

**United States Foreign Assistance  
Oral History Program**

**Foreign Affairs Oral History Collection**

An Interview with  
MILES WEDEMAN

1995

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.

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**TABLE OF CONTENTS**  
**MILES WEDEMAN**

Family Background and Early Career . . . . .	1
Joins AID in 1962: Head of Capital Development and Finance, Africa Bureau . . . . .	2
Decision to Combine U.S. Foreign Aid Agencies . . . . .	5
Development work with Nigeria, Liberia, Uganda . . . . .	7
West Africa Travel . . . . .	10
Africa Bureau and Development Projects . . . . .	11
Development in a Cold War Environment . . . . .	15
Assignment to Korea as Deputy Director of AID Mission . . . . .	15
Assignment in Cambodia- 1971 . . . . .	22
Brief assignment on Vietnam affairs in Washington- 1973 . . . . .	38
The Director for the Regional Economic Development Services Office for West Africa - 1974 . . . . .	39
Mission Director In Syria- 1978 . . . . .	54
Views on US Foreign Assistance and International Development . . . . .	60

**MILES WEDEMAN**  
**KEY WORDS**

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Assistant Secretary of the Navy  
Bakka Valley  
Bamako  
Benin  
Buddhist  
Cambodia  
Camp David  
Canada  
Cape Verde Islands  
Capital development  
Capital Development Fund of the Africa Bureau for AID  
Capital development and finance for the Africa Bureau  
Casamance  
Cash grant  
Catholic Relief Services  
Charlie Mann  
Chief Minister of the Western region  
CILSS (Comite Permanent Inter-Etats de Lutte Contre la Secheresse dans le Sahel)  
Colonial period  
Commodity import program  
Community development  
Concentration countries  
Consultative Group on International Agricultural Research  
Dar Es Salaam  
Deputy Chief Minister of the Western Region in Nigeria  
Deputy Director of the AID mission  
Development Bank  
Development Loan Fund  
Development Loan Committee  
Development Assistance Committee  
East Asia Bureau of AID  
East Africa  
Eastern Bloc

Economic stabilization  
Economic Counselor  
Economic Planning Board  
Ed Hutchinson  
Education  
Emirates  
English language training center  
Entente Fund  
Euphrates  
Exchange rate  
Ex-Im Bank  
Export development  
Family planning  
Far East  
Federal Minister of Finance in Lagos  
Food Agriculture Organization  
Ford Administration  
Foreign Policy Association of Philadelphia  
Foreign Assistance Act of 1961  
France  
French sphere of economic influence  
General Services Administration  
Georgetown University  
Ghana  
Golan Heights  
Guinea-Bissau  
Harvard Law School  
Henry Kissinger  
Houphouet-Boigny  
Hydroelectric scheme  
Ibadan water supply  
ICRISAT  
Industrial expansion  
Industrial projects  
Infrastructure projects  
Interagency committee  
Interest rate structure  
International Cooperation Administration  
International Monetary Fund  
Iraq  
Irrigation scheme  
Israel  
Ivory Coast  
James Forrestal  
Japan  
Japanese and Korean businessmen

Joel Bernstein  
Khmer Republic  
Khmer Rouge  
King of Jordan  
Korean War  
Korean Institute of Science and Technology, KIST  
Korean society  
Kuwait  
Lake Chad Basin Commission  
Land reform  
Latin America  
Liberia  
Mass education  
Makerere  
Navy  
Ndamena  
Near East  
Niger delta in Mali  
Nigeria  
Nixon administration  
Office of Vietnam Affairs  
Otto Passman  
Ottoman empire  
Palestinian  
Park Jong Hee  
Philosophy of education  
Phnom Penh  
Project Implementation Orders (PIO)  
Red Meat Study  
REDSO  
Banking reform  
Refugees  
Sahel  
Saigon  
Saudi Arabia  
Section 236 of the Foreign Assistance Act  
Seepage  
Senate Appropriations Committee  
Senegal River  
Senegal  
Senior Seminar  
Sihanoukville  
Sihanouk  
South Vietnamese forces, ARVAN  
Soviet Union  
Subsistence farmers

Swarthmore College  
Syria  
Tanzam Railway  
Technical assistance  
Trading schools for secondary teachers  
Treasury  
Tunisia  
Turkey  
Uganda  
UNDP  
University College in Nairobi  
University of East Africa  
Vietnam  
War against poverty  
West Africa  
World Bank  
World Bank and IMF meetings  
Yamek river  
Yi dynasty  
Young rancher cattle scheme  
Zambia

**United States Foreign Assistance Oral History Program  
Foreign Affairs Oral History Collection  
Association for Diplomatic Studies and Training**

An interview with  
Miles Wedeman

Initial interview date: September 12, 1995  
Interviewed by John Kean

*Q: Today we are doing an interview with Miles Wedeman, who formally worked for AID as a foreign service officer. Miles, give us a little background on your younger days and what influences might have led you on this career path.*

