned, Bill Macomber (who was Assistant Administrator and therefore concerned not only with Jordan but Egypt as well) had been rather unsupportive of that activity, but somehow as things developed over the next year he came around to supporting it. So he sent me back to Egypt to carry out the discussions with various officials in the Government both in Cairo and at some of the provincial headquarters. So that was the occasion for going to that region.

With respect to Jordan, among the other things that we worked on was the rehabilitation and improvement of the airport at Jerusalem. During the first months of my work on Jordan I had become quite familiar with the whole situation at Jerusalem as far as the airport is concerned. I flew in an aging DC-6 of Air Jordan which landed at the Jerusalem airport en route to Amman. I was pleased to have the experience of landing there because of the close involvement of USAID in its modernization. It was all the more interesting because for the take-off from Jerusalem I was allowed to go sit in the jumpseat behind the pilot and noticed that runway was not a completely level. It passed through a valley, and indeed a road crossed the runway and had to be closed down each time an aircraft took off. In addition, because the runway was so close to the border between Israel and Jordan, each plane that would take off into the prevailing westerly winds would actually pass over Israeli territory. So long before the peace settlement of 1994 occasionally Jordanian aircraft did fly over Israeli Jerusalem, and I had that experience.

*Q: Was that the airport that we were working on?*

KEAN: Yes, that is the airport whose rehabilitation and improvements we were supporting because it was considered to be critical to the development of tourism for Jordan, as I have mentioned. And it could have been a strategic facility for that expansion, if Jordan had continued to control the West Bank instead of losing it to Israel at the time of '67 War.

*Q: What happened to the airport later?*

KEAN: I think it became of relatively little significance so far as Israel is concerned once Israel invaded and took control of the West Bank because it wasn't a particularly well-suited location. It probably is used but certainly not for international flights. It was, of course, a very convenient airport for some purposes for the Israelis, since it's very close to Jerusalem and much closer than Lod which is down near Tel Aviv.

*Q: Do you have much sense of working with the Jordanian people?*

KEAN: Yes, it was impressive to work with the Jordanians of whom, of course, many in positions of considerable responsibility were people from Jerusalem and other towns and areas on the West Bank. These Palestinians (as opposed to the typical Bedouins who are inhabitants of the Eastern side of Jordan, the Transjordan region), were people who historically had been rather well-educated. They had held positions of considerable responsibility in earlier times, were active business people, and many of the families were quite well-to-do. It was, therefore, I think an impressive experience to work with those Jordanians who, although they were officials of a somewhat poor country, were themselves quite sophisticated folks. That is not to say they had all the experience factors that they might need to administer a modern government. At that time in the '60s, the country as a truly independent entity was still relatively new. Even though under the mandate in the days of Transjordan before 1948, they had had a considerable amount of responsibility under the Mandate government, but not the ultimate responsibility for the development of strategies and administration systems.

*Q: Were any of these people in training under the USAID program?*

KEAN: Oh, yes. The aid program in Jordan began in the early '50s so by the time I was directly involved, many of them were people who had been abroad for training under U.S. programs, including some of the most senior people such as ministers. Subsequently, a prime minister (but not at the time I was there) was a former U.S. A.I.D. participant. That was, I think, as in many countries a really significant part of bringing the country to the point of being ready to carry on a full-scale modern operation. I think it's worthwhile to mention that this very rapid growth rate that I mentioned at the beginning of the discussion of Jordan, is something that held out great promise and it is quite disappointing to think of Jordan having had to struggle so hard because it lost the considerable advantages that holding the West Bank provided. It certainly doesn't look like Jordan will any time in the foreseeable future be a part of or have any control in the West Bank since the Palestinians seem destined to have self-rule and perhaps ultimately, independence but probably not be a part of Jordan.

*Q: The advantages are what, mainly agricultural and water?*

KEAN: No, I think the main advantage for Jordan was the tourism advantage. Once Jerusalem and the West Bank were sheared away from Jordan, Jordan was a much less significant attraction for international tourists. All of the most significant things that they used as attractions for tourism, lay on the West Bank with a few exceptions. Even though

the city of Amman, the former Philadelphia of the Decapolis was an interesting place, it was not really, in and of itself, a primary tourism attraction. Those things that lay on the West Bank were indeed wonderful and could be supplemented not insignificantly by the things that were on the East Bank, but given the limited features that were there, they did not provide the very substantial draw.

*Q: Any other dimension of the Jordan experience?*

KEAN: I think those are the main things that we were focusing on, and I just say that it was a satisfying experience because at that time the Jordanian Government was quite seriously and reasonably successfully working on development issues of all kinds both in terms of their technical advancement and in terms of broader economic policies and were pursuing quite rational and quite successful programs.

*Q: And in terms of USAID's policy towards Jordan, and the State Department policy?*

KEAN: I think we had a good relationship. Of course, the whole thing was troubled by the rather massive problem of the refugees in the UNRRA-supported refugee camps of which most were on the West Bank. This was a somewhat heavy drag, both psychologically, politically and economically on the whole situation with half a million or so people relatively unproductively-situated, insisting on staying where they were for reasons of history and their connection with the land which they felt they had been pushed off of, and they wanted to remain refugees in order to continue to be able to assert their claim to land that was now in Israel.

*Q: Were we involved in supporting these refugees?*

KEAN: Well, of course, we were contributors to UNRRA, but once we had released the funds, we were not very directly involved in the actual administration of the refugee camps. Sometimes this contribution was even referred to as "conscience money" in the sense that some people felt that we had so strongly favored Israel at the time of the creation of Israel that paying the money through the UN to help support the refugee camps was a kind of political payoff. That is somewhat unsavory, perhaps, if you look at it that way, but nevertheless, it was a U.S. contribution to the maintenance of a very low standard of living for those people in the refugee camps. All in all, of course, whether you are working on one side or the other of the Arab/Israel struggle, that's a predominant theme, and you can never get away from that focus of attention and that question of how the two parties were to get along.

### **U.S. assistance to Afghanistan: on the frontlines of the cold war**

Now in the spring of 1966 after returning from that trip to Egypt and Jordan, I was asked by Bill Macomber to get ready to go to Afghanistan. Afghanistan was perhaps the one country in the NESAB bureau I was least interested in going to. Even so, when the time came, it seemed like something I couldn't turn down. So leaving my family to organize their

departure after the kids were out of school, I left Washington in early May 1966 for Kabul. I had the interesting experience of making a 24-hour stop in West Berlin on the way.

So then I found myself in Kabul and like so many other transitions in my career, at least in USAID and its predecessors, it was pretty abrupt. As I had said of my assumption of responsibility with respect to Israel, there was a very brief time to get acquainted with what was going on in that far-off, very different land. Nevertheless, as I approached the airport in Kabul and looked down from the plane at the nature of the terrain and the situation so far as one could assess it from that vantage point, my trepidations largely disappeared, and I said to myself, this is my kind of country. So I at least landed with a renewed sense of interest.

*Q: What do you mean by my kind of country?*

KEAN: That is to say, I have always, notwithstanding having grown up on the flattest and most treeless of prairies, had a strong yen for and pleasure in mountainous country, and since nothing is more characteristic of Afghanistan than mountains, it certainly was pleasing to see that that's the way it was. So I enjoyed every minute in Afghanistan even if there were things about it that were less than perfect.

Getting acquainted with what was going on in Afghanistan was a gargantuan task. It was the largest Mission in the world at that time other than Vietnam. We had approximately 200 working advisors, technicians and staff in the country counting both contractors and direct-hire USAID employees. We were engaged in the widest range of activities you could possibly imagine, everything from emergency shipments of wheat to head off a potential famine when droughts occurred to building major road links, establishing schools and other facilities, airports, airway communications and navigational facilities, building the airline of Afghanistan with the support through a Pan American team, an FAA team, a USGS group working on irrigation, people from the USDA working on agriculture, numerous university contracts working on elementary and secondary education and university development, on coal mining, etc. We were working head to head against the Russians who were there en masse as well. We were often competing in precisely the same field, sometimes unfortunately duplicating one another with the full knowledge and connivance of the Government of Afghanistan which was perfectly willing to take aid from both sides in this country that was as much as any in the forefront of the Cold War struggle.

*Q: Was the U.S. the major donor?*

KEAN: We were certainly on the western side the major donor but not the only one, there were other countries providing assistance including the U.K. and Germany, in particular, but our program was far and away the biggest bilateral program, but with a fair amount of UN assistance as well.

*Q: What was the driving force for having such a big program in such an isolated area?*

KEAN: Well, it would be recalled that in 1953 the Government of Afghanistan made a pitch to the Eisenhower Administration for security guarantees similar to those extended to Pakistan. Notwithstanding Dulles' determination to forge a strong bulwark against the Soviet Union along its southern border which we called the Northern Tier (the Baghdad Pact was at that time set up including Turkey, Iran, Iraq and Pakistan), the Afghans were told that they were not going to be a part of that, that we preferred not to try to defend Afghanistan in a military sense but that we would support them in the effort to maintain their independence against the pressures and blandishments that Soviets might make, but that we would not guarantee their defense. So what we were, in fact, doing was mounting a really major economic and technical assistance program in a comparatively small poor country, one of the least developed and poorest in Asia. It was right there on the forefront with the Amu Darya River representing the border between Afghanistan and the Soviet Union.

But in this struggle it's very clear, at least in retrospect, that in every sense the Russians could mount programs which in a variety of ways would be able to beat us. The logistics of working in Afghanistan for the U.S. were absolutely horrendous. You had a thousand mile overland connection to get into the country via the port of Karachi in Pakistan. There were no railroads in Afghanistan so even though goods could come over the thousand miles from Karachi up to the Afghan border by rail, they would then have to be transhipped by truck. That long trek was both time-consuming and expensive. Otherwise, the only route into the country for things that were flyable would be via Beirut and airlift from Beirut into Kabul or Kandahar. So comparing that to the Russian's logistic situation, they were at great advantage relative to ours. But they had the additional advantage of having a people of the Soviet republics bordering Afghanistan who had the same culture. There were many people in Afghanistan who were either long-time residents or relatively more recent refugees from those republics who had come to Afghanistan during Soviet times. So the Soviets had the advantage over us of being able to send people into Afghanistan for technical assistance purposes who were much more easily adapted to that cultural environment and to the linguistic problem of communicating with the Afghans. We had hardly anyone in the country who was really well versed in the culture. We began to realize about the time I was there that the cultural, anthropological and sociological aspects of what we were trying to do were quite as important as the technical and economic aspects, but we were still not geared up in that sense. And even though there were a few American sociology/anthropology specialists in the country we did not draw heavily on them because they preferred to maintain their independence as individuals.

This very wide-ranging program meant that for a person in the position that I was in as Assistant Director for Development Planning, in effect, the Program Officer, I had a tremendous range of things to try to become acquainted with, try to understand in their specifics with respect to both the programming aspects and the operational aspects on the ground. Although that was challenging and sometimes frustrating, it was also extremely interesting. To travel in that country with its wonderful variety of scenery and tremendous history and cultural attractions, made it an ever more interesting time on each trip. There

was just no way you could possibly learn everything that you would like to learn but at least you had some terrific opportunities.

One of the most important projects that we were carrying on was the continued development of the Helmand Valley. That was a project which had begun before World War II with some Japanese support, interestingly, and then some German assistance. The Germans were finally kicked out of Afghanistan under British pressure during the first year or two of World War II, and the project largely was abandoned for the rest of the war period, there being no resources available and in Afghanistan's isolated situation no way for them to get the necessary resources to carry the project forward. But they were very determined to make the Helmand Valley a center of modernized agricultural production and a source of electric power for that region of the country.

