

**United States Foreign Assistance
Oral History Program**

Foreign Affairs Oral History Collection

An Interview with
WILLIAM LOWENTHAL
1986

Association for Diplomatic Studies and Training
Arlington, Virginia

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ASSOCIATION FOR DIPLOMATIC STUDIES AND TRAINING ORAL HISTORY COLLECTION

The Association for Diplomatic Studies and Training, a non-profit, tax-exempt organization, was established in 1986 to enhance the training of foreign affairs personnel and to instill in the public a greater appreciation for our diplomatic history.

The Association's Foreign Affairs Oral History Program was established in 1988 and is housed in the Lauinger Library of Georgetown University and at the Foreign Service Institute in Arlington, VA. The collection is comprised of oral histories taken from a number of projects, with the unifying factor that all concern the conduct of American foreign affairs and experiences of those employed in the field of diplomacy and consular affairs and their families.

The oral history collection includes interviews done under the auspices of the Foreign Service History Center of George Washington University, which was amalgamated into the Foreign Affairs Oral History Program, the Foreign Service Family Project, the Women Ambassadors' Project, the United States Information Agency Alumni Association Project, the Foreign Assistance (AID) Oral History Project, the Senior Officers' Project, the Labor Diplomacy Oral History Project and others.

The aim of the US Foreign Assistance Oral History Program, in particular, is to develop a collection of oral histories of those who have served USAID and predecessor agencies and those who have served in foreign assistance programs of associated organizations such as private firms, private voluntary organizations, and other US government agencies. The Center for Development Information and Evaluation (CDIE) of the USAID has made a grant to help finance the preparation of 120 oral histories.

For the most part these interviews are carried out by retired USAID personnel on a volunteer basis, directed by the Oral History Program. The interviews are unclassified, and unless so marked are available for use by researchers. Most of these interviews have been transcribed and then returned to the person interviewed for editing. The transcript is an edited version, and is not a word for word rendition of the cassette tape. The editing usually consists of correcting of names and dates that have been missed during an interview. The individual interviewed may also choose to expand upon topics that may not have been developed in the time allotted for the interview.

[Footnote citation example: Ambassador John X. Jones, oral history interview, Georgetown University Library, 25 December 1988, p. 13. **Bibliographic citation:** Jones, John X. Oral history interview, Foreign Affairs Oral History Collection. Georgetown University Library, 25 December 1988.]

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THE INSTITUTE OF INTER-AMERICAN AFFAIRS COLLECTION

William Lowenthal Memoir

December 1986

Introductory Note:

Although this interview took place under an earlier oral history program, we are pleased to be able to add it to the series of oral histories of U.S. Foreign Assistance. We believe the reader will find it provides interesting insight, particularly on U.S. assistance to Latin America.

W. Haven North
Program Director
U.S. Foreign Assistance Oral History Program
February 1996

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Preface

The William Lowenthal Memoir is part of an oral history series on foreign aid in Latin America called the Institute of Inter-American Affairs Collection. The Institute of Inter-American Affairs was initiated under the Good Neighbor Policy of President Franklin D. Roosevelt with Nelson A. Rockefeller as Coordinator. The IIAA started in 1942, preceded the Marshall Plan in Europe by some five years, and the Point Four Program of President Truman by seven years. It is known to have influenced the decision to implement the latter program. [See reference below.]

William Lowenthal was born in 1920 in New York City. As a child he learned both English and French at the same time. Other parts of his education and experience were also unique. For example, he assisted with a political fact finding survey of Latin America in 1941. He graduated from Dartmouth in 1942. He was a Navy pilot. He was a textile mill executive dealing with labor unions. His masters degree, from Columbia University, was in Latin American economics and history. Later, he received a doctors degree from Georgetown University having with a thesis on Argentine economics and social development. He served foreign aid programs in Washington D.C., Chile and Argentina. He also served with UNESCO in Paris and the Economic Commission for Latin America. He retired in 1981.

James D. Williams, the principal editor, was born and brought up in Illinois. He worked as a sanitary engineer in state and federal programs including the IIAA. He has been retired since 1973 and is now living at 5050 Granby Circle in Colorado Springs, Colorado, 80919.

Linda Cress, 2625 Flint Ridge Dr. Colorado Springs typed the memoir. Mr. Lowenthal and Mr. Williams edited the memoir. Since typewriters with Spanish characters were not available some spelling errors are known to exist. Readers of this oral history should remember that it is a transcript of the spoken word with only slight editorial changes. Both the recordings and the transcript should be regarded as a primary historical source since no effort was made to correct or challenge the narrator. The factual accuracy of the memoir and the observations made are those of the narrator. This oral history may be read, quoted and cited freely. It may not be reproduced in whole or in part by any means without written permission from the Oral History Research Office of Columbia University in the City of New York, New York, N.Y. 10027.

[Ref. Prelude to Point Four: The Institute of Inter-American Affairs, Claude C. Erb in Diplomatic History. August, 1985.]

Interviewee: William Lowenthal, July 10, 1989, 6320 Crosswoods Circle, Falls Church, Virginia, 22044.

Interviewer: James D. Williams, 5050 Granby Circle, Colorado Springs, Colorado, 80919.

Today I am interviewing William Lowenthal. I am Jim Williams, James D., and we will be known as Jim and Bill throughout this interview which is taking place at the Sea Colonies in Bethany Beach, Delaware.

Q: Bill, even though I know you have special interest in getting three places on the record let's start out with a little background statement as to where you were born, brought up, anything that you think might be pertinent to what we're going to get into.

LOWENTHAL: I'd be very glad to. I was born in New York City on July 31, 1920 and I grew up there. I went to a progressive school. It was called the Lincoln School, funded by the Rockefeller Foundation. It was what was called a progressive school and...

Q: What does that mean really?

LOWENTHAL: Progressive school means that it was a little different from just reading, writing, and arithmetic. They tried to bring in an integrated approach. When we had history of a certain area we would not only study the history of what happened but we would also study the culture and the literature and music and the art and the drama and things of that sort. It was quite integrated with the exception of math, which was of course a separate subject, and languages. The languages in that school were excellent as well. One thing that helped me with my work in foreign service was that when I was born my mother spoke French to me and my sister -- and my father English -- thus I learned French at the same time as English and have been fluent in it ever since. Later on, around the time I was twelve or fourteen, I've forgotten exactly -- it was during the Spanish Civil War -- my mother got very much interested in the Spanish Civil War -- my mother got very much interested in the Spanish Civil War and worked very hard for the Loyalist cause. There were Spaniards coming in and out of our house all the time and I picked up Spanish. Those two languages were very helpful to me. In fact, learning Spanish was from Spain to the United States during the Spanish Civil War, Fernando de los Rios, became a very good friend of ours. In 1941, after Franco had won and De los Rios ceased being the ambassador he became a professor at Columbia University and the New School for Social Research. In 1941 the U.S. Department of State, who had known De los Rios because he had been the ambassador, asked him to make a special trip to Latin America and report on political movements. He asked me to go with him as his aide. I was a junior at Dartmouth College at the time and I got a special leave of absence and went with him to Latin America. That's how I got my interest in problems of Latin America and later on, eventually, in 1951, after I had gotten my Masters at Columbia, I sought employment in the Institute of Inter-American Affairs.

Q: Well Bill, I can see how that would have stirred up your interest in foreign service even before you got too far along in school.

LOWENTHAL: That's right. There was a gap because I was in Chile on December 7, 1941, which was Pearl Harbor Day, and at that point, I had been on this trip six months and I received a telegram from Dartmouth College saying that if I wanted to graduate with my class I should return. My special leave of absence was over. I had been six months on the trip and I went with De los Rios as far as Argentina. We had come down the west coast. We had first gone to Cuba, then to Panama, Colombia and Ecuador, Peru, Bolivia and so forth, and Chile. And I went as far as Argentina with him and then separated and went through Brazil on my own. In those days you couldn't travel all at once and I had to stop in various places such as Belem and wait for airplanes but finally I got back and I graduated with my class in 1942.

Q: Well, were there any other values, other than the value for language that you kind of inherited from your folks or your early training, like in religion or hobbies like photography or sports?

LOWENTHAL: Well, with respect to religion, I was brought up in the Ethical Culture Society. My parents were of Jewish background but they were not enamored with the way Judaism was being taught at the time and they were interested in the Ethical Culture Movement. They were friends of the leaders of this group and that's where they sent me and my sister and ...

Q: This was kind of a place that you would go and spend -- or was it a church, Sunday School?

LOWENTHAL: Sunday School. Instead of going to a church school or a temple school we went to the Ethical Culture Society, which was a school, a kind of religion based on ethics. And this gave me a feeling of, of wanting to dedicate myself to helping others. Since I came from a family that was relatively fortunate compared to most people in the world, I felt that it was, it would be a good thing to devote myself to trying to help improve the lot of others.

Q: I've never heard of the Ethical Culture Society. What do they use as their base, apparently not the Bible

LOWENTHAL: No, the Ethical Culture Society was founded maybe a hundred years ago by a man called Felix Adler and followed up by a man called John Elliott. There are Ethical Culture Societies around the world. It's not a very large organization. It's a very intellectual organization. It's beliefs are in the good in everybody and the work of the society is to try and bring out the best in people. It doesn't believe in an all-powerful God. It believes that there are God-like qualities in people rather than in a supernatural being.

Q: Well that's, that's interesting but we aren't really supposed to go into that too deeply today.

LOWENTHAL: No.

Q: You don't look like you're an expert at football or basketball or any sports so I suppose those didn't come through in your early training or did they?

LOWENTHAL: I was a swimmer. I was on the swim team at Dartmouth for several years and in high school too. I was on the soccer team at Dartmouth. I wasn't a great athlete but I enjoyed sports and continue to play tennis and swim.

Q: Any hobbies from those early years?

LOWENTHAL: Oh, I don't think so. I don't think I was a hobbyist although in my early days I raised tropical fish and I had a little company and I used to sell them. This was when I was in high school and I used to breed them and raise them and I still have an aquarium to this day.

Q: Well, let's stop this machine for a moment, Bill, to see if it is recording. OK, we'll go on. here is a good place to put in something about your wife and family.

LOWENTHAL: I was married in 1948 to a girl who had graduated from Vassar. I had met her through my college roommate at Dartmouth. We've had four children, one of them born in Chile, and they're all bilingual in Spanish because of our service in Latin America. All of my children are now married and I have five grandchildren.

Q: I suspect that the, other than the language even, that the work in foreign areas and their living there had had some major influences on their lives?

LOWENTHAL: Very much so. My children are very much interested in what's going on in the world because they've had a look at other parts of the world and they know how other people live, speak and act. One son spent three years in Paraguay in the Peace Corps. The others haven't served overseas. They are working in various endeavors in this country. The education of children in the foreign service is a problem. I've always held that in the long run they would benefit because they would have an understanding that other children in the United States didn't have and that would give them a broader view of problems, whereas other people and sometimes the children, and even my wife felt that it was a handicap because when they came back to the United States they were not able to be as competitive with the children who had gone to school solely in the United States. I feel that in the long run, though, they are better off for having education outside this country.

Q: That's that's been our experience and observation too, although our two girls are now right near 40 years old and that extra advantage of having been overseas is just starting to show up so it takes a long time (laughter) in our experience, but it's there.

LOWENTHAL: It certainly does and my eldest, my daughter, who is going to be 40 in September -- she has two boys -- and she is the one that complained the most about having to change and to move and to make new friends and to get used to different schools and I notice that she sent her two sons to the United Nations School in New York. (Laughter). While she

hasn't gone overseas she has done the closest thing she could except to go overseas in educating her children so that they would have a much broader spectrum of people than they would have, had they gone to normal school in the United States.

Q: Well, unless you think there's something in the way of background, values that might be important in the introductory part of this memoir we'll move on to when you were getting ready to go into the foreign aid program.

LOWENTHAL: I believe that a word is needed about educational background. I went to Dartmouth and had this interrupted Junior year which led me to having a great deal of interest in Latin America and Latin American problems. The war, of course, came and postponed any work that I could do in Latin America. I had a pilot's license and I joined the Navy and I was in the Navy Air Force. I flew a fighter off an aircraft carrier. I was in the service for about three years. When I came back from overseas in the service my father had died and my mother was alone and my sister was in college. I didn't feel I could go and work overseas again so I stayed at home and worked in a family business, a textile business, which I did for five years liking it less every year. Eventually my mother got married and my sister graduated from college and married. I had married in the interim and I felt that I was more or less a free agent so on the GI bill I enrolled in Columbia University and got a Master's degree in Latin American economics and history. I worked mostly with Professor Frank Tannenbaum who, at that time, was quite a well known authority on Latin American problems. It was after I got my Master's degree in 1951 that I applied for work in the Institute of Inter-American Affairs and was accepted. I went to work in Washington towards the end of 1951, I think in November.

Q: Were there some particular values that came from either your experience as a fighter pilot or in the textile industry that helped later on?

LOWENTHAL: Well, I believe that the work in the service, in the military was not just a technical lesson, learning how to fly an airplane, which I certainly enjoyed and continued for many years, but it also taught me a great deal about how to get along with other people living in very close quarters, which we did.

Q: And I suppose highly disciplined, right?

LOWENTHAL: Very highly disciplined. There was no room for making mistakes landing on a jeep carrier, which was what I was on, the smallest that was made. So you had to get along with your superiors and your peers and that helped you to be successful. The textile business, the aspect that I liked the best was when I was in charge of quality control and negotiation of piece rates with the labor union. I worked in various parts of the United States where the textile industry had plants, but I served the most in Baltimore and I enjoyed that the most too because we never had a strike and I was able to negotiate with the labor leader from the Amalgamated Clothing Workers of America whose name was Sagittarius X. Ulisse. We used to have discussions every other week. We would discuss problems and we became good friends. We were able to negotiate out the issues. We never had a strike and that aspect I felt was very

satisfying, but the overall problems of business and especially working in a family business became rather onerous to me and i did not enjoy it. I didn't feel that I wanted to make that my life's work so I eventually left it and went back to school.

Q: You say you came out of school with a Master's degree in economics, right?

LOWENTHAL: Yes, economics and history. It was later on after I came back from Chile, that I enrolled in Georgetown at night and worked on my doctorate. That took over ten years but I finally finished.

Q: I kind of get the impression that you, that you didn't follow or you weren't too interested in the standard economic approach to affairs of the world even at that time?

LOWENTHAL: No, I was never particularly interested in mathematical economics. In taking courses I had to learn it and struggle through. I felt it was a help but it wasn't an answer to the problems of ... economics is not a science really. It has to do with all kinds of human values that you can't calculate so I always tempered my views about economics and that's why I had it mixed with history in both of my degrees -- in the Master's degree and in the Doctorate. It was a combined degree in economics and history.

Q: I kind of get the feeling that even at that time you were inclined to see world affairs in terms of the sociological aspects, the societal aspects, of people living together, maybe trying to live together and not doing too well at it?

LOWENTHAL: That's very true. Social and cultural considerations are very important to me in the way in which we could be helpful to other cultures.

Q: So then did you see your work as you were employed by the Foreign Aid Program, whatever it was called at that time, did you see that as a way to accomplish some of the things that you were thinking of?

LOWENTHAL: Yes, I felt this was something that I really went into with great enthusiasm and felt that I could make a contribution to the, the improvement of U.S. relations with the developing world by helping the developing world to develop. My first assignment in Washington was in the Program Office of the Institute of Inter-American Affairs. I was given tasks, mostly to write success stories and various kinds of experiences that were taking place in Latin America for the Congressional presentations.

Q: So this must have been an eye-opener because surely those presentations are slanted, aren't they?

LOWENTHAL: Yes, they were very slanted and some of them were not really satisfactory. We were very brazen in those days -- what we didn't like we just made up and we wrote up the stories the way we thought we should. I was lucky since I had been in Latin America and knew

something about the culture and the way people were and I knew something about some of the people so that the inventions that I made were really not very far from reality.

Q: Which wasn't the case in some of the other people's investments, hm?

LOWENTHAL: Not at all, not at all. (Laughter) There was a good group in the early days of the Institute -- in my early days of the Institute, which were really the latter days of the Institute because it didn't last very much longer because when President Truman was elected and pronounced the Point Four Program, then the Institute of Inter-American Affairs was merged into a world organization -- I forget what it was called now -- but anyway, it had an alphabetical name and we remained as the Latin American arm and we continued doing the programs as they were, but we were no longer a separate organization. We didn't have two year money which was something very useful at the time, and we had to follow instructions and policies which were world-wide rather than those specifically tailored for Latin America.

Q: You, you say you didn't have two-year money but the Institute of Inter-American Affairs had something that was more advantageous, right?

LOWENTHAL: Yes, and one of the great advantages was that we only had to go to Congress every other year for replenishment.

Q: Did that have to do with the, the Institute being set up as a separate entity and then having their own bank account in wherever it was?

LOWENTHAL: Yes, exactly. The Institute of Inter-American Affairs was a government corporation. The U.S. government owned 100% of the stock and the Assistant Secretary for Latin America, Nelson Rockefeller, was the President of the Institute of Inter-American Affairs and when Nelson Rockefeller left there were subsequent presidents of the Institute of Inter-American Affairs until the merger took place with the Technical Cooperation Administration. I think that was the first organization, the TCA, and then we were merged. The man who had been the President of the Institute became the Assistant Administrator for Latin America of the new organization called Technical Cooperation Administration.

Q: Did you have direct contact Congress that you might have some comment on those relationships at that time or were you mostly...?

LOWENTHAL: In those early days I had no direct contact, that is I did not have to testify in congressional committees. I did deal with staff people of the Congress and one of the first jobs they gave me, which I felt was very unfair, was they sent me to the Bureau of the Budget to get the apportionment and I didn't even know what it was. I was told, "Oh, you go there and there'll be people from other areas of the world and when the Bureau of the Budget calls out for Latin America put up your hand and say, 'We go for the full amount.' It's just routine." So I went, walked over to the Bureau of the Budget and met my colleagues from the other areas of the world. The head of the Bureau of the Budget was preparing the budget to submit to the

Congress said, "We'll have Latin America first (laughter) so I put up my hand and I said "We go for the full amount" and he said "We'll see about that. We'll start with Argentina and go to Venezuela. What are all the programs?"

Q: (Laughter) So it wasn't so routine after all.

LOWENTHAL: It was not routine at all and I had to go through with just my memory of the amounts and what I couldn't remember I made up, but we got the twenty million dollars. (Laughter).

Q: Lesson number one in dealing with Congress, right? I think that in those years the Congress and the Administration were fairly friendly as compared to what the present or recent experience had been right?

LOWENTHAL: There was a much better, a closer relationship and a friendlier relationship and of course the amounts of money were very, very much less. When you think twenty million dollars for all of Latin America -- that was all for technical assistance -- it's considerably less than the amounts that are being used nowadays.

Q: However, it did seem like a lot of money to us who were working in those years but in retrospect it sure looks like a small amount.

LOWENTHAL: In retrospect, that was a small amount, but that kind of money went very far.

Q: Well, let's see. Were there any other things that you can add to '51 to '54, experience in regard to the attitudes, either administrative, legislative or any other things that you want to...

LOWENTHAL: I can't remember any off hand. I remember that toward the end of my second or third year in Washington I was getting very itchy to go overseas. I had joined the organization in order to go overseas and when I first arrived I was put on the Ecuador payroll and was supposed to go there and never got there. So I was in Washington about three years before I was able to go overseas and then I went to Chile as the Program Officer in 1954.

Q: One thing that does occur to me is my recollection that when I went back with the Foreign Aid Program in '56-'57 that there was so much paperwork that seemed to go in so many different directions that it seemed to, to be kind of impossible to deal with from my point of view as a technical person. Do you have any observations on the paperwork mill?

LOWENTHAL: Yes, I found that all the technicians were complaining about paperwork and one of the reasons for having a program officer and a program office both in Washington and in the various countries was to relieve the technicians of some of that work. The program office had to prepare the country plan and the budgets and we would collect from the various technicians information and then put it together to make a submission to Washington which eventually would become a submission to the Congress. Whether or not that really did relieve the technicians, I'm

not really sure because they still had to provide the raw data that went into the plan but I think it did help them somewhat which allowed them to spend more time with their counterparts in the country and not have to spend as much time in the office preparing documents.

Q: One thing that always bothered me in that setup was that my counterparts in Brazil, Guatemala, and Mexico -- their systems were not geared to our system and therefore when I could go in and say "I had money available for such and such time period" then they didn't know whether they were going to have money available for that time period so it was very difficult to get it together at that level.

LOWENTHAL: It was difficult, I agree. Our fiscal years never matched. Ours was June 30 in those days and both countries that I worked in the fiscal years ended December 31 so that it was a problem but we were able to overcome it in one way or another but it wasn't simple.

Q: OK, so in, let's see the '50's... what is our next step here?

LOWENTHAL: I think perhaps I should talk about experiences in Chile.

Q: Yes. Program Officer in Santiago, Chile March '54 to May '56, right?