As a result, in the first days after World War II the Afghan Government independently began again to try to put new development activities in place in that area of southwestern Afghanistan in the general region of Kandahar. That's about 300 miles southwest of Kabul, and at that time there was nothing but a very, very crude track between Kabul and Kandahar, so it was a terribly long distance to travel and a great inconvenience. There was no airport of any consequence at Kandahar. As they went forward, the Government soon realized that they were running out of resources. They went to the U.S. Export-Import Bank which extended credit to the Government of Afghanistan in the period 1948-1951 and they began development of diversion works in the Helmand and the Argandab Rivers, built canals and began to construct the Kajikai hydroelectric and irrigation dam on the upper reaches of the Helmand. On the Argandab River closer to Kandahar there was a strong tradition of production of fruits and nuts which were a major element of Afghanistan's foreign exchange earning capacity. Extensive cropping of wheat, in particular, was going to be important in the area to the north and west of Kandahar along the Helmand Valley.

There were still insufficient resources available with EX-IM financing so when the Point 4 program was initiated, the Government of Afghanistan turned to the U.S. Government and sought technical and economic assistance for the Helmand Valley program to expand it beyond what had been carried out up until that time. So beginning in 1951 the U.S. Government through the Technical Cooperation Administration (the Point 4 program) became directly involved in that major undertaking. It was still going strong in 1966 when I arrived on the scene. By that time the Kajikai Dam had been built, a series of diversion works had been constructed on the Helmand River below the Kajikai Dam and several canals had been constructed running away from the river at the point of those diversion works that were constructed. A fair amount of hydroelectric capacity had been installed at the dam and distribution systems were in place. But serious problems persisted. These were technical, economic or fiscal, para-sociological and even political.

The technical problems associated with the program had to do with both the irrigation and drainage system and with the arrangements for moving people off of the land for purposes of straightening out the rather messy irrigation and water distribution systems and particularly the drainage systems. People had seen what the Government of Afghanistan

had done in one five-square-mile plot (the Shamalon) where they moved people off the land telling them that they would be resettled after the irrigation system had been modernized but then the people were never allowed to go back. That area remained a state farm, more or less an experimental farm. So as we sought to modernize and rectify the messy system that had been put in place, there was extremely strong resistance among the farmers in that whole area to any such removal and the projected resettlement arrangement.

On the technical side also the electric distribution system that had been installed was in bad shape and was being under maintained. The same could be said of the canals, the roads, and virtually everything about the program. The organization on the Afghan side was established substantially on the model of the Tennessee Valley Authority. The Helmand Valley Authority was essentially a government within a government. The Governor of the Helmand Province was also the Director of the Helmand Valley Authority and as such he had a great deal of autonomy. Sometimes there were very heavy struggles between the ministries in Kabul and the Helmand Valley Authority. Paralleling that there were sometimes struggles between the USAID Mission in Kabul and its counterpart organization on the scene in Helmand where we had an Assistant Director who came to have such a powerful position that sometimes we even joked that we had to get a visa to visit the Helmand Valley.

Now this particular program deserves the attention I think I am giving it because it was absorbing perhaps 25 percent of the total resources we were putting in the country. These included not only people working on the electricity system and on the administration, health and education systems both in terms of planning and execution, but also a big U.S. Bureau of Reclamation group.

The Bureau of Reclamation was working hand in glove with the people of the Helmand Valley Authority (HVA) and we were engaged in planning for what had been hoped to be a big modernization of the irrigation system. The problem was that the principal feeder canal for the whole project had been built on the natural levee of the Helmand River which parallels it and lies along the bank of the river, It was convenient in the sense that the canal was above the surrounding land to be irrigated; hence the water could be sent out through distributaries by gravity, but having been built along this embankment it meant that there was no very satisfactory way to get good drainage. Hence the land was becoming waterlogged.

Some attempts had been made by constructing inverted siphons to get water back to the river but the disadvantage here was that the distribution system for water for irrigation flowed through the old *jouies*, that is, small distributary channels which wandered indiscriminately across the landscape. No particular plan had been made for those. They simply used the distributaries that were there from time immemorial which had been earlier fed by small diversion works in the river that were constructed more or less annually as they were cleaned out every year by the floods. This worked okay as long as waterlogging, salinity and alkalinity build-up were not acute problems, but by the mid-'60s it was apparent that that was a problem. However, as I mentioned earlier the efforts to develop a

plan and to move the farmers off were being resisted very strongly by the farmers because they had seen that the Government of Afghanistan was not necessarily prepared to live up to its promises.

Well, without going into a lot more detail, it is sufficient to say, perhaps that this was a major focus of the attention of the whole central part of the Mission as well as the contingent of direct-hire and contract people who were in the Helmand Valley.

*Q: Was the Helmand Valley significant in the political make-up of our assistance? It seems to me there were larger objectives in Afghanistan.*

KEAN: Well, as perhaps is reasonably clear from the brief history that I recited, the development of the Helmand Valley so far as the Government of Afghanistan was concerned was the touchstone of their approach to modernization. They thought of this as the primary evidence that their country was forging ahead into some kind of a new era. Now I have to qualify that a little bit because I'm not sure that the Government of Afghanistan was altogether dedicated to development. Their primary concern was the preservation of the independence of Afghanistan and trying to make the writ of that government run throughout the country, but that was an uphill battle. The country has traditionally been one in which the central government had a very weak kind of authority throughout the provinces. There were local sources of power and control which were partly vested in ethnic groups that were more or less different from the central authority group and who wanted to retain their independence of the central government. So it was not an easily-governed country, and that is reflected in this struggle between the Helmand Valley Authority and the central government.

The same thing could be said about most any of the provincial governors. In any thing that they were proposing to do, whether it was settling of local squabbles or carrying out a local development project, they wanted control at the local level and the government was striving and struggling to assert its authority, not always successfully. At the same time the Government of Afghanistan was well aware that it was engaged in an extremely important battle over whether they were to be inundated by the Soviet Union. The time that I was there I would say was the absolutely optimal time in terms of political stability and evident effort genuinely to try to introduce a democratic system with a parliament. Well it wasn't entirely a modern parliament. It was more in the tradition of the Jirgha or the grand assembly that was the traditional form of communication and consultation with local authorities by the royal government. But the Prime Minister who was responsible at the time was more of a modern man I think than any other administrator of the government that had been in power since World War II and any that were subsequently in control.

*Q: His name was?*

KEAN: His name is Mywandwal. He was a person with somewhat westernized outlook, spoke English well, had assembled a group of ministers who I think were reasonably competent and educated. So it was a golden era in the U.S. relations.

*Q: Did you meet him?*

KEAN: Yes, he was a quite easily-met person and we saw him on social occasions, and even had occasion once to sit down across the table from him at a lunch, a very informal lunch at the construction site for the building of the Kabul/Kandahar road which was just in its final stages of construction when I got there. I was certainly impressed and others who met with him were impressed with his sincerity and his willingness to try to find ways to move Afghanistan forward.

I wouldn't want to wax too eloquent about the dedication to development with respect to all of the senior authorities within the Government of Afghanistan. I think some of them were jockeying for position and power more perhaps than playing on the team. We met frequently with the senior people in the Ministry of Planning and Ministry of Finance. We had an advisory team from Robert Nathan Associates in the Ministry of Planning. The Russians had a team there, too. We had a group from the Public Administration Service working on administration and finance (as they had for many years) inside the Ministry of Finance trying to evolve better sources of local finance.

One of the most acute problems that the government had was the mobilization of sufficient local resources to serve as funding for the local side of internationally and especially U.S.-funded programs. We were constantly confronted with the fact that even though we had money to spend there were inadequate resources to finance supplies, equipment that was locally procured or personnel to carry on projects that we were funding. And we, of course, had so many and such a wide-ranging set of fields that we met this at every turn. It was, therefore, both a programmatic problem and a fiscal policy problem in trying to find a way to further the modernization of the government and the economy. I don't think the problem was ever resolved.

I happened to be a part of an evaluation team for USAID more than twenty years after the end of my tour in Afghanistan. We had to conclude that among the problems that confronted us and confronted the Government of Afghanistan was their inability to find a tax-base that they could effectively administer and mobilize resources to support the development effort. So on that score many things floundered or at least were drastically delayed.

Notwithstanding that, the physical accomplishments which the U.S. program was then carrying out and which were successfully completed are really remarkable.

Notwithstanding the logistic difficulties that I mentioned and all of these fiscal and administrative problems that working in an extremely backward environment had to overcome, the U.S. completed links to Pakistan on two legs of the transportation network, one from Kabul through Jalalabad and the Khyber Pass to Peshawar and the other from Kandahar to the border on the way to Quetta in Baluchistan. At the same time and while I was there the road link between Kabul and Kandahar was completed, providing an all-weather two-lane modern highway that resulted in being able to travel that 300-mile stretch in about 7 hours and made a tremendous difference in the ability to link Kabul to the

region around Kandahar which was as I mentioned a major focus of Afghan government attention in Kandahar itself and in the Helmand Valley around Lashkargah or Bost.

*Q: Did these roads have a strategic military objective because they were linking with the south?*

KEAN: Well, yes in a way. I think, however, it has to be said again, the U.S. had no intention of engaging in the defense militarily of Afghanistan. We had made it very clear in the early '50s that that was not something we were going to be prepared to do. At the same time to assist the Government of Afghanistan to be independent and to preserve its independence, these links to Pakistan as a bulwark of Western power in the region was of great significance and linking Kabul and Kandahar was of great significance. While I was in Afghanistan we began the construction of the road from Herat in the northwestern corner of Afghanistan to the Iranian border as a further link to countries other than the Soviet Union so that it would reorient Afghanistan's activities and its trade and its political links with countries other than the Soviet Union.

However, it has to be mentioned that the Soviet Union was engaged in its own program. It built a road from the border crossing at the Amu Darya through Herat and down to Kandahar along the western side of the country, an 8-inch-thick concrete road which obviously was not built just to carry light trucks. And on the eastern side of the country they built a road from the Russian border at the Amu Darya through Mazar-e Sharif over the Hindu Kush in the Salang Pass through a 2-mile-long system of tunnels and sheds at the 11,000 ft level in the Hindu Kush mountains where there is perpetual snow and down to Kabul. So that too was a strategic link. So far as the Soviets were concerned, it was their way into the country, and as we all saw in 1979 made it easy for them to conduct the invasion we all could see even in the '60s was a possible event of the future.

*Q: Were there other areas of major competition?*

KEAN: Well, just to cite an example. Among the faculties at the Kabul University which the U.S. undertook to support, was the creation and expansion and modernization of a Faculty of Engineering. We had a team of several senior professors from a consortium of U.S. universities (USET) who over many years worked at Kabul University. At the same time the Russians created a Polytechnic which they supplied with senior people and equipped with very modern engineering laboratories and equipment for training. So there we were, head-to-head on this kind of project just as we were head-to-head in the development of road links.

*Q: Were there any areas of collaboration at all?*

KEAN: No, not collaboration. We were constrained expressly, as a matter of U.S. policy, from being engaged in any kind of program that intermingled U.S. and Soviet resources. So, no there was not in that sense any kind of linkage between what the Russians were doing and what we were doing, but if you look at it from a macroeconomic point of view,

obviously the two countries struggling to entice the Afghans to join their camp, each of them, of course we were intermingling resources. You can't be so intimately and comprehensively involved in a country as the U.S. and the Soviet Union were without its being said in the broader sense that our resources were intermingled.

*Q: How did the people view the U.S. and U.S. relationships in this process?*

KEAN: Well, you see, about the time that I was first in Afghanistan was when the Soviets promoted the creation of a Communist party, the Hawark, in the country, and this was the beginning of their arrangements for a serious political penetration of the country. Although that party split into two wings one more radical than the other, one more closely-associated with the Soviets than the other, they were both Communists and the Soviets used every conceivable device to find ways to bring Afghans into their orbit, to subvert their traditional loyalties and to create dependencies through which they could manipulate the evolving political environment. It will be recalled that in 1978 when there was a coup, it was the less radical party that took power and then they were displaced immediately after the Soviet invasion by the more radical group. Well, these people were already on the scene to some degree during the mid-'60s and were the vehicle by which they were seeking to undermine the existing authority and lay the groundwork for an ultimate Communist takeover.