LOWENTHAL: Yes. When I got to Chile a program had been going there since the 40's and where there were three servicios. Servicios are jointly financed and jointly manned programs in various areas of economic development. In Chile there was a servicio for agriculture, and servicio for health and later a servicio of industry. The whole idea of the servicio was beginning to be questioned in Washington because while the servicio was very effective and was a truly cooperative organization, in that it had both Chilean and American people working in it and Chilean and American contributions. The contributions from the Chilean side were far greater than the contributions on the American side. In Washington, the thought was that some day this kind of American input will have to stop and the country itself will have to absorb the whole project and all of the expense and all of the people who had been trained and prepared in the United States and therefore the U.S. assistance should stop. They did not realize that the United States' contribution was a very small amount but allowed the Chilean Government to make great exceptions in the sense that specially qualified people would be able to earn a little more money than they were working for in the regular ministries and therefore they would stay. They would not be subject to the political vacillations that take place in a typical ministry in a Latin American country. When I got to Chile there was a new idea established by Albion Patterson who was the mission director at that time. His idea was to concentrate all of the U.S. assistance in a relatively small area of the country so that it could become a demonstration as to how economic and technical assistance could affect an area and in this way there would be a model for other parts of the country.

Q: This would put the three servicios working in the same geographical area together?

LOWENTHAL: Yes, the three servicios did work in the same geographical area though some

of them also worked in other areas because there were programs that had been started long before and couldn't be cut off at that time. Most of them, both the personnel and funds were concentrated in three provinces, relatively poor provinces in Chile -- Maule, Nuble and Concepcion. The main emphasis was on agriculture, although there were some projects in small industry development, public roads, mostly farm to market roads, and health. The agricultural aspect of the servicio was the biggest and the broadest because it involved development of forestry to control sand dunes which were coming in from the western coast and beginning to make a desert in some parts of those provinces. Then there were the more regular kind of agricultural projects such as livestock and crop production. The program was extremely popular in Chile. There was a great deal written about it in the local press. The co-chairman of it was a man called Jose Suarez who had gotten an agronomy degree from the University of Minnesota. He spoke some English and was located in Chillan, the capital of one of those provinces, and the whole plan was called Plan Chillan. We had a sub-office with Americans and Chileans working in this rural area. Now some of the lessons and some of the experiences from that are quite interesting because the American technicians.

Q: Let me see, you were talking about some of the interesting aspects of things with the three servicios in Chile.

LOWENTHAL: Yes, I thought I would mention one instance which is a very important instance, for me anyway. It had to do with the cultural and sociological relations between the Americans and the Chileans working in an outskirts of Chile, in the country in a rural area. We had approximately six or seven Americans working in the town of Chillan with perhaps twenty-five or thirty Chileans. I was in Santiago having just come back from a visit to Chillan when at three in the morning I got a telephone call from Jose' Suarez, the co-chairman of the program. He called me to say that he couldn't stand it any longer, that all the Americans had to leave, that it was an impossible situation and that he wanted me to know this right away. He had to call me at three in the morning because he couldn't sleep.

Q: Hm.

LOWENTHAL: So I said to Jose to please calm down and that I'd take the first train and go to see him and we'd discuss it and find out what the problem was, that he shouldn't fire anybody and he should keep this between us until I got there to find out what was happening. The Mission Director was away in Washington at the time so I was in charge. Well, I took the first train down to Chillan and had discussions with Suarez and he complained about the Americans wanting to have a higher standard of living which was flaunting and causing all kinds of tensions among the Chilean staff. Well, I tried to pin it down as to which ones because I went and saw many of them and they were not living in any kind of ostentatious way. They all, most of them spoke excellent Spanish and they had very good relations. Well it turned out that all of this problem had turned about one American. One American economist who was there from the State of Montana and who spoke Spanish with a very heavy accent and who used to come into the Director's office every morning with his cowboy hat on, sit in a chair and put his cowboy boots up on a table and say "It's a good day, Jose', and then try to talk to him about the program.

This so enraged Jose' Suarez, who was used to being treated with a little more respect and decorum, that it was this that had got under his skin and caused this great eruption.

Q: So this was really a cultural shock then. The dignity of the Spanish was against the informality of the Montana cowboy?

LOWENTHAL: Absolutely right and I spoke to the economist and explained to him that this was causing a great deal of difficulty and he was rather hard nosed about it, but he eventually did modify his way and the program did continue and nobody was sent home and it worked out very well, though the particular person eventually did leave and went back to Montana. Eventually, I understand -- I followed his career just for interest -- he finally went to the program in Viet Nam and then went back to Montana where he is still living.

Q: He probably was a fairly young person at the time?

LOWENTHAL: He was a young person who had gotten a Masters in Economics, had been out of the university a couple of years and he came from a ranching family.

Q: I wouldn't imagine there would be too many economists from any kind of system in Montana, or am I wrong?

LOWENTHAL: Well, I don't remember where he got his degree. It didn't come from Montana.

Q: But he must have been kind of a maverick even education-wise.

LOWENTHAL: He was a maverick. But at any rate it's just an illustration of the kind of problems one has to look for in selecting people and preparing them to work in a different culture.

Q: How many people were in those three servicios in this coordinated activity in this area, more or less?

LOWENTHAL: I would say there were, in the three servicios, perhaps fifty Americans and a couple of hundred Chileans at least.

Q: And these were in the three fields of health, agriculture and economics?

LOWENTHAL: Health, agriculture and industry. I was only in Chile three years but I've followed what's happened in that country down to the present time. I went back to Chile in a completely different capacity in 1970. I went there on loan to the U.N. to work in the Economic Commission for Latin America which has its regional headquarters there. I was able to look and see what had happened to our programs for all these years and to see what kind of institutions had lasted because the servicios were abolished -- I can't remember exactly when -- but they

eventually were phased out. The three institutions that really remained and grew and prospered based on the work that we did in those early days were; 1. A school of forestry that was established and that had been started in the Plan Chillan in the agricultural servicio. The school of forestry was established as part of the University of Chile in Chillan itself. The school of forestry is now located in Chillan. Chile, which is an exporter of forest products never had any kind of university that dealt with forestry and we were the ones that provided the idea and got the people started and got the training going and that institutions a going institution to this day; 2. Another institution that has lasted in Chile is the School of Geology. Chile's foreign exchange earnings came 85% from copper, but the country had no school of geology. And we were able to, through the industrial servicio and through direct contact with the University of Chile and the Catholic University, help establish a school of geology which is still functioning to this day; 3. The other institution had to do with the industrial servicio. Chilean industrialists had a strange outlook and, in fact, in most Latin America they do, they, they don't talk to each other about their own problems...

Q: OK, that should get us past the leader, so lead on.

LOWENTHAL: The concept of competition in Latin America seemed to me and to many of us to be very primitive, that is, the heads of industries, while they knew each other socially and were friends socially, intermarried and within their own group, they played golf and they went camping and they did things together but they never discussed business things together. They never discussed problems that ran through and across all of their industries. They always felt that they'd be telling secrets or they would be giving away aspects of their business which would lose some benefits. Well, the people in the industrial servicio brought a lot of these industrialists together and had joint meetings and got them interested in talking about problems that ran across the board, about how to deal with labor unions, personnel problems, archives, all kinds of things that ran across the board in all industries and they began to find that this was a very useful kind of organization and it has lasted to this day. It's called ICARE, which is alphabet soup for Chilean Industrial Management Institute. When I went to visit Chile recently, after I had retired from the foreign service, I think it was in 1984. My wife and I were walking down the street and a man slapped me on the back and I turned around and it was an old friend called Patricio Ugarte and he said, "You should come and see what's happened. ICARE is still running and has more members than ever." So in spite of all the problems that exist in Latin America and the disillusionments that we all have from our work that kind of an encounter was very helpful to me and made me feel that our input really made a difference in that country.

Q: Well, that's good. Well, let's see.

LOWENTHAL: I think that concludes all I really want to say about my experiences in Chile.

Q: Well, if there is something that occurs as we edit why, it's not hard to just stick something in, or for that matter, to cut something out as it were.

LOWENTHAL: Right.

Q: So I guess then that brings you back to Deputy Director Office of Liaison of the National Security Council May '56 to '61, right?

LOWENTHAL: Yes.

Q: Or did we skip something in-between?

LOWENTHAL: Well, I went back in 1956 to Washington and I worked in Washington until '61 when I went to Argentina. And during those four or five years I had some very interesting experiences but I was not going to go into them unless you feel that there is time and an interest.

Q: I think some of the other people have brought things out in their memoirs that are pertinent to this period. For example, one unresolved matter that goes one way in one person's memoir and another way in another pertains to the basis on which the Institute of Inter-American Affairs was founded. One theory was that it was entirely -- to relate entirely to civilian elements in the countries in which the servicios and the Institute worked. And the other was that it had a mission of trying to uncover where the Nazis and the fascists were hiding out and helping those governments to squelch this subversive element in their societies. Nobody could ever resolve that in any of these fifteen or twenty memoirs that I've done. I've pursued it pretty deeply with Gene Campbell and he holds one point of view and Leonard Rosenfeld holds another. So do you have any observations on that from your experience with the National Security Council?

LOWENTHAL: In working in the field, I had no contact with that latter kind of effort related to finding Nazis or other political aspects. In discussions I had over policies with ambassadors and in the field, I don't recall ever running into anything of that nature. I know that when I made my first trip with De los Rios back in the 40's he made a report to Washington on political influences in Latin America. A great deal of his report dealt with Nazi movements.

Q: I see

LOWENTHAL: But not when I got into the government and to the Institute of Inter-American Affairs. That aspect never revealed itself to me. When I returned from Chile, I worked in the Office of the, a little office, a liaison office that prepared the lead of the agency for meetings of the National Security Council and the Operations Coordinating Board that dealt with overall policy, overall U.S. policy to the world. The director of what was then the Technical Cooperation Administration and later the Foreign Operations Administration during the Eisenhower period, was a member of the Operations Coordinating Board and he was an observer in the National Security Council.

Q: Now, your base when you worked out of the Office of Liaison was that part of the State Department or was the National ...

LOWENTHAL: No, there was a separation between the State Department and the Foreign Operations Administration. Harold Stassen was in charge of the Foreign Operations Administration. He worked very closely with secretary Dulles who was the Secretary of State at that time, but the organizations were separate in the sense they got separate budgets, they faced different congressional committees. Nevertheless, there was a great deal of linkage and really the policy came from the State Department and the Foreign Operations Administrator was to carry out the policies.

Q: But your base was the Technical Cooperation Administration when you were in the Office of Liaison?

LOWENTHAL: Yes, when I first got back it was still TCA but once the Truman Administration ended and the Republicans won the government in -- I guess it was 1958. Eisenhower became the President, the Technical Cooperation Administration was phased out and its name was changed to the Foreign Operations Administration and there was a new chief although most everybody did the same thing. It was just a different name and the head of the Foreign Operations Administration, the first one was Harold Stassen, had a little office that prepared him for the meetings of the Operations Coordinating Board and the National Security Council and I was in that office. I became the deputy of that office and I would have to go to the sub-meetings. The National Security Council had board assistants that prepared their bosses for the meeting of the National Security Council which was headed by the President and the Vice President. The head of the Foreign Operations Administration was an observer at those meetings. He was asked to come to all of the meetings as the observer. Others of the U.S. Government were invited too, when there were subjects that involved them, but at that time it was the Foreign Operations Administrator who was requested to be at all meetings of the National Security Council. He was a voting member of the Operations Coordinating Board. The Operations Coordinating Board was an organization that would take the policy documents that were prepared by the National Security Council and assign responsibility among the agencies of government as to who should do what because the policy papers would say the United States should do this in one area and that in another and so forth and give instructions as to what should be done and what the policies were toward Latin America or toward the Soviet Union or toward Saudi Arabia and so forth. The Operations Coordinating Board would take these documents and decide and write another operations paper, assigning responsibility to the Defense Department for certain things, to the State Department for other things, to the Commerce Department, to the Foreign Operations Administration and so forth and that's the way it worked until the Kennedy Administration came along. Kennedy abolished the Operations Coordinating Board and reduced the size of the National Security Council considerably. But I worked in this office that prepared the director for those meetings until I went to Argentina in the beginning of 1961.

Q: Um hm.

LOWENTHAL: That was, of course, a very revealing and interesting experience about how high levels of government in the political arena functioned. It didn't have very much to do with technical assistance in the field.

Q: Do you have any observations that you want to put on the record in regard to those relationships, how things worked?

LOWENTHAL: There were considerable antagonisms and disagreements at these high levels and they were very often resolved by the President himself. I used to sit behind the table at the National Security Council meetings and I can't remember...

Q: Those would be personal antagonisms or ...

LOWENTHAL: No, not personal antagonisms. These were antagonisms with respect to policy. For instance, I remember one, -- I'm just trying to think now of instances -- I remember very well the discussion at the National Security Council as to whether or not the United States should help finance the building of the Aswan Dam in Egypt. Well, the State Department was all for it. Mr.

Dulles gave an impassioned speech for it and my superior was all against it. I had briefed him and said that I didn't see why the United States should finance the Aswan Dam in Egypt. In the first place, I thought there were way too few studies made as to what would happen by damming that river after centuries and centuries of millions of people along the river depending on the overflow, the annual overflow of the Nile. And as far as I could tell from having read all of the papers there was very little developed as to the repercussions would be even though the Egyptians were gung-ho for a dam and lots of other people were too. I felt that, from a technical standpoint, it wasn't justified as yet and I recommended that we not put any money into it and my superior made that plea. Mr. Dulles, who was really the boss of my superior, was very upset and made a plea to the reverse. Because of the political implications, he wanted to win Egypt as a good friend, and he thought that by providing the dam that would help. I never felt that you could really buy friendship with money and things of that nature. And you have to think about it from the technical and the cultural and the sociological aspects and the economic aspects too, not just the political. The Defense Department was all in favor of going ahead with it when the President turned to Secretary Dulles' brother, Alan Dulles, who was then the Director of the CIA and he said, "No, we shouldn't put any money into the Aswan Dam in Egypt, the Russians were all set to do it and we should let the Russians do it and he'd put sand in the gasoline." (Laughter). I'll never forget that.

Q: I wouldn't think so. (Laughter) I wonder what he meant by he'd put sand in the gasoline.

LOWENTHAL: I think he was just being funny while implying that we would work at trying to hinder the Russians in their work. I don't know. I think he was just trying to make a joke. It's an instance that's really hard to forget.

Q: There is always plenty of "sand in gasoline" on a project of that magnitude, even if you have the best intelligence and best studies in the world. There are still things that aren't going to work out right and I guess those things are still showing up -- that aren't working out right in respect to the dam and the irrigated land and one thing or another.

LOWENTHAL: That's right. There have been some very big problems that have developed in Egypt as a result of the dam. I guess there are some important improvements -- I haven't followed it closely -- I just know that there are more than a million people that live at the mouth of the Nile who have lost their fishing catch, that there are other kinds of problems that have developed but perhaps it's true they produce electricity which Cairo certainly needed and I don't know whether on balance it was a good thing or not but at any rate the United States did not finance the building of the Aswan Dam.

Q: Well, it's very interesting just to think of the process by which major policy decisions are made and your record of this one in regard to Aswan in particular. Were there any others that come to mind as being worthwhile putting on the record?

LOWENTHAL: Can't think of any others at the moment.

Q: Then I would imagine that the National Security Council was at that time a fairly new approach to, to making decisions at a high level in the government?

LOWENTHAL: It was established by act of Congress -- I can't remember when -- I think maybe it was after the war, perhaps in 1947 or '48 and it has continued to this day. There's been, of course, a great deal of controversy about it and about its role. Its role originally was supposed to be an advisory role and a coordinating role -- advisory to the President and coordinating among the agencies of government so that the President would get a view of what all of his various ministries or departments think on a subject without having to go to each one individually. Of course the recent controversy about the Nicaragua-Iran-Contra problem-- it seemed to me that the National Security Council went beyond its scope in trying to carry out policies and do things when in reality it was originally set up as an advisory and coordinating organization. I believe now it's gone back to that since we've had the Iran-Contra scandal.

Q: Well, that's that's been quite a thing and beyond the scope of what we want to go into I'm sure.

LOWENTHAL: Very much so.

Q: A question occurred to me and it slipped my mind right at the moment so what did you ...

LOWENTHAL: I thought I would now discuss my experiences in Argentina -- not a very underdeveloped country at all -- in which the United States decided to have an economic and technical assistance program in the early 60's. It was a very late program in the general history of economic technical assistance in Latin America. I went there in 1961. The program had been in operation maybe two or three years by the time I got there.

Q: I know what my question was now. I want to go back to the National Security Council and ask how was security of the United States viewed in terms of force and economic leverage or in terms of one of the family of nations, as it were?

LOWENTHAL: That's a difficult question and complicated. In the National Security Council I would say that at the time that I was associated with it the State Department and the Defense Department viewed economic assistance as an arm of military and political security. They considered the programs, the financial aspect of our programs, had to have some kind of security and political elements. They felt that, even if the Congress was interested in them purely from the standpoint of economic and technical assistance, those two departments felt that there needed to be an additional, a security and a political aspect in order to go ahead with such programs. I was always in opposition to that and my boss, who was the head of the Foreign Operations Administration, usually agreed with us and he, therefore, was very often in these matters. He felt that economic and technical assistance should be done with a very long range view too, because if these countries could develop economically and prosper economically then business relationships and the whole, including the United States, would prosper. It shouldn't be tied to any kind of political or military consideration. Now, members of the government -- very often the President -- at that time, was more inclined to feel that way too. Then there was also the United States Information Agency which had an observer's seat on the National Security Council and that person usually was also on our side of this argument. The CIA wavered back and forth depending on the area and the issue. It had a considerable input in policy decisions. The Treasury Department was mostly interested in the spending of money and as little as possible. It felt that technical assistance wasn't little money, but every now and then we would have a Secretary of the Treasury or an Assistant Secretary of the Treasury who would go along with us.

Q: Do I infer correctly that the, that the Defense Department, in its policy would, in effect, look at the, the balance of numbers of troops and technical capabilities and so on and so forth and that would be their, their measure of their security success which would in effect mean that we dominate and control the world through force, that is if you look at it from the standpoint of say someone in Latin America or someplace like that. Would that be a correct observation as to what you had observed?

LOWENTHAL: I think so. The, the Defense Department fought very hard for their military assistance programs in Latin America and in all other parts of the world. They felt that it was absolutely essential that the U.S. train and maintain very close relations with the military in the so-called free world and that they all be supplied by our equipment and trained by our people because if there were another conflagration they would automatically be on our side. Which isn't always true because guns and equipment can shoot either way depending on the minds of the people who hold them.

Q: Was there any thought at that time given to, to the Marines' experience in Nicaragua where they did very definitely train and develop the military in that country and then it turned out to be a very aggressive force [opposed] to the local people, or didn't that ever enter into their thinking? In Panama for example ...

LOWENTHAL: I feel that, I feel lots of the problems that we are struggling with now in Panama and in Nicaragua and in Guatemala result from those early policies where we had large

military training programs and we gave great power to military groups in Central America which became the dominant elements of the government for years and years.

Q: Well, that's that's very interesting. I've had, at one stage of these memoirs I interviewed one of the Marines who was in the occupation of Nicaragua. He was an airplane pilot. You would have liked to talk to him. He went to parties with Sandino (laughter). He says Sandino wasn't such a bad guy, it's just what they made him out to be later on. And so he said "we left Nicaragua with the instructions to the military people we left there to, the first thing they should do is to get rid of Sandino," and they did. So this was a very interesting interview, too piecemeal to put into the record. And then also I interviewed Leonard Rosenfeld-- who you probably know or know of --he worked with Somoza in Nicaragua so he had many personal experiences in his memoir as to how, how the country worked. But I very definitely got you off the track here, to go back and pick up that point in regard to the National Security Council and the attitudes of the people coming into that Council and to find out how they looked at issues. You've gone into that very well. So now we're trying to get back on the track when I guess you went to Argentina, right? And you had made some initial statements as to your being in Argentina.

LOWENTHAL: Yes, I went to Argentina in 1961 and as I said before this was a, a new program because Argentina was not an underdeveloped country but had fallen into a great deal of economic depression after the overthrow of Peron. The Peron regime had milked the agricultural sector in order to build an industrial sector and to help develop a working class, a working class that would always vote in favor of the Peronist movement and this debilitated the country tremendously.

Q: Well, wouldn't, wasn't that basically a sound idea, to industrialize, isn't that the way all the countries have now gone? So what did they do wrong?

LOWENTHAL: They did it at such a terribly high cost that they really couldn't compete and they taxed the agricultural sector which was the great foreign exchange earner to such an extent that they began to lose their ability to produce.

Q: Oh so they, they ruined their cattle industry and ...

LOWENTHAL: Right.

Q: What else did they have at that time?

LOWENTHAL: Cattle and wheat production. They were tremendous exporters of beef and grain to Europe primarily.

Q: I see.

LOWENTHAL: So that by the time I got there the economic situation was in very dire straits. Peron was overthrown in 1955. When I got there in '61 -- there were several military governments in between. When I got there it was a civilian government elected -- [the president was a man] by the name of Frondizi.

Q: When did you say Peron was overthrown?

LOWENTHAL: In 1955.

Q: '55.