I believe it would be correct to say that very substantial numbers of people in Afghanistan were very desirous of having a U.S. presence and support and hoped it would result in a better life for the country. Westernization and modernization were in process but that trend was controversial. The mass of people outside the capital were still largely in a traditional mode. They resisted modernization if it seemed to stem from Kabul and implied a stronger hand by the central authority in local affairs. To some degree the traditionalists resisted U.S. influence as a factor favoring the central government. Tribal and ethnic tensions affected all relationships and tended to divide the society on all issues.

*Q: Were we doing anything that supported the strengthening of a democratic government and political parties?*

KEAN: I don't think one can say that we were overtly and explicitly engaged in support of democratic institutions by way of going in and supporting elections or training people in systems of democratic government. But the massive amount of support that we were giving to educational structures and systems at the elementary, secondary and university levels, to develop curriculum at the elementary and secondary level, to develop an administration at the university level were clearly designed to create an educated elite with a Western orientation. There were thousands of people who benefitted from these programs including even thousands who were trained abroad, both at the American University of Beirut and at universities all over the U.S. under the participant training programs, both project and non-project. So it was a massive effort. I think if those people had in the late '70s and early '80s not been absolutely decimated by being driven out or killed, one could have said that our program was a significant impact in terms of laying the groundwork for a large

reorientation of that country toward both modernization and westernization. But as events have transpired those people were either liquidated or forced out of the country, and certainly out of any position of responsibility and authority. If they had been connected too closely with the U.S. and western activities they were prime targets during the early days of the take-over. The program impacted many people but its effects on institutions toward greater modernization and improved efficiency were minimal.

*Q: Was there another dimension of the program? You were talking a little bit about population and family planning?*

KEAN: That was a comparatively minor activity at the time, but just significant in the sense that we were beginning it in that conservative setting. We began to get significant pressure from Washington in 1967 to become involved in a family planning program, a rather interesting thing to contemplate in a country with so traditional an outlook and as conservative a position as the government of Afghanistan and the people of Afghanistan. We had an entree through a woman, interestingly a woman, who was Minister of Health and were able to get the beginnings of a family program going in that conservative Muslim environment.

*Q: What about education?*

KEAN: Teachers College, Columbia University worked on teacher education and curriculum development from 1953 to 1976. Among technical assistance programs it had a greater measure of continuity than anything that I have seen in the 25 years I worked for USAID in a variety of different countries.

I should mention in response to your question about contact - yes, we did have contact with the Soviets. The CIA station chief arranged for a group of us to meet fairly regularly with a gang of Russian people working in the country, and the host on first one side and then the other was the KGB station chief on their side and the CIA station chief on our side. We would sit down and talk/chitchat with these people so far as we could. Some of them spoke quite good English. So yes, we did have that contact and we had some other kinds of contact.

*Q: What was the point of that?*

KEAN: Well, I think merely to try, I don't know for sure, but I think that so far as I could see from the point of view of the CIA, they felt that there was an advantage to being in contact in that broader way with the Soviets so that the Soviets would be aware that we were there, that we could see what kind of Soviets were there and something of what they were doing.

*Q: What did you talk about, programs?*

KEAN: We talked about things we and they were doing in the country. But there was mainly social conversation.

*Q: Any impressions of their activities?*

KEAN: They were extremely effective. They had the logistic advantages, they had the cultural language advantages that we didn't have, and they just really beat us hands down in the game of plain influence. And they were prepared to play rough, and they even played rough with some Americans in terms of trying to subvert them. I know of a particular colleague of mine who still works for USAID now who was being very assiduously courted by the KGB. He was reporting constantly to the CIA what they were doing, all of this being carefully orchestrated, at least on the U.S. side, in an attempt to try to figure out what was the nature of the game that the Soviets were prepared to play in trying to recruit Americans. Maybe there were others, too, that I don't know, because I certainly was not close to that game. But that is the one case where I knew that there was something going on.

And one time I did host a party at my house at the request of a very senior CIA officer in the Embassy who wanted to create a link and get to know a certain Indian national who was in the country and whom apparently they thought was being cultivated by the Soviets as an agent, so when I was asked, I said "Sure, I'll arrange this". I happened to have a very loose contact with this person through another person, so I was able credibly to extend an invitation and I had therefore sitting at the dinner table several CIA officers along with a mix of Afghans and this Indian. And just let it go. I don't know what came of it but it was an interesting thing to do. Well, certainly you just couldn't be around there and not be aware of the fact that the Russians were there in force and that we were engaged in a direct confrontation within an attempt to preserve Afghanistan as a relatively free country associated more or less with the West and the Russians were there doing the opposite.

One of the things that we did was to try to support the development of linkages between the karakul industry of Afghanistan and western markets for karakul, Persian lamb. It was a major source of foreign exchange earnings which had during the interwar period been almost totally pulled into the Soviet orbit. All exports of karakul were passing through the Soviet Union and were being identified on the international fur market as essentially Soviet products because the Soviets also produce karakul. So we set about to try to build both a more efficient system and a more economical system of karakul production and direct linkages to the markets in London and New York. As a result we got some specialized people into the country to assist in this process. We set up systems for cleaning and sorting and grading the pelts and getting them out of the country through channels that would take them directly to western markets instead of through the Soviet Union. This was one of the significant elements in trying to minimize the linkage and the dependency of Afghanistan on the Soviets.

I made a trip to Mazar-e Sharif, which was one of the more interesting events of my time there, with a New York-based private karakul trader and processor. He was an interesting guy. He hadn't traveled in the boondocks before and he was sure he was going to be poisoned. He was sure that he was not going to survive this adventure. It was a rough adventure. We had a good road to the point where we got over the Hindu Kush and down on

the north side and on the plain. While the Russians were at that time working on the road from the north side of the Hindu Kush on to Mazar-e Sharif, they had by no means completed it, so we were driving over the rough old track and it was an interminable bumpy unbelievable trek to travel to Mazar-e Sharif. It had taken us about 2 ½ hours to travel 150 miles to the north of the Hindu Kush over the Salang Pass, a road that the Russians had built up to that time, and about 6 hours to go the other 100 miles or so to Mazar. But this guy would not even eat an orange which I told him had been raised on the plain in the vicinity of Jalalabad in Afghanistan because it was an Afghan piece of fruit and he didn't want anything to do with it. He had his own stuff with him, and he wasn't going to touch anything local. That hotel in Mazar was an experience, too. So he got to learn what it was like to be in a rough country.

*Q: Did anything come of the venture?*

KEAN: Yes, it was part of the continuing program. He was a highly knowledgeable guy in the New York fur market and to get him acquainted with and to provide some direct technical advice and input into the way that pelts should be prepared, cleaned and packaged was a useful venture and I think in the next five years the trade largely shifted to direct western channels and did help minimize the dependency of Afghanistan on the Soviets for channeling and marketing their product.

But you know, the same thing was true of everything. It didn't matter whether you are talking about transportation or education or telecommunications links or whatever, we were trying to do the best we could just to minimize dependency on the Soviet Union. However, in one instance, the Afghans discovered they had a source of gas in the north. There was no industry up there. There was no way to use that gas; it wasn't a useful resource unless they had a market. And where was the market? The only market was across the Amu Darya in the Soviet Union. So they, indeed, did develop with Soviet assistance these gas fields with the gas shipped to the Soviets. But as we analyzed the situation it was pretty clear that they were being charged very heavily for the equipment that was being installed and were being paid a rate per thousand cubic foot of gas that they were exporting far below the international price for such gas, so they were being ripped off-part of the game.

*Q: This is really the classic example of being on the front lines in the Cold War, using essentially economic instruments and competition.*

KEAN: I think that's right. Not the biggest in the sense that India was a bigger game and in some respects we were engaged in the same thing there but not quite so directly, not quite so confrontationally. Our involvement with India was one in which clearly there was a struggle all the way through the '50s and '60s and '70s between the U.S. and Western interests generally and Soviet and Chinese interests, although the Chinese became enemies, not friends of India, but in Afghanistan it was right there out front every day every inch of the way.

*Q: So essentially the rationale for just about any activity we undertook had behind it this competition with the Soviets.*

KEAN: Yes, surely the sole reason for our massive presence was one associated with trying to preserve the independence of Afghanistan and a line against Soviet encroachment into the region beyond the Amu Darya.

*Q: And then in the selection of projects, did you also have this rationale, by and large.*

KEAN: Sure. You know the prime examples are those transportation links to Pakistan and Iran which were massively expensive projects, including the road down through the Kabul River gorge to Jalalabad which traversed an extremely tortuous winding river valley route all the way from Kabul to Jalalabad, descending about 3600 feet of elevation in around sixty miles, so it was an extremely expensive piece of work, but that's another element of what we did. The Soviet's very large-scale hydro dams on the Kabul River in the gorge and the attempt at reclamation on the Jalalabad plain are another example. They were the direct counterpart of our effort in the Helmand Valley.

*Q: Can you give me an overview of the extraordinary situation there?*

KEAN: My sense of being in Afghanistan was one of incredible enchantment about being in a country which was so varied geographically, and so historically significant in terms of the centuries and centuries of developments that had preceded us, from the earliest times of the migration of Buddhism out of India through Afghanistan, leaving significant traces in all kinds of ways in the country. We were looking at the passes where Marco Polo and Genghis Khan and Tamberlane had passed through the region, where the moguls who conquered India had been based and left their tremendous input and impact on India in the presence of Islam in that country and beyond. One couldn't help but be really fascinated by all of this. It was also extremely exciting to travel in the country, to see all the different scenes that were present in terms of exciting vistas and views.

In fact, this whole experience was extremely exciting in terms of the range of programs and kinds of activities with which I was involved. It was a truly exciting and educating experience, dealing with the senior levels of the Government of Afghanistan, and yet I could not help but be aware that they did not have the same sense of concern with development that we had. We were, in many ways, trying to make water run up hill. The Royal Government of Afghanistan (RGA) lacked true integrity. It was splintered by ethnic factionalism (Pathan vs Dari-speakers vs Hazaras vs Tajiks, etc), torn by competing East-West pressures and strife with Pakistan and beset by economic and fiscal crises. As a result politics, not development, was the central concern at all times.

We were, of course, engaged in the Cold War and our presence was to try to preserve our position, the Western position in Afghanistan. That's why we dumped in so much in the way of resources, and almost all in the form of projects, hardly anything in the way of non-project assistance except in the form of PL 480.

*Q: Would you say that most senior level people that we had helped train were really dedicated to the development process?*

KEAN: Yes, many were. If you talk about people at the level of deans of faculties in the university and leaders of the educational system, I think some were personally very interested in finding ways of doing things better, but there were extreme institutional impediments. Although we were trying to encourage university faculties to function in a more cooperative manner within the university structure, they had acquired an approach which was much more traditional and European. Individual faculties were isolated in organizations unto themselves and no amount of trying could get them to see the desirability of training liberal arts or education majors in the science faculty. We just didn't make progress in that direction despite having some very capable wonderful people.

Chris Jung, whom I had already met earlier from Indiana University, was the Chief of Party of that university's program dealing with overall university administration. He was a really prince of a person who had excellent personal relations throughout the university but we never did succeed in making that transition to a more modern approach. And that's the nature of the institutional impediments we were up against in every segment of that society. There are genuine contradictions here. Some people changed and adopted a more modern outlook, but we did not sufficiently impact the larger society and the socio-political structure, i.e., we fell short of creating a critical mass of persons with a more modern view favoring structural change. Islamic tradition played a negative role in preventing change.

*Q: Did you find because of the strong political rationale and the Cold War context that you had little opportunity to put much pressure on the Afghans about conditions associated with trying to get better results from the USAID and take more responsibility for it, and did you have to sort of back off?*

KEAN: Well, we were, of course, meeting in regular weekly sessions with the Deputy Minister of Planning and senior people in the Ministry of Finance. So we were constantly pressing and preaching and pushing for identified modernization and efficiency-oriented changes. But even more than that, as I mentioned earlier, we had people from very competent groups working inside the Ministry of Planning and Ministry of Finance, not to mention other institutions in the government. Even though they were on the inside and they were working on a day-to-day basis on plans and programs and administrative modernization and restructuring, not much of this really took. We had to conclude that in that realm, too we simply did not have much impact. We tried day by day from within institutions through work of advisors and from outside in formal negotiations with the government. It was like punching a pillow, however, in many cases.

*Q: You have some feeling of why that was the case.*

KEAN: Oh, I think there's just this extreme traditionalism that prevails. They want to do things the way they have always done them.

*Q: You needed a whole new generation of people.*

KEAN: Yes, I think perhaps but for the overthrow of the government at the end of the '70s, if perhaps the Soviet Union had collapsed ten years earlier and there had been an opportunity to reap the harvest of the thirty years of really significant training of people with a modern outlook, we might have had a different outcome.

Perhaps it would be well to mention briefly some limited successes of change. To a moderate degree, the environment for local and foreign private investment and enterprise was improved. A law on foreign investment was adopted which provided a better climate. Attitudes, policies and regulations of the Ministry of Commerce became more favorable. Yet the low level of available skilled manpower, the extremely weak infrastructure throughout the country, the paucity of local capital and the sense of continuing political instability remained serious impediments to local and foreign private investment and initiative. Another case of significant progress was the turn around to a position of virtual grain (mainly wheat) self-sufficiency in most years by the mid-'70s. This was not primarily a result of the green revolution or the introduction of technological changes. Rather it flowed from the relaxation of government control of grain prices and the opening up of fertilizer importation and local transport, distribution and sale for private rather than government operation.

**Assignment in Washington:  
Special Assistant to the Assistant Administrator, Near East and South Asia**

*Q: All right, let's proceed from Afghanistan. I understand that for personal reasons you were not able to return for a second tour and therefore you were assigned to work in Washington. What was that about?*

KEAN: Well, just to make the transition linkage, I will mention that I spent about six weeks at a program at MIT in the summer of 1968 when I was fully expecting as I started it to go back to Afghanistan. This was a seminar with a lot of illustrious people talking with us, to us, a group of a couple dozen of USAID people talking about decentralization. This was a subject which USAID had given a considerable amount of attention to in the preceding year or two and which we had thought about seriously in Afghanistan. So I had a very interesting experience but as it turned out, I did not at the end of that time at MIT go back to Kabul but instead for personal reasons was assigned to Washington and took up an assignment as Special Assistant to the Assistant Administrator for Near East and South Asian affairs focusing on the issue of evaluation. To develop an evaluation system for the whole agency was a task which was assigned to Joel Bernstein.

*Q: His position was what?*

KEAN: He was Director for the Office of Evaluation, at that point. He had a gathering weekly of people who were in positions comparable to mine from all the bureaus of the

Agency and was seeking to install in the bureaus and in overseas missions around the world a system of evaluation. It was simply being evolved. Nobody had a clear view as to how this should be done, who should do what, who should be reported to, who should have the authority. All of these things had to be evolved. So it was an interesting time to be involved in that process, although from a personal point of view I found it somewhat frustrating because there was a tremendous amount of resistance within the Agency with respect to undertaking this task. It was not understood. It was not appreciated exactly how it could benefit the Agency or particular missions. The missions resisted it on the feeling that it was going to be something imposed on them, that they were going to have "snoopers" looking over their shoulders. I think a lot of education and experimentation had to go on before people began to see that this was something they could use as an instrument to generate efficiency and get the kind of results that we all projected.

Never during the preceding 25 years or so of work in various kinds of foreign assistance had anybody gone back and looked at the question seriously as to whether we had been accomplishing what was said were our objectives. It was a completely new thing with interesting possibilities but an uphill battle to get it installed and imbedded in a bureaucratic structure.

I had an interesting trip to East and West Pakistan, India, Afghanistan, and Turkey to try to talk to those missions about evaluation, to get their views, to get them to understand what broadly-speaking, at least, we were trying to develop, but I had to admit that I couldn't tell them precisely how this thing should work. It was something we were all going to have to work at and I'm sure one could go back and look at this and say "Well it took at least four or five years before it began to be fully appreciated and fully operational".

### **Program Officer for the Technical Assistance Bureau**

I spent a year working on that for the whole of the Near East South Asia Bureau and then moved into a job as Program Officer for the Technical Assistance Bureau (TAB). This was another organization which Joel Bernstein directed. It was an organization designed to do two major things, some of which had been done by a previous body within USAID but Joel approached this in a rather different and innovative way. It was designed to provide a range of services to missions and manage relationships with universities and the research program of the Agency. Although I was not particularly involved in the research side I was heavily involved in all of the support programs that the TAB had inherited from its predecessor. TAB sought to provide support to missions of a technical sort where centralized activities were set up, and resources mobilized through universities and other contractors. Missions could at their discretion call on these activities. In other instances, central initiatives were undertaken and projected to the field. Sometimes these led to a considerable amount of clash between Washington and the field because field people felt that they represented things that were being projected into their country and in the relationship between the U.S. and the governments of those countries where they weren't able to effectively manage or control what happened. So it was an interesting experience.

I had never had quite this kind of experience all through my life up to that point. In other words, for 25 years of total experience and for 16 years in the development field, I had been focused on a particular country or region or subregion. Here I was working in a central operation looking at activities all over the world from an entirely different point of view. So for me it was an interesting experience, although one in which I always felt more detached from the realities of development than I would have liked. Instead I was concerned with project designs for these worldwide activities, with advising the Assistant Administrator on the allocation of resources among the different fields and to interact with technical people in TAB offices for population, health, education, rural development, public administration, etc. I learned a lot about the nature of development problems from a perspective that I had never had before, but at the same time I didn't exactly enjoy the function where I was too much of a gatekeeper and not as much of an actor as I would like to be.

*Q: You talked about the clash with the missions? Apart from the matter of control which would be obvious, were there different priorities? What was the aim of the Technical Assistance Bureau in terms of pushing its initiative?*

KEAN: Well, there are two levels there. One is the clash between the geographic bureaus and the central bureau of Technical Assistance in this case over the allocation of aggregate resources within the Agency as between things that were done centrally and things that were to be done by the bureaus and their missions in their respective regions. The other was the fact that the missions weren't necessarily happy with the kind of structure that we had. If they had a problem in soil management or seeds or weed control or in education or public administration or rural development, they had the opportunity to draw on these resources which we had funded. They could draw on them with little or no input of Mission money, but at the same time they perhaps felt that they would have liked to select the agent to carry out these activities, even though the object was to make possible a quick response at low or little cost to the Mission. We hoped we were providing something that missions could and should want to draw on because we would have a cadre of people who were experienced in these fields, who had had experience in a variety of settings around the world doing the same kinds of things. I mentioned a few of the range of fields. Missions would then hopefully get somebody who wasn't arriving on the scene cold, not having had previous experience in a developing country in this sphere but rather would be people who were committed to a significant part of their time being devoted to work in their field of expertise in and for developing countries, rather than being pulled out of a purely academic setting never having worked in a developing country setting before. So far as the university contractors were concerned, the theory did not, in fact, always work out in practice. The teaching and research duties of faculty members came first and their commitments under the USAID contract sometimes took a back seat.

*Q: Were there some different priorities between what the missions thought they should be doing and what the central bureau and the administrators had in mind, like population?*

KEAN: Yes, just to cite an example that you and I shared later when we drew on the resources of the Technical Assistance Bureau in the field of science and technology. Remember we were working with the Council for Scientific and Industrial Research

(CSIR) in Ghana. We had visits from various people. Both the direct hire people and some of the specialized contractor groups came to talk to us and to CSIR leaders as well as to the various research institutions in Ghana. We weren't necessarily always comfortable that we knew how they were going to approach these Ghanaians and how they were going to interact with them and what kind of commitments they might make where we didn't see how this was going to work as we wanted it to. In TAB we got constant feedback from missions whose noses were out of joint because somebody had come in there and made a commitment to this or to that or discussed the possibilities of this and that which the Mission hadn't necessarily intended them to do.

*Q: But I was thinking, one of the biggest initiatives was in the population area. That was very dominant in the central bureau at that time?*

KEAN: Yes, the population office was supported strongly by the Agency. It was seeking to marshal resources, to identify strategies, to market these strategies to missions, to countries and to get them into international forums, and to get family planning and population policies and programs in place in all kinds of countries where there were a variety of different levels of support and interest and sometimes resistance to such activities. I don't know that that program generated as much resistance as some others, because I think there was a general feeling on the part of most missions that population activities were a significant thing to be done in dealing with the development situation and trying to improve the well-being of people in the face of very rapid growth in population. Certainly it wasn't always a smooth and easy road even there.

*Q: Was there any other sector that was anywhere near comparable to the population drive?*

KEAN: Well, nutrition was a significant concern. It was thought that the whole matter of food systems and nutrition programs could make a very significant difference in the capacity of countries to raise a new generation of healthy children. Again, in Ghana we had occasion to draw on those resources and I think quite satisfactorily from our point of view. This was not during the time I was in the Technical Assistance Bureau but subsequently, where we had the same experience. I believe we had a couple of nutrition conferences and some nutrition programs which drew rather heavily on the Technical Assistance Bureau rather successfully. That was another side of this, that in fact, it wasn't all a matter of resistance by the missions. I think there were missions and there were situations where those missions drew on those resources which were marshaled and mobilized through the central operation of the Technical Assistance Bureau that were quite useful and well appreciated by missions.

My own role was largely one of managing the process of the formulation of project proposals, getting them into the pipeline, getting them into final form at the Program Office level and then carrying through to discussions and making presentations to the Assistant Administrator for final decision on funding. That was an interesting process but sometimes inevitably one in which, as the central management arm of the Bureau, we could be, on

occasion, on a collision course with the technical people who were presenting the things or with those in the geographic bureaus who were authorized "kibitzers" in the process. The TAB specialists naturally had a very strong interest in seeing their proposals go forward to final fruition the way they had presented them. And they wouldn't necessarily appreciate someone else monkeying with their proposals. So that was a role that was both interesting and frustrating, and gave me an opportunity to see what was going on in the Asia Bureau and Latin America Bureau and took me into fields that I had not had much experience with before both geographically and in terms of specialized area of activity.

*Q: Did that give you some sense of what the development philosophy or concept of USAID was at that time?*

Mr. Kean Yes, I think that I learned a great deal about population, nutrition, public administration, rural development and science and technology and the whole range of things that the Technical Assistance Bureau was doing, including, indeed, many things in the field of agriculture where I had had lots of experience but not necessarily as much technical involvement. You know this was the period of the green revolution and we were tremendously involved in green revolution promotion. It had a great deal of impact and a great deal of potential even if subsequently we have learned some things that would teach us a different lesson. At the time it made a terrific impact on lots of countries in south and southeast Asia in particular but to some extent in Africa as well and in central America perhaps to a somewhat less degree. But I think that rice and wheat cultivation in particular and corn only to a little lesser extent was greatly benefitted. The Technical Assistance Bureau was a major vehicle for getting this technology out to the local scene both directly through the missions and indirectly through the TAB-coordinated support that USAID was giving to the Coordinating Group for International Agricultural Research.