LOWENTHAL: President Frondizi was very much interested in economic development and trying to balance out the whole picture of industry versus agriculture. He wanted to revive agriculture. He established an extension service on his own which had not existed before. It involved research and extension and he sent many of his agricultural people to the United States for study and practical experience. The universities in Iowa and Michigan helped a great deal and also Texas A & M -- Texas A & M and Iowa State primarily. A great number of Argentines went there for study and came back and established this research and extension service. It was so important to the President that he didn't establish it in a conventional way in the Ministry of Agriculture. He established it in his own office and at the time the Minister of Agriculture did not take umbrage because he understood that because it was established in the President's office and there was U.S. interest and U.S. contributions -- it was like a servicio without calling it one. He worked with it as a member of the board of this organization which was called CAFADE, which is alphabet soup for the organization that was established in the, in the President's office for research and development of agricultural extension. There were co-heads as we had in a servicio and eventually this organization became part of the Economic Development Council of Argentina after Frondizi was overthrown. This organization which was in the President's, was sort of cast loose. The new government was interested in establishing an Economic Development Council, not just for agriculture but for all sorts of economic development and therefore this organization which had concentrated in agriculture was put into the Economic Development Council as the Agricultural Department for it and it's still in existence today -- the National Development Council. What I wanted to talk about in Argentina was not just our regular program which functioned well and has had lasting effect on the country -- I wanted to talk about the problem we had with respect to the policy matters as to whether or not economic and technical assistance in Argentina was solely for those purposes or for political purposes as well. We had an ambassador who believed that they should be used for political purposes as well as economic development purposes. He didn't think that any kind of U.S. assistance should be solely based upon economic and technical assistance development theories or reasons but it had to have a political aspect to be justifiable for the interests of the United States to be investing its money in that country.

Q: Would you explain how you viewed political involvement...

LOWENTHAL: Yes, it became very obvious. While we were there the country fell into a very

severe recession and maybe it was a petty depression. In those days they didn't differentiate as much between depressions and recessions as they do now and inflation was starting to heat up very rapidly. The military got very restive and unhappy with the presidency and the ambassador called a meeting of his staff and said that he had been thinking about what he could do to save Frondizi because he felt that this was a democratically elected government with very good objectives and he wanted to do everything possible to save this government. He felt that with 150 million dollars we could save him and that he had written a telegram to Washington that night, after he came home from the opera, proposing and justifying a program of 150 million dollars which he said would save Frondizi and he said to me "What kind of projects would you have that would do this?" And I said to the Ambassador "There aren't any that would do such a thing and that even if there were it would take so long to get them approved and through Congress and get the money that this crisis will have passed and we will have been in three or four other crises." The Ambassador didn't like that very much. But anyway, he said "Well, We'll see what happens in Washington. I sent my telegram so it would arrive Saturday morning when there is a small group working. They'll concentrate on that and we'll see what kind of an answer we get." Well, the following week he called another meeting, and he looked very triumphant and, he waved a telegram in front of all of us saying he got 80 million and he then turned to me and he said, "All right Bill, what are the projects?" And I gave him the same answer. I said "There aren't any projects, Mr. Ambassador, that will do this kind of thing. Our work is long term -- we have some loans for road building and we have some loans for trying to eliminate hoof and mouth disease and we have loans and technical assistance grants for the agricultural extension service. You know what they are and that there doesn't seem to be anything in the economic assistance and technical assistance field that will have any such immediate effect. These are long term projects that involve training, that involve development of the people." He replied "If you won't give me any projects, I'll give them to you. Take a pencil and a paper."

Q: And what did you get?

LOWENTHAL: He dictated to me projects -- he said "road-building 30 million, silo construction 60 million." No I guess that must have been another 30 million. He just dictated a list of projects that he thought up and gave them to me on a piece of paper and said "Go negotiate these with the Argentines."

Q: And he came to this conclusion without any contact, previous contact with the President of the country or anything like that to see if they had any ideas?

LOWENTHAL: A certain amount of that money eventually was changed into a balance of payment support loan which is not technical or economic assistance. It was a loan that was to be paid back in about twenty years at three or four percent and it was to help them pay their external bills. But most of it was still left in technical assistance. Now, the silo loan, which was one of the loans that he put on the paper became notorious in Washington. It was the loan that was on the books longer than any other loan in the whole history, I think of the world.

Q: This was for grain storage?

LOWENTHAL: Yes. The Argentines are great grain producers. There was a tremendous need for improved silos and grain storage -- enormous waste of grain at the port and in the country as well. A tremendous amount was eaten by weevils and rats and I don't know what else and so that there was some need for it. But this loan, the way it was prepared in the first place, almost created the expulsion of the whole program from Argentina because the loan required 60% of the material for the silos to be imported from the United States. That was one of the ways the Ambassador was able to get agreement because this was going to help the United States silo manufacturers. And so the Congress was perfectly willing to approve that but when it got to Argentina and it hit the press, it was phenomenal. The Argentines had been making silos for years. They knew very well how to make silos, they just needed money in order to stimulate the business because the agricultural sector had fallen down so in its general outlook that it couldn't afford to build these things. This loan was ostensibly to help them do that but if they were going to have to import so much of the material it would cause them greater debt and put more people out of work than it would help and so it was aid that caused a very great problem. There were editorials in the paper that if this is the kind of technical assistance the United States was offering, we should pack up and go home. (Laughter). Well ...

Q: There again two different cultures coming together in collision.

LOWENTHAL: Absolutely. This happened just about the same time as the assassination of President Kennedy. I was in Argentina getting ready to go to Washington for budget hearings on the next years' program and to try to do something about this problem of the silo loan when we got word of the assassination of President Kennedy and the Ambassador said we must proceed and go ahead and we should go to Washington anyway. I did go to Washington and stayed there for quite some time because of the funeral and all of the commotion in the congressional committees and nothing was meeting. Eventually I was able to talk to the committees and to explain what a terrible turmoil this silo loan had produced.

Q: We are starting on Tape 2 after lunch. As you know we're hearing about the silo loan in Argentina so you go ahead and I'll put some identification on this tape.

LOWENTHAL: The congressional committees that I spoke to did not want to cancel the silo loan as I had suggested and the Ambassador, or course, in Argentina was very much opposed to canceling it. I explained the problem in Argentina that this silo loan, requiring 60% of the material to come from the United States when there is a sizable silo making capacity and industry in Argentina itself, that this would raise all kinds of complicated problems. If the loan could be amended to reduce the amount that had to be imported from the United States, then we might be able to go ahead with it. Well, after considerable discussion we were able to -- we amended the loan so that we only had to import one silo as a model to Argentina and the rest of the loan could be used for establishing and modernizing silo-making capacity in the country. This appeared to be very satisfactory to me and was accepted by the Argentines though when we signed the loan, the Minister called up and said that he wanted no publicity about it and we had

to go in through the back door of the ministry and through the kitchen and up into his office so that we wouldn't be seen and he signed the loan with us without any kind of publicity whatsoever. We had nothing but trouble with this loan. The Argentine method of manufacturing silos and financing silos was not well understood by our technicians. Nothing seemed to work in accordance with the loan. Eventually the loan dragged on without any money being drawn down for three or four years and it was finally reduced to ten million dollars and only about six or seven was used and eventually the rest was turned back to the U.S. Treasury.

To me that's an example of how one can get into trouble by dreaming up loans to countries, loans that don't really fit in with their needs and their system of operation. Another loan that we had in Argentina also foundered for completely different reasons. Prior to this new injection of capital by loan to Argentina, the United States had made a loan of six million dollars to the province of Entre Rios for a road that would tie in with farm to market roads to make it easier for farmers to get their products to central markets. This six million dollar loan seemed to be progressing quite well when one day the controller of our office came to me and said "Something is wrong with this loan. We will have to look into it because the amount being spent for gravel is ten times higher than the estimate and we can't understand why." So I went to the highway department of the Ministry of Public Works and asked the question "How come so much more is being spent for gravel than was estimated?" Everybody seemed to just shrug their shoulders. They didn't seem to know. I got out the original plan for the loan and the map of the road that showed where the quarries were for procurement of the gravel. All along the road there were places marked where there were quarries so that it shouldn't have cost ten times more than anticipated. Since the people in the highway department couldn't give me an answer. I said, "Well, we'll have to go out on the road and look and see what's the matter." So the controller and I and two people from the Highway Department in a jeep went out on this road that was still in the making. It was very rough going -- and every place on the map where there was a quarry -- supposedly a quarry -- nobody was drawing any gravel.

Q: Were the quarries actually there or not?

LOWENTHAL: There were quarries actually there and there were places where you could see that there was rock and there were places where you could see that rock had been at one time taken because there were excavations. But none of them were being used. Well, finally on the way back we stopped at a restaurant for lunch with these two men. I guess it was later in the evening or it must have been tea time or something like that. We got to be more friendly with these Highway Department officials who let on that the Minister had a brother-in-law who had a quarry many miles away. That's where the rock was coming from and that's why it cost so much more.

Q: Hm.

LOWENTHAL: So I said to the Highway Department people that this couldn't go on this way with the loan that the United States was making at a very low interest rate, financed by American taxpayers and that would have to be changed. I would expect to hear from them on that. He said

he would make his report and would call me back. Well, a few weeks passed and I was informed that the Minister had reviewed our request but was unable to make any change.

Q: Were the people you went to in the Highway Department?

LOWENTHAL: I went to the head of the Highway Department and we canceled the loan and returned the money to the U.S. Treasury. So this is an instance of technical cooperation that should have worked out, but because of the way in which the local culture functioned, we had no recourse, really, except to do what we did. I could find no other way that we could. We would be subject to terrible criticism, if knowing this problem, we had continued to disburse our funds.

Q: Do you see any connection between this way of their doing business and what has happened eventually in Argentina with the military take-over, I guess, and then now things going back the other way?

LOWENTHAL: Well, not in any specific way.

Q: But you can assume that if it's going on like that in the instance that you uncovered that must be almost a standard way of doing business throughout the country, right?

LOWENTHAL: Well, perhaps so. It's hard to take one instance such as this and generalize. Lots of people do and I really don't think it's right. There are a number of very well run institutions in Argentina and there are some that aren't, but I think that it's very important to know what you're doing and not let things like this happen. I would guess that in many cases our loans have gone to do things of this nature without being caught. We were lucky in the sense that we were willing to persevere and find out what was going on and to take some action so that it was an example to the Argentines that the U.S. was only going to do things the way the original plans were worked out. I don't think it's good to generalize, though I gather there's a lot of the same kind of thing happening in the United States as well as in Latin America.

Q: Yes, and I'm sure that is the case and has been the case. What raised the question really was the, an interview I did with Glen McDonald and his experience in Iran. He was there when the Shah was in control and he found the Shah's brother-in-law reaching in the till and getting money out by much the same process that you uncovered in respect to the rock quarries. So he, he called the brother-in-law on it and the, the Embassy would not back McDonald up and so when it came time for McDonald's home leave he had a message to not come back. Now I, I've often thought that possibly if enough of the Americans working in Iran had carried this matter to the Shah at that time and the Shah kept all of these people's hands pretty much out of the till that the Iranian situation might very well have gone much differently than it has. But I kind of have a feeling that these instances which were single instances and there was another one in Brazil that I know about. They're unrelated. You can't generalize on the basis of one or two or three but the chances are that that could be one of the most important aspects of technical assistance or our relationships between international governments and so on.

LOWENTHAL: Yes, I think that is, that may very well be true and of course, the tendency to run into this kind of a problem gets much, much greater when you are dealing with loans rather than grants of money for technical assistance purposes because technical assistance money is used primarily to pay salaries of experts and to pay for training of people from the country to the United States. It doesn't involve investments and capital for construction and contracts with local suppliers and things of that nature. Technical assistance generally does not do that. So therefore it seems to me that when you get into big money involving loans you run into this problem -- of special interest groups and corrupt practices.

Q: I suspect that's very true. It's, it never occurred to me before but when I, when I think about some experiences I've had in the State of Illinois, in Chicago for example, I can see what you mean. (Laughter)

LOWENTHAL: That's very true.

Q: Where the big money is seems like the place with more graft.

LOWENTHAL: Yes.

Q: Well, oh, Ed Betzig -- was he in Argentina when you were?

LOWENTHAL: No, he came after me. I had left Argentina -- I don't know if he replaced me - - but when I left Argentina I became the, the Deputy Director of the Office of Argentine, Paraguayan, Uruguayan Affairs in Washington and I went back to Argentina several times and saw Ed Betzig there.

Q: Well, in his memoir he tells about the silo loan program and how these loans were made in the last day and night of the time available.

LOWENTHAL: Right. (Laughter) Well, with Ed Betzig's memoirs you will get the tail end of the silo loan while I gave the front end of it.

Q: Right. Very well tied together then. Well, let's see. Are we finished with Argentina or is there something more that you'd like to put on the record?

LOWENTHAL: No, I'm finished with Argentina for the moment. I went back to Washington and as I explained before I was the Deputy Director of the Office of Argentine, Paraguayan, Uruguayan Affairs in AID and State. AID is the Agency for International Development which is the present organization that deals with economic and technical assistance. It's an outgrowth of all the other earlier organizations.

Q: In early September '66 to January '70?

LOWENTHAL: Yes. I left Argentina in '65 but while I was in Argentina I had been

corresponding with Georgetown University -- where I was enrolled as a candidate for the PhD - - and before I went to Argentina I had finished all of the course work and passed the examinations and needed to write a dissertation and I said that while I was in Argentina I would look for a subject for my dissertation and prepare it and when I came back I would present it to Georgetown University. Well, as most of us know, it's very hard to do any other work when you're doing the kinds of things I was doing so that I never got to writing my dissertation while I was in Argentina, but I did go to the archives and do some research on a topic that interested me. I presented it to Georgetown and they accepted it as a topic and before I left Argentina the office gave me a month's leave in the country in order to do research and collect documents for preparing a dissertation when I got back to Washington. When I got back to Washington I was very lucky in that the people there were interested in what I was going to write about. They gave me an academic year of leave with pay in order to write my dissertation. So I absented myself from the office in Washington for six months or so and spent most of the time in the Library of Congress writing my dissertation on Argentina's period of rapid economic growth and why it stopped.

Q: Does that have a title...

LOWENTHAL: Yes, it has; that's the unwritten subtitle of my dissertation. It has a longer title.

Q: Well, if you don't remember it right now, let's remember to edit it in when we go over it, OK?

[Reference: "The Expansion and Modernization of ArgentinaLOWENTHAL: Government, Economy and Society, 1880-1916"]

LOWENTHAL: Right. When I came back from writing my dissertation, I became the Deputy Director of the office of Argentine, Paraguayan, Uruguayan affairs in Washington and that involved both political committees to discuss and answer questions about political matters as well as the AID program in those three countries. I selected just one experience with respect to that job that I felt would be of interest to record and to show how political influences in the United States can affect a program in a developing country. Paraguay was one of the countries that I was responsible for in the Department and we have had an economic and technical assistance program there for many years -- since the 40's. At this particular time there, a loan was made to modernize the airport serving the capital of Paraguay, Asuncion, and this loan had been approved at the time when the 747 became an important airplane for transport and the Paraguayan government wanted to make sure that his loan would make the airport suitable for receiving the 747.

Well, since the studies were made a couple of years before that the modernization plan of the airport did not make the runways long enough or deep enough to support the weight of a 747. The Paraguayan government was very upset about this because they said "We want to receive the most modern aircraft". An American firm that had done the original studies for this and apparently the Paraguayan government was able to convince this American firm that with the same amount of money they could stretch out the runways and make them strong enough to

support the weight of a 747. Well, the local engineer that was working for the AID program as well as two airport engineers that were on the staff of the mission in Paraguay said this was not possible and they refused to approve it. And we got into an impasse between this American company which had sided with the Paraguayan government because -- I suppose, they wanted the contract -- and our engineers.

We got into this impasse and one day we received work from the Secretary of State's office saying that the AID engineers and the AID mission and the AID office in Washington should lay off and we should proceed the way the Paraguayans wanted and have the runway extended. What had happened was that the American engineering firm had gone to their Congressman and the Congressman had gone to the Secretary of State and the Secretary of State, instead of fighting it out there decided he would give in on this issue in order to win on others, I suppose. I don't really know. At any rate we were told to go ahead and approve the loan in an extended way. We had to do it and I believe it was the second or third 747 that landed in Paraguay after the modernization had taken place went right through the runway -- not a very bad accident -- but the airport was closed for a long time and eventually another loan was made to Paraguay to make the airport suitable when all of that could have been avoided in the beginning.

Q: These were 747 planes?

LOWENTHAL: Yes.

Q: Well, that's the proof when they go through the runway, why ...

LOWENTHAL: Right. It's an example of how political matters and political influences can affect and make much more expensive and make very difficult our relations with a country when we're trying to do an economic and technical job.

Q: May I go back just a minute to your dissertation on Argentina's economic growth. Were you able to show the reasons for fast economic growth in the period of 1980 back to 1960?

LOWENTHAL: My dissertation was from a much earlier period. It was from the period of 1880 to 1916. It was, Argentina's most rapid period of economic growth in the period of the 1890's until after the first world war. After that, and especially after Peron came in the 40's, the whole economic activity in the country was downhill.

Q: So the reason would have been political I guess, huh?

LOWENTHAL: The reason was political. After 1916 or 1918 proportional representation came into the election process and enormous quantities of immigrants came into Argentina, primarily from Italy and from Spain, and there was a great deal of, of labor union development and the old system of elections which had been primarily run between two rather elite parties in Argentina - - the conservatives and the radicals -- disappeared because of enfranchisement of all of these new immigrants and working class people. As the country became more democratic politically, the

economic system and the economic situation of the country deteriorated.

Q: Hm. That doesn't speak very well for democracy.

LOWENTHAL: It doesn't because it was not a well enough educated democracy at that time. The early education system in Argentina did improve and is now one of the better systems in Latin America. At that time, certainly, it wasn't and really, Argentina really never was very democratic in the political sense. In the social sense it is much more democratic. It's interesting to compare Chile and Argentina. Argentina has never had a long period of political democracy. The military has been in and out of Argentine government like a revolving door. But socially, Argentina is a very democratic country -- it doesn't matter who your father is in Argentina. If you work hard and have capacity you can be elected and you can become President of Argentina. We've had first generation immigrants elected President of Argentina. We had President Illia - - was a first generation Italian who was a country doctor and became the President of Argentina in the 60's. But politically, they've never seemed to be able to manage and to stay in power very long and to carry out their programs. They were always seemed to be destroying themselves. When the Argentines have elections, the military are always in the background and have had a long history of participating in government and controlling what the policies are, whereas in Chile it's been the opposite until just very recently. Chile has had a long history of democratic government -- people were constantly elected, but socially Chile is not very democratic. It matters who your father is and where you come from and what your lineage is in order to have an important position in Chile. It's not as democratic socially but it's always been much more democratic politically, which is strange for countries that have been neighbors for so long to be so opposite.

Q: Well, I guess when you get to the, to the social field, the societal field, there are a lot of anomalies that nobody knows much of anything about. But they're intriguing.

LOWENTHAL: I had one other example to give about political influence, U.S. political influence in our AID programs that took place later when I came back from Chile after having been on loan to the United Nations in the Economic Commission for Latin America. I came back to Washington and was made the Deputy Director of the Office of Bolivian and Chilean Affairs and I spent most of my time going to congressional hearings to discuss the Allende government and what happened there, but this particular experience, that I want to relate has to do with Bolivia and it is similar to the Paraguayan experience in that we made a loan to Bolivia to build a road from La Paz, the capital, to Santa Cruz, which was a city where Bolivian oil is. There never was a road and most people in the Santa Cruz area left the country by going east through Brazil by boat down the Amazon. There was no connection with this area where oil had been discovered and the Bolivian government was very much afraid that whole province might fall into Brazilian hands. Therefore, they made tremendous requests for assistance in building a road from the capital to this area. A loan was made and in the loan we were --I particularly-- was very insistent that it not just be a loan to build a road but that it should have a very strong part for the maintenance of the road and for training people on how to maintain this road. It was a very difficult road to make because it was going from the highlands of some 13,500 feet down

into the Amazon basin. You can imagine the mountains and the various different climates that his road had to go through to get to Santa Cruz. Well, we had experience with financing roads. The government never thought of what it cost to maintain them, so that in this road loan we stipulated that part of it must go for training of maintenance crews and knowing how to maintain it in the various climatic areas of the country. In addition to that, we also stipulated that this road loan should also be an educational process for the training of Bolivians in how to make the road, that they were to work in making of the road, and that the equipment that was to be brought in should be commensurate with what Bolivians could use. Well, there were bids as the law required for making the road and an American company won the bid and the American company let it be known that they were going to bring down their most gigantic experimental bulldozers to test them out. Before they would even use them in the United States, they were going to use Bolivia to experiment with new machinery and new processes and new procedures. We immediately objected to this very strongly and we explained that the loan and the agreement was that the equipment had to be commensurate with Bolivian needs, that there was this educational aspect to it, and that there was the maintenance aspect to it. The American company paid no attention to this but went ahead and we wrote a complaint to their congressmen that we were throwing monkey wrenches in the way of progress of their loan contract that they had won through open bidding. Eventually one congressman went to the State Department and the State Department went to us and told us also to lay off. The road was built by these gigantic experimental machines and the Bolivians sat there on the hillside watching. After the road was built and after about one year of torrential rains, especially in the tropical area, the whole thing washed out and another loan had to be made and the road was rebuilt. I guess the expense was twice as much as it needed to be -- we got another road that functions in Bolivia. But this is another example of how U.S. political influences can cause very serious delays and unnecessary expense.