Much of the green revolution technology had evolved both at the International Rice Research Institute in the Philippines and in Mexico at CIMMYT.

*Q: So would you say the dominant element in the Agency then was very much the promotion of technological change as opposed to the more macroeconomic or even as we now talk more about the political development dimension of the development process?*

KEAN: Well, I don't think we had gotten to the political development process as a conscious element of program. I think it's pretty clear that at that point the Technical Assistance Bureau (as its title would suggest) was focusing on evolving technologies which had the potential to significantly accelerate development and productivity within developing countries and to evolve systems of administration and operations of these technical programs which would make them more feasible to implement in a developing country setting. The strategy also contemplated evolving the institutions which could be the vehicle for their implementation, and systems of administration which would permit them to thrive. Things initiated at the center often failed for lack of effective administrative structures in the field. So this received a great deal of attention in TAB.

*Q: That's a good place to stop on the TAB. Let's pick up from the point when you finished up your assignment in Washington with the Technical Assistance Bureau and then came to Ghana in 1972, and maybe you can give us a little bit of background of that switch.*

### **Assistant Director for Program in USAID Ghana**

KEAN: That's right. My coming to Ghana derived from a contact I had had through a nephew of a senior official of the Government of Ghana who had been living in Washington. I got acquainted with his nephew and this led to communications with a friend in the Mission in Accra which in turn led to my being invited to come to Ghana on a brief visit and then to succeed that Program Officer in the summer of '72. Meanwhile a coup had occurred which brought into power the military government under Colonel Acheampong and all that implied. With the change from the civilian government which had been in power, a program of major economic policy reform and liberalization was set aside. Arriving in Ghana involved trying to become acclimated to the situation there, perhaps a rather different environment from most of what I had previously experienced. Although I had worked at various stages on different aspects of African affairs in the forties and '50s, I had never undertaken to live in tropical Africa.

It was a situation in which we were struggling with two major issues. One was to try to make sense of an economy that was certainly experiencing difficulties already as the military came into power. The other was to find a means to accommodate to that government's interest and keep them substantially nonaligned or maybe a little more than that: friendly to the West. This was not quite the intense kind of issue that it had been in some other situations where I had been where the Cold War atmosphere was much more dominant, but I think our continuing presence in Ghana through thick and thin had a great deal to do, as in the rest of Africa (perhaps one could say the rest of the world) with the need to maintain a friendly, hopefully supportive arrangement with respective governments. In the case of Ghana it was directed at having them work cooperatively with us on international problems. Here I am sitting talking to the Mission Director, Haven North, who had already spent twenty months or so in the country and therefore was well acquainted with that situation whereas I, coming in anew, had a great deal to learn.

One of the early recollections of my experience in Ghana was a call that we two made on the Governor of the Central Bank. That conversation was a fairly relaxed event. This man was giving us a substantial tour de force of his view of the Ghanaian economy and the outlook. He, as a civilian, was somewhat removed from the primary orbit of government. Perhaps he had a somewhat more detached view than the military officers, ministers of the government but nevertheless, was in a sensitive position. And I can recall when he was philosophizing and taking a somewhat long view that he spoke about having been acquainted as a student, (apparently quite closely acquainted) with a Malaysian who like himself, subsequently came into fairly high office in the Malaysian Government. He referred to a letter he had received from his Malaysian correspondent who lamented that in Malaysia they had a rather lack-luster government that seemed not to be going anywhere in particular and was not changing things very much from the traditional patterns of the

colonial period. This correspondent was saying, "You in Ghana have a dynamic leader in Kwame Nkrumah and you are forging ahead and doing major new things". And then he drew a breath and commented about the fact that things were now looking very different. Malaysia had begun a process of modernization in many respects and seemed to be forging ahead with comparatively limited foreign assistance whereas Ghana during and since the time of Nkrumah had run through a substantial amount of foreign exchange reserves, had moved into periods of inflation with economic and fiscal policies that were not very well in balance. He was lamenting the somewhat unfortunate plight of the Ghanaian economy and government as of that time. So if I hadn't been aware up to that point that there were those in Ghana who lamented that things were not in such great shape, I certainly was made aware of it in that conversation at a relatively early time in my exposure to Ghana.

I think that is the "stage" on which we sought to achieve some development objectives throughout the time I was in Ghana from 1972 to '76. We were often struggling against an economic policy environment that was at best less than perfect and at times quite deficient in terms of rational policy and forward-looking actions that would resolve the problems. Nevertheless, we thought we saw some glimmers of light and potential and from time to time policies were under discussion or were adopted that seemed to give openings for moving forward.

The Government under Colonel Acheampong was initially quite reluctant to proceed along the lines that had earlier been agreed as a major basis of relationship supportive of development and economic reform between the U.S. in particular and Western donors in general. Whereas the Busia government had been on the brink of resolving the debt problems through negotiation and some extensions of debt obligations, some rearrangement that would permit the Government to manage its affairs better, the military government did not feel comfortable with that arrangement, felt that it impinged on its sovereignty. Hence there was a long period of resistance to resolution of those broader macroeconomic issues and financial/fiscal arrangements within the country and between Ghana and its bilateral and multilateral donors and creditors.

There was a period of standoff for about two years before this issue began to move toward resolution. When it was finally resolved, there was an opening for the U.S. to try to improve the supply situation within the country. There were quite serious supply problems because foreign exchange was short, smuggling and corruption were rampant and prices were rising. Agriculture was not thriving. We saw opportunities to work within the guidance being provided from Washington under the concept of working with the poorest of the poor and rural development emphasis to see if we could improve the opportunity for farmers, to strengthen liberal governments, to offer better access to markets by farmers, opening up possibilities for them through better local storage, through local transportation arrangements, through the supply of inputs that farmers required to have more successful production.

But although this was certainly something needed and very desirable, there were opinions held by officials within government that farmers were in fact acting in a way that was

contrary to the interests of the people and the nation. If they were holding supplies for sale at a later time, usually this meant that they were holding their harvest for a time when the glut, the immediate post-harvest period would have passed and they would obtain better prices for their products if they were able to store them with reasonable security. That storage problem was a serious one for farmers but they did their best to overcome those problems and to try to sell their produce at a reasonable market price. Military authorities, however, came to regard this kind of action by farmers as hoarding, and then began to take punitive measures to prevent farmers from holding such stocks even between the different cycles of the season. I think it's fair to say, such action undermined the incentive that farmers had to respond to market forces to produce as much surplus as they were able, and to market it in ways that would be profitable to them and provide a supply to townspeople and the cities.

So we had some considerable clash of view on that and negotiated on numerous occasions to try to improve that outlook. These negotiations led to the formulation of a set of plans which merged into a single project and became something of a centerpiece of our activity. We were directing our efforts to import fertilizer, process it locally, distribute it in a timely and efficient way, get it to the farmers when they needed it at a price that would be affordable to them and would support their efforts. At the same time we sought to create systems for storage and marketing and extension that would make it possible for them to produce crops and market them successfully. It took a long time for this to evolve and finally when the debt issue was resolved we were then in a position (and it was certainly desirable and important from the point of view of the Government of Ghana) to have some additional resources to work with during the period of the post-debt settlement stabilization effort. We negotiated a nineteen million dollar program loan, largely aimed at providing supplies needed in the economy: consumer goods, intermediate products and agricultural inputs. It was an interesting experience to negotiate that loan with that particular government and at that time. The Government having been through the process with the donors and creditors settling the debts I think was in an especially sensitive mood. They felt very much that their sovereignty was being impinged, and their right to an independent view was being hedged about.

And so as we proceeded with the loan negotiations, presenting that Government with a set of more or less standard provisions which had long been common to many loans to many governments, they took considerable exception and umbrage at a number of those provisions, perhaps quite justifiably in some cases. The language and the substance of some of those provisions regarding the commitments that the Government would have to undertake, were presented in a way which put them in the position of feeling that they were having to knuckle-under or being forced to adopt policies imposed by outsiders. So through a series of exchanges with the Government and between the Mission and Washington we did make significant substantive and stylistic changes in the text of that agreement and finally executed that nineteen million dollar program loan as best I recall in late 1974. It did constitute a substantial input of resources to that Government.

I remember thinking about it at the time that I was dealing there with a nineteen million dollar input which in one sense seemed modest, compared to the rather larger amounts I had dealt with in some other larger countries, India, Pakistan, Egypt, Turkey, etc. where the countries' economies and populations were larger. One day I made a little comparison about what the amount of assistance would be to a country like India if we were giving to such a country the same amount of aid on a per capita basis. The sum turned out to be staggering with India's population at that time something like 650 million and Ghana's at little more than 10 million. Obviously the multiple was substantial. This clearly made me aware that we were indeed providing a flow of assistance that was not at all insignificant.

From there on, in some respects, our relationship with the Government of Ghana was a little smoother. Our opportunities opened up to some degree. We carried on a variety of discussions and opened up project possibilities in education, in science and technology, and some other fields, notably support to local administrations at the district level and we were, I think, addressing some quite significant and useful problems. We were also encouraged when the government decided about midway through my time in the country in 1974 to bring back into Government as the Minister of Planning, Robert Gardiner, who had played a very significant role in the UN negotiations with the Government of the former Belgian Congo in the early days after the decolonization of the Belgian Congo. And so he had made a considerable name for himself in that and other roles.

*Q: He was the head of ECA for awhile, the Economic Commission for Africa.*

KEAN: So he was a person who seemed to offer the possibility of a more balanced, more rational, more forward-looking set of policies on the part of a government which remained up to that time sensitive, not always acting in ways which at least in our view were as sensible from a development point of view as they might have been.

They were, for example, giving cocoa farmers a price for their cocoa surrendered to the Cocoa Marketing Board that was perhaps no more (or maybe even less) than half of the world market price. This was a disincentive to cocoa farmers. Cocoa, of course was a major export product for Ghana, a major earner of foreign exchange, Ghana being a major player on the world cocoa market. This low price paid to farmers also operated as an incentive for them to seek ways to smuggle their production out of the country, particularly into Togo, thereby resulting in the Government's losing foreign exchange. But it was certainly not seen by Government as something which they could afford to let go. They needed the revenue that was derived from the difference between the price paid to the Ghana cocoa farmers and the price that they could get on the world market. That represented a very significant part of the revenue available to Government to carry on the daily activities of the government.

As it turned out such major macroeconomic or largely macroeconomic issues did not change very radically because of Gardiner's presence but at least it opened up a channel of communication for us. We were able then to communicate under I think somewhat more relaxed conditions and in an environment of considerable openness. This was also facilitated by a change of people or the coming forward of some people in the Ministry of

Planning with whom we dealt substantially who were more relaxed than some of the earlier key officials subordinate to the Minister, who previously was a Colonel. So a dialogue developed informally in which it was possible both in their offices and in other settings, over lunch or at parties to talk more productively. Our program gained momentum, achieved somewhat better results, began to show signs of finding significant ways to impact the economic and development scene in Ghana better than had been the case from 1972 up to '74.

During the subsequent months it became possible to execute a broad project agreement for the implementation of the program that we came to call MIDAS, meaning Managed Input Delivery and Agricultural Services.

*Q: You were saying that through all this process you always felt that even though it became better, we were always struggling against some sort of internal resistance to or hostility to external assistance or the role of external assistance that made it difficult to get a common agreement on things?*

KEAN: Yes and in the context of a set of not very rational actions on the part of Government relating to the management of foreign exchange, the control of imports and to put it bluntly, an increasingly corrupt environment where some, perhaps many officials were in collusion with private traders and others to divert transactions in such a manner that both the private trader who would be authorized to make imports and the government official could make a substantial profit. This derived from the fact that the cedi was drastically overvalued and therefore it was very profitable to bring goods in at the official exchange rate and made the granting of import licenses an extremely important favor to a private trader. He would therefore be willing to pay substantially because he could turn around and sell these goods for which he paid in cedis a relatively modest amount for exchange, but in the very scarce environment of supplies and commodities could sell them at very handsome prices. So this made functioning rationally in matters that related to those economic policies somewhat difficult.

*Q: Do you have any sense of what Washington was doing at that time, how they related to the Ghana question?*

KEAN: Well, of course, we had this incident that you've alluded to. Under some substantial urging from the Ambassador who at that time was Shirley Temple Black, Secretary of State Henry Kissinger was to come to the country on a very brief visit while on his way back to Washington from a trip to Southern Africa where he had sought a resolution of the Southern Rhodesia issue. He had acceded to the proposed visit and then at the last minute the Government of Ghana canceled its invitation. That soured political relations between the U.S. and Ghana.

Regarding macro-economic issues, my impression is that Washington chose to overlook Ghana's less-than-rational policies and to maintain a modestly significant program for broader geo-political reasons related to UN voting support on East-West matters. At the

same time the development philosophy that was predominant in USAID and coming from the Congress was much more consonant with what this government was indicating it wanted to do, that is, address the problems that beset the rural community.

Now as I mentioned before, they were pursuing some other policies that weren't so favorable to the interest of rural people but nevertheless we found in that desire on the part of Government openings to work with the Government in strengthening district officials and their role in development, to work out arrangements for providing them some direct resources sometimes with a substantial amount of flexibility not normally accorded to a provincial or district authority in handling resources that were provided through foreign assistance. So that degree of relaxation was rational.

At the same time, it was apparent that the economic environment was having a very deleterious effect on the ability of the Government to finance and maintain the government-operated national system of health clinics, hospitals, education and other social services. It was desirable to diffuse and decentralize the health system, to develop a system of planning and operations that would facilitate that decentralization and permit available resources to be applied where they would achieve the greatest good. It was equally critical to the achievement of effective family planning that the health system function more effectively. Family planning was an important objective of the Government of Ghana and coincided with strong support by USAID for programs aimed at child spacing and reduction of fertility. So working through the instrumentality of the Ministry of Health in substantial measure, we did apply family planning resources and did execute a program to carry forward a system of health planning and administration. It was directed toward more efficient operations of the Ministry and of its rural clinics to improve supply, to bring to bear the resources as they had available in a more rational way so that a larger number of people would have access to basic and preventive health services.

*Q: Any particular aspect of the program that you worked on that you found was of special interest to you?*

KEAN: Well, I took a particular interest in finding means to work out with the Government in the program for health planning and improvement of health services and felt that I played a fairly significant role in making that possible.

*Q: What was the attitude of the Ministry of Health to that?*

KEAN: Well, we worked with a doctor who was the Principal Secretary, Dr. Beausoleil who was quite communicative, responsive to ideas that were presented to him, had his own ideas. These were in substantial measure consonant with ours and we were able therefore to execute a project agreement and provide advice by highly qualified professionals. I think it was probably important to the well being of a lot of people in that country. So I was pleased with the outcome of our efforts in the health/family planning sector.

Another area where we devoted substantial effort was to strengthen the science and technology system of the country which had both a central administrative entity and a series of research institutions in transportation, agriculture, etc. The Council for Scientific and Industrial Research (CSIR) was the central body. The institutes focusing on agricultural research, on road research, etc. were a useful network to try to strengthen the capacity of the country to do things that would be both more efficient and more economical by strengthening their capacity to address development issues and problems from within rather than relying so heavily on external resources.

We similarly undertook to strengthen the University in Kumasi to help it to become a resource for the up-country people away from the capital. The principal university of the country located at Legon just outside Accra was certainly a valuable resource but being in the south of the country was not so accessible to many people. Therefore to broaden the base of higher education in the country seemed like something that should be done to the end that a broader base of qualified educated people could be created.

*Q: Meanwhile, there was a project for district planning for rural development?*

KEAN: Well, this is the general notion of strengthening district planning and general development effort with a much greater degree of local popular participation. This was a strong point we were making and it seemed to be striking a responsive chord with the Government. They were willing to allow at that level a measure of somewhat democratic participation greater than was permitted at the central level with a military government in power. We thought that this would be quite useful to the end that people would achieve those things that they wanted to achieve as they expressed their needs to Government at the local level. It facilitated active popular participation in the planning and execution of development actions. We did this through two instrumentalities as I recall: one a pilot project in a particular pilot district where we undertook to provide some focused resources and work somewhat more intensively in that particular district to try to demonstrate what might be possible in that setting and from that level of government, then working down to village councils. I was personally involved in the consultation on the initial one-district effort both with the central (Ministry of Planning) authorities and with the selected district officials from the Commissioner down to the traditional Chiefs and village elder level. I was quite excited by and a strong believer in the efficacy of this effort.

Second, a larger effort spread across the country was an effort to follow up from that and do that on a broader scale but perhaps less intensively from the point of view of direct involvement by the USAID Mission at each particular district and while that went forward somewhat after my time, it was philosophically a successor to the particular effort that we made in one district initially.

*Q: How did you find working with the Ghanaian people in the Government?*

KEAN: I would say that in general it was one of the most friendly, relaxed environments that I have encountered. I think we had fewer socio-cultural hang-ups in our dealings with

people in the Government of Ghana than I had had in many other situations most of which were Muslim countries and in all of them there was some distance between us in most situations. I found a social environment in Ghana that was especially warm and friendly among all kinds of people, whether in casual encounters or in more formal situations with people in Government. There were few occasions when we had any kind of a confrontational setting. The only one that I can specifically remember had to do with the negotiations referred to earlier about the text of the program loan that was executed. We did have a rather difficult, wrenching time but that was a special circumstance and didn't reflect the common situation where people were exceptionally courteous, extremely warm, friendly and absolutely surprisingly ready to accept us foreigners as people from a different culture and/or of a different race. By and large, we found ourselves working readily with Government and having quite easy social interactions with local people.

*Q: You mentioned that Shirley Temple Black was the Ambassador during that time. Did you have any impressions of her or working with her?*

KEAN: Well, I had comparatively little direct personal contact with her. She did come early in her stay in Ghana to interview each of us in the USAID Mission, thereby getting acquainted with all of the key people in the Mission and we did see her socially. I have an impression which may or may not be entirely fair that Shirley was not well-attuned to the socio-political-cultural environment and was perhaps (as I saw it) somewhat inclined to seek to make a show of her own position at least at times. At other times I know that she went out of her way to try to demonstrate both her own personal friendliness and collaboration with officials of the Government but at times I think her flamboyance was a bit misplaced. That's about all I can say, and it's based on rather limited observation. So far as impact on U.S./Ghanaian relations, I think up to the time of the fiasco over the visit of Secretary Kissinger, when he was at the last moment disinvented, generally speaking, the relationships were as good as they could be given the fact that we were dealing with a military government.

*Q: How about other officials in the Embassy, and so on? Did you have much dealing with them at all, or was there anything very significant in that?*

KEAN: Our principal interactions, of course, with the Embassy so far as day-to-day working actions were concerned, were with the Economic Counselor, somewhat less with the Political Counselor, and as far as I was concerned they were the principal contact. I'm sure that as Director of the Mission you had occasion to be much more frequently in contact with the Ambassador. I think we saw eye to eye with our Embassy colleagues on most situations and had a relatively good working relationship, not as close as I've had in some other situations because in at least two other missions where I had extended tours, we were substantially integrated with the Embassy. During my four years in Cairo my boss was both Economic Counselor and Director of the USAID Mission and in Turkey the Deputy Director of the USAID Mission was the Economic Counselor of the Embassy. So there we were working cheek by jowl with Embassy personnel. During my time in Ghana there were two Economic Counselors, each for about two years. Working relations with both were

collegial and friendly. We also maintained quite friendly relations with other members of the Embassy staff including the Military Attaché, the Public Affairs and Cultural affairs Officers, the Political Counselor, etc. The latter were largely on a social level.

*Q: What is your view of the desirable situation as you compare those two contrasting systems of organization vis-a-vis the Embassy?*

KEAN: Well, I think given the circumstances in Ghana it worked quite well as we had it. The Mission was rather more separate from, even if substantially accountable to the Ambassador in terms of our local interactions. Guidance was provided by the Ambassador but we were clearly in a less tight relationship. We were not quite so tightly bound by political considerations as in the other countries where I worked and where Cold War considerations and political-military policy had a much greater role to play in the way we conducted our affairs, not always political military but at least political.

*Q: And then you left in the fall, I guess of '76.*

KEAN: I left in the midsummer of '76.

*Q: What was the situation then?*

KEAN: Well, summing up my reaction as things had gone during the whole period, I have to say that it would have been my personal feeling that we would have been better off, from a development point of view at least, to tell the Government of Ghana that there seemed not to be a fundamental alignment of our views. It would have been better for us to back off and have a minimal presence relationship unless and until that Government decided to pursue more rational macroeconomic policies, less inimical to the mobilization of local resources, less likely to divert resources through smuggling and misallocation of foreign exchange. As I saw it, it became increasingly the case that no matter what we did in terms of technical assistance we could not fundamentally alter the condition of city or rural people to any great degree in the context of that macroeconomic mismanagement. That was a pity as far as I was concerned, because I felt that the people of Ghana deserved better.

I had occasion a few months later, when I was in Southern Africa, to be at a University forum where a Ghanaian was present and I made reference to my views along these lines. My Ghanaian interlocutor took very strong exception to that and felt that I was totally out of line to have that view of the way the Government was behaving. But in retrospect and taking the longer view, it's very clear that the situation in the country continued to deteriorate in the late '70s. Notwithstanding the elimination of the military government, the adoption of a civilian constitution and a civilian government coming into power and again being deposed, it was not until the mid-'80s that the situation turned around. In the intervening years between 1976 and 1985 I think it's quite clear that the economic situation of Ghana continued to deteriorate. Only when they decided to liberalize, to take a more rational approach, to look at external resources as an exceptional opportunity to improve their economic performance and to try to find ways to provide genuine incentives to the

people of Ghana to produce and to perform more efficiently did things begin to recover. Fortunately they did turn around and that's what I would have liked to see earlier.

*Q: And you think we probably tried too hard against a heavy tide?*

KEAN: It's clear as I see it that we were functioning within the larger context of U.S. relations with Africa. The U.S. was seeking to maintain at least a reasonably friendly working relationship. The larger issue was the maintenance of a friendly posture in international institutions, notably the U.N. We sought not to have a large number of unfriendly votes on issues relating to our relationship and confrontation with the Soviet Union. We were willing to play along to continue to do business with governments that were even far worse than the Government of Ghana, notably with the Government of Zaire, and to maintain a relationship. We continued to provide support even where the governments were, from the point of view of human rights, from the point of view of good development policy, were not performing well. Likewise in terms of the support for democratic institutions we were anything but doing the proper thing.

*Q: That pretty well wraps up your time in Ghana. You left in the summer of '76 and went on where?*

**Assignment as Regional Development Officer for Southern Africa:  
a time of rapid program expansion in Botswana, Lesotho, and Swaziland**

KEAN: To duty in Swaziland as Regional Development Officer for Southern Africa where I was responsible for our activities in Botswana, Lesotho and Swaziland in particular, and to some degree, in Zambia and Malawi. But those latter two were relatively limited activities.

*Q: It must have been a complicated job working in three different countries?*

KEAN: Yes, it involved keeping in touch with our own people in those countries and trying to be involved with the leading economic officials of those three countries, visiting them frequently enough to be in touch with current developments, not to lose a sense of being personally and directly involved.