Q: When the State Department told your office to lay off did they put it in writing?

LOWENTHAL: They put it in writing.

Q: They did ! Quite often I found in government work that there were plenty of people to tell you something but very few that would write something.

LOWENTHAL: They put it in writing in a way that is very hard to find. They made suggestions. They weren't orders but they were suggestions which, between the lines you could see were orders.

Q: (Laughter). Well, that's kind of the way it goes I guess. Well it's kind of unfortunate to unload that kind of a road onto Bolivia. When I was in Guatemala there was a sizable road building program. And in view of the political turmoil there, after Castillo Armas took over, they wanted to get these roads done in the fastest time possible so the policy was to build the road and then go back and correct the places that slid or whatnot. And I suspect this was probably the most economical, as well as the fastest way to do it. But there were times there that people were invariably rocks showering down over cars when they went through those more treacherous

spots. And it did take years to get them stabilized. But I sure know what you mean from a technical point of view.

LOWENTHAL: These are just merely examples of problems one faces in running an economic and technical assistance program and as the undertakings become more of a capital development nature involving loans of large sums of money. The chances of having the result that one looks for get to be slimmer and slimmer as there are more chances for problems to outcrop and difficulties. These kinds of difficulties cause problems with the basic relationship with the people of the country -- with the people as well as with the government -- because these kinds of issues immediately cause resentments between the local government and the U.S. government. Because of the dealings, even though here are private contractors doing the work, the dealings are at a governmental level and you have to deal with that. The larger the quantity of money involved and the greater the undertaking in material things, the greater the chance of difficulties and friction. It seems to me in looking over my career of thirty some odd years in this kind of work that the best payoff has come from the technical assistance part -- where you have technicians dealing with local technicians and you have training programs in the field and training in the United States. Where you are dealing primarily with human beings and not with capital development and material things. It seems to me that if you get the human beings in the developing country trained and of a mind to do the things that are necessary, the capital aspect should come from the sources that already exist in the international banks and in the private banks and that to have economic assistance come from the U.S. government directly as part of a technical and economic assistance program, you very often defeat or deflect the original purpose.

Q: I hear you say people should be "of a mind." I think that's a key element. Maybe that's the sort of thing that there should be some, some resources addressed to, to help the people to become "of a mind" because it seems to me that if you take a group of sanitary engineers such as me, and they're all local people, and they start to thrash around how to, how to keep their resources from going in the wrong direction politically that all you have done is create unrest which almost has to lead to some kind of revolution, right? So have you seen any, any kind of institution building or anything to encourage this "of a mind" attitude and have it translated into an institution that functions?

LOWENTHAL: Yes, I think that the original idea of the servicios did this. They developed people who were of a mind to create a development incentive in their countries and to train the people to work toward a kind of development that the country itself could absorb and manage. It ran at its own pace when it was using its own resources more than the kind of program that came later using U.S. resources. I think that the program that came later using U.S. resources came about because of a lot of impatience on part of the developing countries, as well as on the part of the U.S. government. They wanted to see results sooner and therefore they thought if there was more money applied and bigger and more fundamental undertakings, that development would come faster. I don't think that has been the result.

Q: That seems to tie in with what I understood was our policy when I was in Brazil the second

time in '59 to '61. And that is that if everybody had a reasonable amount of money, each individual, then there wouldn't be political problems. I felt that was a fallacious assumption just at face value. But that was in effect, the policy under which we were working in Brazil at that time and I assume it was to a large extent exactly the same policy that you have outlined.

LOWENTHAL: Yes.

Q: That you can get these large projects going and get enough money going and everything will be good. I think I'm inclined to agree with you that things might be worse. It's better to move along slowly and, i guess my bias really is in favor of the servicio. When you have technical people working together -- side by side -- on the same thing, then you've got two cultures brought together in, in a very good group situation and it seems to me that's what all of the later arrangements have overlooked. They figured that you should bring the governments together. Well, problems...

LOWENTHAL: Sure, governments are way up there and the governments are also in and out - - they're not always there. You have technicians working together -- it's a much longer range kind of thing and it's a much more intimate thing as well.

Q: And it has advantages I feel for both countries. Well, anyway, what ...

LOWENTHAL: ... that brings me to the end of my particular topics.

Q: Well, OK, let's see, that brings us, brings me to some questions. On the list you sent me you have Argentina, the relationship with Argentina, Paraguay and Uruguay in Washington, but you give as an example Bolivia. Bolivia was not in your bailiwick?

LOWENTHAL: Yes, when I came back to Washington, the first job I had, well, first I worked on my dissertation as I explained, then I was the Deputy Director of the Office of Argentine, Paraguayan and Uruguayan Affairs and that's when I related the, the experience of the Paraguayan airport loan. Then when I ceased being the Deputy Director of Argentine, Paraguayan and Uruguayan Affairs I went to Chile on loan to the United Nations. What happened was that Raul Prebisch, a very well known Argentine economist, who had been the director of UNCTAD in Geneva returned from UNCTAD to Chile to head up the Economic Commission for Latin America which he had founded many years before.

Q: And this was in ...

LOWENTHAL: This was in 1969.

Q: 1969.

LOWENTHAL: And he was returning from Geneva from his position there with the United Nations. He had, he was an Under Secretary General of the United Nations and he was returning

to Chile to work in the Economic Commission for Latin American. He was the head of what was part of the Economic Commission called the Latin American Institute for Economic and Social Planning which was part of ECLA which he had founded and he asked me to go with him and to help him reorganize that institute. AID and the State Department gave me permission. There was a stipulation in the law whereby you could work in a United Nations organization and not lose your status in your home agency.

Q: You had just said that you wouldn't lose your status if you didn't stay longer than five years. So take it from there.

LOWENTHAL: Right. So I went and I worked for Prebisch in the Latin American Institute for Economic and Social Planning from 1970 through most of 1974. And that institute is located in Chile. I was the Director of Advisory Services and Special Assistant to Dr. Prebisch. I spent most of my time organizing teams of economic planners who would be requested by the governments of Latin America for assistance in preparing their economic development plans. I would go to these countries and negotiate agreements between the Institute of Economic and Social Planning and the country itself for assistance in various types of plans, some were long-range, some were short-range, some were just agricultural plans or educational plans and others were overall economic plans and then I would try to recruit people to carry out these advisory services to these governments. That was my main job as the Director of Advisory Services. The other aspect of my job had to do with the management of the Institute itself and that involved its organization. I was the Chairman of the Tenure Committee that dealt with very delicate matters with respect to personnel. That was a very fascinating position. I was in Chile at a time when very important changes were taking place. I got there in the last year of the Frei Administration. I was there for all of the campaign and the election of President Allende and Chilean military and then I stayed on for about six months of the military regime before I came home. Then I became the Deputy Director of the office of Bolivian and Chilean Affairs in Washington and that's when I had the problem of the Bolivian road loan that I explained earlier.

Q: I see. Well you, you mentioned the CIA just kind of briefly and with all of your courting around in various countries in Latin America you probably had considerable contact with the CIA operations. What are your observations as to the way in which they worked or did you have any contact or experience with them?

LOWENTHAL: Yes, I met with a number of what they call Station Chiefs and various people who worked in the CIA. I found a few of them were able and had a real feeling for the country and an understanding of what was going on but I felt that most of them did not. I felt that most of them were heavy handed and heavy footed, and who were very oblivious to a certain extent. I remember once when I went on a special six month assignment to the French Cameroon. When it first became independent from France in 1960, I went there and made a survey of what our AID program should be. There was a very small embassy staff and there was one CIA representative and the Cameroonians all knew who he was and they called him Monsieur l'Espion (Laughter).

Q: Mr. Spy, huh?

LOWENTHAL: Right. (Laughter) Compared to the British intelligence service I found the, the U.S. one left a lot to be desired.

Q: Well, of course, I had quite a bit of indirect contact with them in Guatemala because they had, they had gotten their prestige by helping Castillo Armas take over the country.

LOWENTHAL: I found most of them had their friends and their influence connected with the military and I think this had been one of our great failures in our diplomatic work with Latin America. The military had received such a large amount of support compared to the civilian aspects of the government, especially in Central America.

Q: Well, I was far enough down the ladder that I even had a hard time knowing just who these people were let alone how they operated and I was so busy doing my thing that, that about all I noticed was that they kept upsetting what seemed like fundamental things that we were trying to do in the country in water supply construction and so on.

LOWENTHAL: My Chilean experience in the Allende period, I feel that the impression in this country that the Chilean Revolution came as a result of U.S. and CIA pressures is very false and very exaggerated. There have been books written about it but I don't think that the U.S. had a very large hand in it at all. The Chilean people were fed up with the Allende regime and his overthrow was a genuine overthrow by the country, by the people of the country.

Q: Well, now finally you went to Paris for a while, right?

LOWENTHAL: Yes, in 1978 when I ceased being the Deputy Director of Bolivian and Chilean Affairs and after a short stint as the deputy director of the Administrator's Development Seminar, and since I had had experience with a UN organization in Chile, there was a need in AID for someone to be the Development Advisor on the staff of the ambassador in the U.S. delegation to UNESCO which is located in Paris. I was very fortunate in being offered that job which I accepted with alacrity.

Q: I'll bet.

LOWENTHAL: I spent three years in Paris in that position. It was a very interesting and difficult job because I had to get used to dealing with people from all over the world, because it was a world-wide organization, not just a Latin American organization. I had to deal with Russians, Chinese, Bulgarians -- all kinds of people that I really knew nothing about and so it was very educational.

Q: I see. This is the group that was taken to task by our own government because of their, their way of slanting the news and not having freedom of news in their various countries and so forth?

LOWENTHAL: Yes. About a year or so after I left the U.S. mission to UNESCO the United States withdrew from the organization. The withdrawal means that we are no longer in the Paris headquarters. We no longer participate on the Executive Board or the General Conference which approves the policies and the programs of the Conference which approves the policies and the programs of the various years and we don't contribute any longer to UNESCO in any direct way, however, most of the economic and technical assistance that UNESCO provides, the money comes from the UNDP --United Nations Development Program -- which then uses UNESCO personnel to do the work in the countries. The United States has not withdrawn from the UNDP -- we continue to pay 25% of that budget -- so therefore UNESCO's projects in the underdeveloped world are still continuing with U.S. support even though we don't participate in UNESCO itself anymore. We got out of UNESCO because we found that it was run by a rather dictatorial Secretary General -- Director General -- I don't think you'd call him a secretary -- Director General -- and that the problem of communications got to be a very difficult problem politically in the United States. Really, the decay in UNESCO's headquarters is partly our own fault because the position of the U.S. ambassador to UNESCO over the last 15 years or so was always filled by a political appointee who was awarded this for some assistance in some kind of a campaign in the United States and since there was nobody there for any great length of time the staff and the people at UNESCO felt that the United States really wasn't serious about UNESCO and therefore they could go ahead and do whatever they pleased no matter what the United States said and we would continue paying our 25%. And we did have a number of ambassadors who were not at all able to give a serious aspect to their work there and no matter what the staff did -- the staff people -- no matter what they said. They were never really taken with any seriousness since the staff didn't represent an appointment by the President of the United States which the ambassador did so that made for very difficult relations.