*Q: What was our policy at that time?*

KEAN: Well, you will recall that this was shortly after the Soweto riots, and these three countries were frontline states in the confrontation with the Republic of South Africa (RSA) which played such a predominant role in the region. The RSA had economic, political and military power far outstripping any and all of the other countries in the region. South Africa was not only continuing to pursue the policy of apartheid and to intensify it in many respects but was taking measures to destabilize, undermine and disrupt the black-majority ruled countries in the region and to eliminate any power base that might develop in any of the nearby states. Its most destructive activities, of course, focused on Mozambique, Angola and its own colonial province of Namibia. South Africa was

determined to try to prevent the emergence of strong independent governments that might threaten their interests. Botswana, Lesotho and Swaziland did not constitute a threat because they were small countries, but the RSA was certainly maneuvering at all times to prevent those countries from pursuing the line of cooperation that they thought might be detrimental to South Africa's apartheid interests.

*Q: Being a base for the ANC, among other things?*

KEAN: Yes. The BLS countries were in some degree a base for anti-apartheid activities, but to a more limited degree than other front line countries. Their role was in large measure passive, serving in some significant degree as safe havens for refugees from the RSA, especially in the months immediately after the 1976 Soweto riots. Mozambique, Zambia and Tanzania were the more important base countries for political and offensive military activities against South Africa. There were occasional violent actions in Southeastern Swaziland allegedly carried out by RSA forces against supposedly anti-apartheid bases in that area which lies closest to the Republic and to Mozambique. There were no ANC political leaders based in the BLS countries as was the case in Zambia. There were occasional police and/or military raids into Lesotho where RSA forces pursued ANC "terrorists" who had allegedly taken refuge in that country. In the case of Botswana, the Government was at once firm in its determination to preserve its own independent position but realistic in avoiding making bombastic threats. It also turned to South Africa as a source of supply whenever there was no realistic alternative. In contrast, Prime Minister Jonathan of Lesotho sometimes made wildly extravagant threats against South Africa without the slightest capacity to carry them out.

Maintenance of the independence of the BLS countries was a primary purpose of our Government, and in the wake of the events at Soweto in June of 1976, it became quite critical to strengthen those countries. So during the period that I was in Swaziland, there was a very rapid buildup of USAID resources going into those countries and hence, we were moving very rapidly to find new ways to support those governments. We sought to address problems that they were facing, to undergird their own efforts to find means to be more economically independent which was in fact the means of helping them to be more politically independent and more nearly self-supporting. That was a very difficult objective to achieve because from virtually every point of view they were at a disadvantage. Their economic power, their infrastructure situation, the regional transportation linkages, the relative negotiating position that they had in dealing in financial and economic matters, vis-a-vis the Republic, made them underdogs. They differed from one to another, but they were all basically in the same boat. So it was a very interesting time to be there. It was a challenging thing to undertake to work in that environment where we were communicating constantly among the representatives of USAID in each of the countries and working with the Embassies in each of the three countries.

There was a single Ambassador resident in Botswana who, like me and others in the USAID Mission, traveled constantly among the three countries. That in turn had its complications in terms of trying to be in communication with him and at the same time

being in communication with the Deputy Chief of Mission who was in effect the Charge in each of the countries where the Ambassador was not resident. The Ambassador residing in Botswana was especially interested in that country where he had his base but was I think extremely conscious of the fact that all three of the countries were dealing with the same basic issue and his role was to try to find means to maintain the territorial integrity and political independence of the countries and he regarded the USAID resources as a significant part of doing that.

*Q: What scale of program?*

KEAN: We moved up from a level of seven and a half million dollars for the three countries at the time I arrived to ten times that figure in the final period when I was there, seventy five million dollars in the three countries in fiscal '78. So it was a period of very rapid buildup and commitment of substantial resources. We had not only a range of major technical assistance activities but some economic projects such as road construction that were major facilities that cost significant amounts of money and were intended to undergird the linkage between those countries and such friendly neighbors as they had available to them.

*Q: But that was probably just for the three, not Zambia and Malawi?*

KEAN: Yes, that is correct: \$75 million just for the BLS countries. Zambia and Malawi were not part of that figure. The Zambia program was very minimal. We had only one resident USAID person there at that time. Malawi was a little more significant but still quite modest, consisting primarily of support to educational institutions and some agricultural activity.

*Q: What was the major thrust or the major use of these resources? What was the big project? There must have been some real big projects?*

KEAN: In Swaziland we were rapidly expanding our address to education, agriculture and health, and working to strengthen government administration and taxing capabilities, generally supporting them in their effort to build a social infrastructure that would make people more content. We sought to give the majority unrepresented people in the Republic of South Africa some reason to believe that Western Governments, and the U.S. in particular, were sympathetic to the oppressed peoples of the region.

*Q: Were any of the projects particularly political in character or were they essentially health and agriculture and education-type operations?*

KEAN: I think in particular in Lesotho we had a situation where it was very delicate, and political considerations began to be predominant. Unfortunately, it wasn't clear that the three governments had a good enough understanding of their situation that they were able or willing to collaborate. The King in the case of Swaziland was a traditionalist. I think he saw himself as needing to maneuver to maintain his position of power and to head off any

possibility of the development of other centers of political power in the country either through the evolution of political institutions or arrangements in which people would coalesce and undermine his capacity to direct virtually everything in the country. In the case of Lesotho, the King was of no particular significance. The Prime Minister was a person who was virtually, even if not quite, a dictator. He was somewhat drunk with his own power in a small country and made noises as though he had a power base that was able to threaten the Republic of South Africa. Sometimes those were almost ludicrous. But because he was of that nature, he did not have a strong affinity for looking at the larger issues. His government was not well disposed toward collaborating with the others. For example, the University which had begun as an inter-country cooperative arrangement broke apart. This was largely because the authorities in Lesotho were unwilling to specialize and share responsibilities with the two other branches of the once unified institution. I think this was symptomatic of the lack of effective collaboration among the three countries, granted that being separated by the territory of the Republic of South Africa, opportunities for cooperation and collaboration were modest at best.

But in the case of Lesotho, they were and have remained up to the end of apartheid in South Africa, particularly vulnerable because they are so weak and exposed. From time to time the Government of South Africa intervened militarily with modest force levels, but nevertheless, with overwhelming force so far as Lesotho was concerned any time that the Government of Lesotho got out of line. In order to try to strengthen the position of Lesotho the Ambassador encouraged the development of a project for the construction of a road around the arc in the southwest and south section of the country, a very rugged region where the border between Lesotho and Siskei was very easily penetrated by subversive forces operating from Siskei but clearly serving the interests of South Africa. He felt that it would be useful to build a road through that region where the engineering constraints were of major proportions. Hence, the potential for building a road on an economical scale was very, very difficult, and to try to demonstrate its economic feasibility stretched the credibility of everyone's imagination. The road was clearly undertaken for political purposes but had to be justified in order to pass muster as a development activity.

*Q: What was the political purpose?*

KEAN: The political purpose was to provide means of access over to the major border crossing point which was felt would become a means of intrusion into Lesotho by subversive forces and that unless you could get some economic activity into that region, it would be easy for Lesotho to be undermined through that channel. I confess I don't know that I can make a strong justification in that sense but that seemed to be the rationale for this project being pushed. My own feeling was that it was less than justified, that it was fraught with high probability of extremely great cost over-runs even after it was designed and constructed and by hook or by crook made to appear economically feasible. I think we had to extend the zone of influence of the road out into very rugged territory beyond what was reasonable to expect to have a favorable economic impact. So that became something of a bone of contention, but I don't mean to blow that out of all proportion. It just was one of the

most expensive undertakings in that small country where in fact, we were doing a variety of other things that were quite rational and very much needed.

It has to be remembered that from about 1930 onward, the rapid rise in population and animal numbers had had steadily increasing deleterious impact on the ecology and on the erosion of the steep lands. This was clearly a serious problem from the point of view of maintaining and expanding the base for economic viability of the country. People in that society regard the number of animals they hold as their principal means of demonstrating their status and of having some savings in the form of an asset that can be liquidated. Hence such people as had any resources would buy ever more cattle from South Africa and bring them into the country. So for a period of more than forty years, there had been a steadily increased number of cattle without increased concomitant productivity or valuable production. The animals were in poor health, very often emaciated and not well tended. It was a nominal evidence of wealth but not a real source of wealth in the sense of creating income.

We sought to expand agricultural production in Lesotho because this was a means of improving the domestic product and one of the few ways in which that could be accomplished. Research, training, credit and extension were supported with an emphasis not only on maize and other grains but on tree crops (fruits and nuts) and specialty crops for processing and export such as canned asparagus. Special emphasis was placed on assisting women farmers because so many able-bodied young men were away at work in the mines in South Africa. Mohair was also supported as a valuable export product.

*Q: It was a big food importer country?*

KEAN: Yes. One has to remember that the remittances of laborers working in South Africa were about equal to the gross domestic product of the country. Hence they had a flow of resources but domestic production lagged. They had to import large amounts of food. Lesotho had limited sources of foreign exchange earnings other than the remittances of laborers working primarily in the mines of South Africa under very very difficult and exploitative conditions. People, therefore, carrying on agriculture in Lesotho were in large measure young people, women and old men - old men, meaning people of 45 whose health had been broken by long periods of working in the mines and who were therefore not in a position to be very vigorous in their prosecution of agriculture pursuits.

Lesotho is the country in the world for which its lowest elevation point is higher than that of any other country in the world. That's more than a geographic oddity or anomaly. It indicates the degree to which agriculture was under great threat in every production season, that is, the probability of frost in the late spring and the early fall was ever present. Crops were threatened; they were being produced on steep hillsides in many cases. They didn't have adequate inputs or irrigation where it was needed. They didn't have much in the way of tools and equipment or strong labor to apply to the land. Hence, looking out at fields under cultivation in Lesotho, one often got the impression that this could hardly be a farm, that it must be somebody's abandoned land where corn plants were popping up from seeds

left over from a previous season while, in fact, this was the best they could do under the circumstances.

We therefore were looking for specialty crops, for more seasonally-adjusted varieties that would respond more appropriately. We were trying to introduce new crops, notably tree crops which would have greater viability under these difficult soil and climatic conditions. That was truly an uphill battle and one in which we had some resources to apply to the urgent need but were battling in a situation where the government itself was not terribly well-organized, had limited human resources to try to bring about the changes or make improvements.

That then introduces, perhaps, the other major subject that is characteristic of all of the small countries of Southern Africa, namely the human resource base being extremely limited. That being the case, we were engaged in a variety of programs which included educational activities at all levels in the country, primary, secondary, and university level as well as taking people out of the country for training abroad, training at other institutions in the region and in the U.S. on a scale which was in per capita terms pretty dramatic. We worked at this both through projects and through non-project participant training but it was a long term effort and one in which the need was urgent at the moment and clearly beyond our capacity to achieve to the extent we would have liked.

A very large number of people were brought into the country for operational tasks, not just technical assistance advisors but actually importing specialists to perform duties within government agencies and institutions where there were no qualified local people. This is an expensive process and one in which a large amount of money was being used for those purposes to try to address that very broad and deep problem of developing adequate human resources for the future and, at the same time, finding ways to accommodate to the limited availability of qualified people.

*Q: How about Botswana? I was under the impression that Botswana was a little different character, a little different than most developing countries?*

KEAN: Yes, every country should have Sir Seretse Khama as its first President or something equivalent and should have the determination to build and maintain democratic institutions such as Botswana was doing, Every country should have a Masire as the Vice President and Minister of Planning. He is now the President and a very highly respected leader, being given all kinds of accolades for his leadership and his vision. But also, every developing country should have a copper/nickel source and smelter and, more important still, a diamond pipe like Botswana had. If every developing country had that sort of mix of special talents and resources, perhaps then things could be different.