Q: You could see that [a break] coming along when you were there, no doubt?

LOWENTHAL: When I was there the situation was very bad. I was there during two political ambassadors. One, the first one, spoke no French and the, the Director General of UNESCO was a highly educated Senegalese who spoke very little English and may have understood more than he let on, but he made it absolutely certain that he would never speak English to anybody. French was the language to be spoken and so this man who spoke, who was of Mexican extraction, spoke fairly good Spanish -- had a great deal of difficulty communicating with the Director General and I had to deal with most of the translating and no matter how good you are you can't really have a conversation with somebody through a translator. Anyway, this ambassador was a very fine and a very wise person and he wrote to the President -- I think after a year -- and said that he would like to be relieved of his job because he didn't feel that he was being successful and he didn't feel that he was prepared to do what needed to be done, to communicate the way that he needed to be done, to communicate the way that he needed to communicate with this organization. The President relieved him and sent somebody else who also couldn't speak any French (laughter), but who had been a president of a U.S. university for a long time and was highly respected because of her educational experience in the United States but still, her ability to communicate with the Director General was very poor.

Q: So, we're getting around to the end I feel. Do you have any great words of wisdom to straighten out the affairs of the world as we close this memoir?

LOWENTHAL: After I came back from, from UNESCO I had worked up a plan for coordinating, for assuring better coordination between UNESCO work in the field and AID work in the field because I had traveled while I was in UNESCO to countries in Africa and Latin America and had looked at AID programs and UNESCO programs and tried to see where they were complementary and supplementary -- and try to bring these organizations more together. And in some cases there was a relationship built up but that was usually just happenstance. Some people in some offices knew each other and they would then talk about their work, but there was no real way, no formal way of doing it. In some places one organization didn't know what the other was doing at all and they were sometimes working in very similar fields so I worked out a system which would have cost very little money. I presented it to the people in Washington and no one seemed interested at all and the Administration had just changed -- the Reagan Administration had come in. There was a new Assistant Secretary of International Organizations and AID people were changing and I'd had many years of service and I felt that I didn't want to go overseas again since I had been away for three years and had new grandchildren which I hadn't seen. I decided that since I had to retire three years from then that this was a good time to do it rather than trying to bang my head against unresponsives.

Q: Yea. Well, you know, something of that nature would be good to reference it even though it's something that is not going to be published. I think it might help somebody so that they wouldn't have to reinvent the wheel. At least they would know one more facet of your work. Anything else that you can think of?

LOWENTHAL: I continue to maintain an interest in what's going on in Latin American and I go and see my former colleagues that are here in Washington and those that are in the field when they come home and I've just maintained an interest. I have not done any consulting I've just maintained an interest. I have not done any consulting but I'm willing to do some if requested. I've had a few requests that I turned down because I didn't think they were worthwhile and I've written an article which the Agency for International Development asked me to write a few years ago about forty years of economic and technical assistance in Latin American. I wrote that article and excerpts of it were printed in Frontlines. But the full article was not. I continue to go to Latin America when I can and continue to be interested in what is going on in that area.

Q: Well, the Frontlines article is something that could, and should very well be referenced too - - I would think -- in this document.

LOWENTHAL: Yes. The 40 years would have been in 1981 and the article wasn't published until 1982 -- it was 41 years really. I wrote it in '81.

Q: Well, in the type of thing that we are doing reference items don't have to be published. They can be just letters or something like that that a person might want to reference and the scholar

using the memoir might very well get back to you and investigate in detail. You might be thinking of that sort of thing too.

LOWENTHAL: The heading of the article that appeared in the paper said these were excerpts from an article which the Administrator had requested of me and that the complete article was available in his office for those who wanted to avail themselves of it. I was going to write a much shorter article that would have been more suitable for Frontlines, without being excerpted, but the person that requested insisted on twenty pages and I said that that didn't seem to be the size of an article that would fit in Frontlines and they said, "Well, that's what the Administrator wants." So I wrote seventeen pages and they put in excerpts.

Q: Yea, that's the way it goes. So, do I have the date here right, that you retired in '81, right?

LOWENTHAL: Yes, I retired in July of '81.

Q: Well, I guess, unless you have something more that you think of, all is finished.

LOWENTHAL: I think I have covered the highlights of my career and related the experiences that I think are, are useful for people interested in this kind of work.

Q: Well, I think you've done a very good job.

CURRICULUM VITAE - WILLIAM LOWENTHAL, FSR-1

Born: [REDACTED]
[REDACTED]

Education: Dartmouth College B.A.
Columbia University M.A.)
Georgetown University Ph.D.) Economics & History

Languages: Fluent in Spanish and French

Work Experience (in reverse chronological order):

JUNE 1978 to present

Development Coordination Officer, U.S. Delegation to UNESCO, Paris, France.

Principal advisor to the Ambassador on U.S. objectives in relation to UNESCO's development policy and techniques of program management.

Principal U.S. representative on and technical advisor to U.S. delegations to UNESCO conferences concerned with development policy and program management.

Primary action officer on issues of development policy, the techniques of program planning, implementation and evaluation, in relation to which I:

--visit field projects annually as the Delegation's principal on-site analyst, reporting findings to Washington agencies, UNESCO's Secretariat and Executive Board;

--maintain liaison with UNESCO officials with a view to influencing the formulation of development policy for future programs;

--identify areas of U.S. interest in UNESCO's development policy and facilitate U.S. participation in the execution of such policy at headquarters and in the field;

-- brief Delegation officers, official visitors and Washington agencies on UNESCO activities;

--participate in the recruitment of Americans for UNESCO positions headquarters and in the field.

Primary action officer for issues, such as: the New International Economic Order, the Third Development Decade, basic human needs, women in development and population programs.

JANUARY 1978 to JUNE 1978

I served in the Bureau of Intragovernmental and International Affairs where I handled relations with UNESCO and UNDP until departure for the U.S. Delegation to UNESCO in Paris.

I also served in the Latin American Bureau, Office of Central American Affairs, where I handled Mexican, Nicaraguan and Salvadoran Affairs.

SEPTEMBER 1976 to JANUARY 1978

Deputy Director, Administrator's Development Seminar

I helped plan and run a course designed to bring AID Mission Directors, as policy implementers, into discussion with policy formulators in government, from the third world and from academic centers. It was an opportunity for mission directors from all regions of the world to exchange views among themselves and AID/Washington executives and members of Congress.

FEBRUARY 1974 to SEPTEMBER 1976

Deputy Country Director, Bolivian & Chilean Affairs, AID & STATE.

I was responsible for recommending and executing U.S. policy toward Bolivia and Chile. This involved preparing and negotiating policy papers, maintaining active correspondence with U.S. Embassies and AID missions in Bolivia and Chile and servicing their needs substantively and administratively. It also involved active relationships with Bolivian and Chilean embassies in Washington and with other U.S. Government, international and private agencies dealing with those countries.

JANUARY 1970 to FEBRUARY 1974

Special Advisor to the Director-General and Director of Advisory Services, Latin-American Institute for Economic and Social Planning (UN).

At the invitation of Dr. Raul Prebisch, I joined the staff of the Institute where in collaboration with UN Headquarters, I helped formulate and execute the work program and the budget. I served as Chairman of the Tenure & Promotion Committee, making

recommendations to the Director-General involving 60 professional and 40 non-professional employees. As Director of Advisory Services, I was responsible for negotiating and executing agreements with requesting governments for assistance in economic and social planning. In this dual capacity I WILLIAM

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dual capacity I held the senior UN grade of D-2.

SEPTEMBER 1966 to JANUARY 1970

Deputy country Director, Argentine, Paraguayan & Uruguayan Affairs, AID & STATE.

I was responsible for recommending and executing U.S. Policy toward Argentina, Paraguay and Uruguay. This involved preparing and negotiating policy papers, maintaining correspondence with U.S. Embassies and AID Missions in those countries and servicing their needs. It also involved relationships with Argentine, Paraguayan and Uruguayan embassies in Washington and with other U.S. Government, international and private agencies dealing with those countries.

MAY 1965 to SEPTEMBER 1966

Academic leave to write Ph.D. dissertation. I collected source material while working in Argentina. I wrote on Argentina's period of most rapid economic growth, 1880-1916.

FEBRUARY 1961 to MARCH 1965

Program Officer, USAID to Argentina, Buenos Aires.

Although designated Program Officer, I served as Acting Deputy Director for 6 months. The program I ran consisted of technical assistance activities averaging \$2.5 million per year primarily in agriculture, education and public administration (taxation and customs), and loans of about \$100 million for balance feasibility studies and animal disease and meat technology laboratories.

MAY 1956 to FEBRUARY 1961

Deputy Director, Office of Liaison with National Security Council, Operations Coordinating Board and Council on Foreign Economic Policy.

Prepared the Director of the International Cooperation Administration for the meetings of these councils and served on their sub-councils in inter-agency groups to

review and revise policy and action papers which became the topmost documents in the international field of the Executive Branch.

MARCH 1954 to MAY 1956

Program Officer, Santiago, Chile.

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Planned and negotiated a technical assistance program with the Chilean Government. It was called the "Plan Chillan", an integrated technical assistance program in a selected area (3 provinces), involving agriculture, education, health, housing, industry and farm-to-market road construction.

NOVEMBER 1951 to MARCH 1954

Program Officer, Washington, D.C.

Served as program planning and evaluation officer working mainly on Congressional presentations. Also served as Chile and Ecuador desk officer backstopping the needs of those countries.

Academic and other Background Information

During the academic year 1950-51, I obtained a Master's degree at Columbia University under Dr. Frank Tannenbaum, a noted economist and sociologist. I wrote my Mater's thesis on Industrialization by Government Institutions in Columbia.

From 1946 until 1950 I worked in a textile industry. I became assistant production manager with responsibility for quality control and wage negotiations with the union.

From January 6, 1943 to October 27, 1945 I served in the U.S. Navy as a carrier-based fighter pilot in the Pacific theatre.

As an undergraduate at Dartmouth I majored in honors work in the social sciences. At the end of my junior year, I was invited to go to Latin America for 6 months as aide to Fernando de los Rios, former Spanish Ambassador to the United States, to report on political and economic problems of the Latin American countries. The College gave me leave of absence for the first half of my senior year. This experience stimulated me to pursue a career in the Foreign Service related to economic and social development.

January 1981