*Q: And be very small?*

KEAN: Yes--half a million people scattered over a country the size of France. But they had their problems, too - very serious problems. First of all, they were isolated like the other

countries of Southern Africa. It's a land-locked country with South Africa on two sides and Namibia on the west and touching on the Kaprivi strip which is an extension of Namibia and having a very small point of crossing of the Zambezi River to trade with and maintain liaison with Zambia. At the time I was there Southern Rhodesia on the eastern border was a not very friendly neighbor. So Botswana was heavily dependent on maintaining some kind of a collaborative relationship with South Africa because, of course, their road and rail links were primarily through South Africa to move goods in and out of the country. They were also heavily dependent upon South Africa for supplies and for markets. In addition, agriculture in Botswana was at least as precarious as in Lesotho because even in those limited areas on the eastern fringe of the country most suitable for agriculture the probability of having a successful crop was about two or three in ten years. In two or three more you might be lucky if you get your seed back and then in the remainder of the ten years you would have a total disaster as a harvest. So it's a very difficult situation for people trying to make a living in field crops.

At the same time, they had a long established tradition of raising cattle and they were facing the problem that because of limited and erratic rainfall increased numbers of cattle were threatening the ecological base on which the rather successful industry had been developed, an industry which-unique among such activities in that region-resulted in fairly significant export earnings through the export of beef primarily to Britain. They had a hoof and mouth disease problem which they struggled against at all times. They had a sociological problem in that though this was a traditional activity, there were a relatively limited number of people who had control of the land where cattle could be grazed. Many people were tenants running cattle on somebody else's land or tending cattle that belonged to other people who were wealthy landowners and traditional herdsmen who had sort of graduated to being absentee landlords and operators of herds. We struggled considerably with efforts to find some solutions to this problem, both ecological and sociological, and conducted experiments in trying to find better adapted arrangements. The wild animal population in the country was also a problem in as much as the animals were a potential source of transmission of hoof and mouth disease as well as perhaps in some cases encroaching on lands of those who had herds and preferred to have exclusive use by cattle.

Other activities in Botswana included the construction of a road which had a much better economic rationale than the one in Lesotho, although it also had a political rationale. The road linking Francetown to the border crossing on the Zambezi River going into Zambia was a long trek over extremely empty desert territory but it was pretty vital to reorienting potential trade away from South Africa. So it was a factor of both economic and political independence significance. Maybe it strained the imagination a bit to see that the economics of transporting goods over that rather long trek by truck into the Zambian and other regional markets (away from South Africa) would justify that long journey but at least there was some hope that that could be the case. The road was originally built as a gravel road. Then it was determined that that was going to be a high-cost maintenance operation and it was decided that it would be more economically-feasible to pave it, so paving was undertaken. That was another major effort which required a substantial amount of funding input.

In addition, we were working with the University, with the Ministry of Education, and with the Ministry of Health in population and family planning, health education curricula development and other education-related activities. At the same time, we sought to strengthen the country's administration through the provision of technical advisory and operating personnel from abroad and training people through project and non-project participant programs. But every time we took a person out of the Government who was moderately well-equipped but not fully equipped to perform a function, we created another empty spot which had to be filled by an expatriate. And there again was a major expense if we were to keep the Government functional.

*Q: I think that's one of the areas where we thought we had one of our largest OPEX, operating executives programs.*

KEAN: Yes, exactly. It was a big effort relative to the size of the country and I think essential to making the country function, but it was always controversial to be supplying operating rather than advisory or technical assistance personnel.

*Q: How would you compare these countries with Ghana; they were also British territories?*

KEAN: Well, each of these countries had been administered as High Commission Territories from the late 19th century up to their independence in the '60s. These Southern African territories were administered out of the back pocket of the representative of the British government to the, then, Dominion of South Africa. I think they got pretty short shrift in every sense. Not much attention was paid to what was going on in these countries. Very few resources were pumped in in comparison with Ghana.

Because of the presence of a vigorous and committed Governor General, Ghana in the '20s began to create a system of social and educational and administrative infrastructure which while clearly serving the colonial purpose also created a base for a much better transition to independence than existed in the three Southern African territories that became independent countries in the mid-'60s. I think, therefore, they were in the same position as the Belgian Congo which had been so seriously neglected in terms of any effort to build a base for indigenous administration and indigenous policy action or economic development. They were essentially in the 19th century state when they came to independence and heavily dependent on external resources and external expatriate personnel, I think to a degree that can hardly be appreciated by anyone who hasn't actually seen the situation. Their infrastructure, both social and economic, was equally undeveloped. So they were in extremely precarious circumstances as they came to independence, having to build from scratch both a system of government administration and the personnel to carry it forward. They had to begin to build from scratch an economic infrastructure that would support a greater degree of self-reliance and productivity.

*Q: If you built a program from a few million up to 70 million over the time you were there, how would you assess its political success, its the significance in terms of what the U.S. was interested in doing.*

KEAN: By and large, I think we were demonstrating significant concern with those countries, with the maintenance of their independence and demonstrating for the region as a whole and the majority black population in that region that we were at least moderately concerned. I won't say overwhelmingly concerned because I think there were some detracting elements to our policy posture and our relationships with South Africa. Perhaps our actions would leave room for some doubt as to whether we were thoroughly committed to pressing South Africa toward an early transition to majority rule and the elimination of apartheid. But at least the U.S. did respond to the wake-up call of the Soweto riots with pretty strongly significant gestures that, to a considerable extent, met those countries' problems and supported their capacity to retain a substantial degree of independence.

*Q: Did you get any sense of what the South African government at that time knew of what we were trying to do?*

KEAN: Well, I think that they recognized full well that we were providing the Front Line states a measure of support and assistance toward their development which was both locally significant in each of the particular countries but also was in fact a demonstration of our serious intent to sustain a measure of pressure on the minority white government of the Republic of South Africa moving toward accommodation with the majority and demonstrating that we were not prepared to see the continuation of the status quo.

*Q: The long-term development results of USAID programs are not always very clear. They may be ambivalent or sometimes quite positive, but there is an awful lot of immediate impact of the program. The presence of a program by itself is often the State Department's primary interest. Presumably our programs served that purpose. We rarely evaluate whether they did, however. What is your sense as to whether the programs sent a message?*

KEAN: In this circumstance we were transmitting a political message which was at least moderately significant and maybe more than moderately significant, but we were in some respects fighting an uphill battle. I would cite here a problem which we confronted in Swaziland. It seemed rational and consistent with the potential for employment in the country that the educational system should be focused on developing people for roles in rural development which would emphasize agriculture and their participation in, at most, middle level administration. Most of the people were not going to be able to find employment in the city of Mbabane, the political capital. It was after all a small center of a small country. Most people were going to have to perform functions that were consistent with a more or less traditional rural agricultural production base. However, people in the country regarded the effort to evolve a practically-oriented curriculum as being inimical to their interests and to their children's interests because it smacked of their being kept in bondage. They tended to equate it to being like "apartheid education" in South Africa. They wanted their children to have the potential to graduate into white-collar jobs in the city

where they thought they would gain status but that was a forlorn hope for the vast majority and hence we had a quite serious divergence of views as to what was right and what was practical. It was an interesting conflict.

*Q: Well, are there any other general observations about your experience there. That was quite a hectic time, I'm sure.*

KEAN: I found it both exciting and frustrating. Certainly it was exciting, involving a degree of careful planning of my own personal time, maintaining a constantly forward-looking calendar of travel and contact and trying to be on top of and in touch with both the people and the events and the needs of our evolving and rapidly-growing program. I have to say that I found myself in conflict with the Ambassador. He regarded my strong determination (or at least I perceived it as a strong determination) to continue to focus our primary attention on basically long-term development issues that had a potential to increase the productivity and efficiency with which the countries could move forward, as being contrary to his strong inclination to be more responsive to rather immediate needs, e.g, the problems of black refugees who had escaped from South Africa in the wake of the Soweto riots and to be ready to do things which were essentially short-run responses to a political exigency.

I don't think I fared very well in terms of his appraisal of my performance. I had come to the stage in my working career where I wasn't going to earn much more retirement credit. I was having to live a long distance from all of my children, including my youngest, who was still in junior high school. So I decided it was hardly worth the struggle, and that I should let somebody else pick up that burden, and I would go find another way to continue my life and earn a living. So I have to admit that I broke off that phase of my career with very mixed feelings, with a sense of having been involved in something extremely interesting, exciting and challenging and at the same time one in which I felt that I was beating my head against a stone wall and perhaps doing myself a disservice in the face of the clash with the Ambassador's view of what was a priority effort.

*Q: Well, that's not an unfamiliar position for people to experience, given both the hectic pace of the situation and your own concerns. Did you get any sort of feel for the Washington end?*

KEAN: I think in general I had good support from USAID in Washington but obviously when you are in the field and operating under the guidance of an Ambassador, to some extent he has a considerable amount of leverage and can bring considerable pressure to bear in terms of where one should be in one's activities and one's programmatic emphasis.

*Q: Particularly at a time of rapid growth in the program with a lot of political interest in the larger issue of getting these countries to stand up to the South Africa of those days.*

KEAN: Yes, they were all in a position of being "mice in bed with an elephant". They were not only small countries beside a rich somewhat industrialized country with a lot of

economic and political power. They were directly under the thumb of South Africa in terms of their marketing of products where they were at a competitive disadvantage. They were dependent on South Africa for cooperation in terms of the raising of a substantial proportion of their fiscal resources because they were members of the Southern African Customs Union which was a source of customs revenue and a major part of the fiscal resources of each of those countries. While they had a certain contractual arrangement with South Africa, the South Africans were in a very strong position on so many fronts to cut them off from trade or financial resources.

### **The U.S. foreign assistance program in retrospect**

*Q: Let's talk about your overview of your experience in foreign assistance and what you think about it, wrapping things up?*

KEAN: We have now graduated out of the Cold War era. It's a different world. We were driven during the whole period of my career to be involved in the world because we thought we were in direct and very serious competition with the Soviet Union. We committed a substantial amount of resources to working with the poorer less developed countries of the world, although from a broad point of view we obviously responded in terms of the commitment of resources largely in strategic political/ military terms, committing the bulk of our foreign assistance resources to the major countries that we thought were on the front line and were of greatest importance in strategic terms. We dealt with a lot of the others essentially from that point of view but I think we maintained a good posture in terms of trying to be not only good allies to the extent that that was the case, but good friends in the sense of supporting things that were genuinely of benefit to those countries.

We can go back and look at some aspects and say, maybe we committed too heavily to major infrastructure in certain periods or maybe we put too much emphasis on macroeconomic policy at some periods and not enough emphasis on supporting things that would benefit the large majority of people. What I think is lost in the current context is that we are facing a world which poses a myriad of challenges from abroad to the world as a whole and to western societies in general. This is vastly unappreciated both by our political leaders and the populace as a whole in western countries and in the U.S. in particular.

I think that, if there were a greater awareness of the degree to which our world is genuinely interdependent and the degree to which the 21st century is going to be a period of great challenge to western societies in their attempt to preserve their standard of living and their position of economic and political leadership in the world, they would all and we, in particular, would have a more serious view of the significance of our relationships with the developing countries. For very different political reasons we should be willing to commit resources maybe much more on the scale of the Marshall Plan in terms of the proportion of our GNP to trying to modernize and improve the rest of the world.

We should seek to reduce the degree to which we are going to be challenged by the population problem, ethnic violence, and the rising economic power of other countries in

the future that will certainly challenge our own leadership and our own capacity to maintain a position in the front ranks of standard of living. We certainly cannot look, as I see it, with complacency on the next 50 or 100 years and think that everything is going to go just as it has been. We are in the midst of a vast transformation both domestically and internationally and we need to be a lot more concerned with those issues than we are currently.

*Q: Very good. I think it was a very good interview and we covered a lot of ground for sure.*

*End of interview*