**Family Background and Early Career**

WEDEMAN: Thank you very much. I was born in Baltimore, grew up in suburban Philadelphia and went to Swarthmore College not far from my home. My interest in foreign affairs started in high school where I was active in a world affairs club. While in high school I participated in events sponsored by the Foreign Policy Association in Philadelphia. At Swarthmore my main interests were in economics, history and to some extent political science. I finished Swarthmore in January of 1943 and entered the Harvard Law School the day after graduation. Three weeks later I was called to active duty at the Naval Reserve Midshipman Training School in Chicago. After finishing this school I became a Naval Reserve Officer and was on active duty until May 1946. I was trained as a bomb disposal officer in Washington. I never did any work as a bomb disposal officer and mostly worked in ordnance intelligence. I spent nine months on a small island, Palmyra, 960 miles south of Hawaii and took part in the invasion of the Philippines in the autumn of 1944. After that I was stationed both in Pearl Harbor and Washington. After the end of the war I volunteered to be part of the American "presence" in China but never got there. My second choice was Japan and I never got there either. I ended up on the island of Guam, which I had seen before. I was on Guam until I returned to civilian life in May of 1946. I returned to the Harvard Law School in the fall of 1946 and received my LLB.(it's now called a JD) from Harvard in June of 1949. I always wanted a government career. In November 1949, I went to work for the Navy Department in the Office of General Counsel as a lawyer, doing procurement work, particularly with respect to industrial facilities. Everything changed in terms of magnitude and character in June of 1950 when North Korea invaded South Korea. After that, I was extremely busy, negotiating and drafting contracts for the construction and use of industrial plants and the purchase of equipment.

Toward the end of 1953 I was asked to join the staff of the Assistant Secretary of the Navy (Material). Earlier this position had been known simply as the Assistant Secretary of the Navy when there was only one. The Roosevelts, Franklin D. and Theodore, were very active holders of this position. By 1953 there were other Assistant Secretaries, but this was the one with the

oldest lineage or pedigree. The Assistant Secretary (Material) physically occupied the office once used by FDR and redecorated in 1940 for James Forrestal, when he came to Washington to run procurement for Secretary Knox. The construction of the building we were in had been authorized by FDR in the first World War when he was Assistant Secretary. The story goes that when he approved the temporary buildings for World War II he said they were to be designed so they would not last more than five years to make sure the example of his World War I building would not be repeated. Little did he know what a long life they all would have, including his World War I creation!

I was an Executive Assistant to the Assistant Secretary until November of 1949. At that time I became a member of the staff of the Washington Office of the Ford Motor Company. This was a different kind of existence. My boss was the person I had succeeded in the Navy Department as Executive Assistant. I was with Ford in Washington until June of 1962. I was what would be called a manufacturer's representative, largely concerned with trying to get contracts for Ford from the military. Ford had decided in the late 1950s that it wanted to become a major defense contractor. I don't think it ever really did or at least it didn't realize the effort this would take. In any event, I was in the Washington Office until June of 1962. In the meantime, we had the election of 1960, and John Kennedy was elected President. I am a Democrat, and have always been a Democrat, and I had a great interest in joining the new administration to work in foreign affairs, because that had been my interest for many years, and I thought, "well, here's the opportunity to do it." I rejoined the government through AID in June of 1962. My first job was Director of the Office of Capital Development and Finance (CDF) of the Bureau for Africa and Europe (this bureau inherited the residual foreign assistance of ICA and DLF activities in Europe).

### **Joins AID in 1962: Head of Capital Development and Finance, Africa Bureau**

*Q: Did this represent a major switch of geographic focus for you?*

WEDEMAN: Yes. I had never had any connection with Africa before, none. None at all. I'd been to Europe, as a tourist, and in the Pacific as a naval officer during the war. But the rest of the world, no, I knew very little about it. Ed Hutchinson was the Assistant Administrator for Africa and I remained in CDF until June of 1968 when I went to Korea. That's when I started my foreign service career. I had been a civil servant until then, and I'd been in the same job for about six years, which is, as things turned out, long for me. Usually I have not held jobs that long.

*Q: Yes, now let's concentrate on that period of experience for a little while, and tell me what were some of your principle first involvements.*

WEDEMAN: Well, the main involvement right off the bat was the fact that the Africa Bureau had a goal of authorizing \$100 million in development loans during fiscal 1963, starting from zero. And there was very little experience, naturally, in making development loans.

*Q: Yes, this was only two years after the big rush of independence.*

WEDEMAN: Well, not entirely, of course. You had Ghana, which had become independent, I believe, in 1957. You are right, the big rush started in 1960. But there were people who had been in the Development Loan Fund, if you are familiar with the Development Loan Fund (DLF). This was one of the predecessors to AID. The Development Loan Fund had been organized during the Eisenhower administration to be a kind of U.S. World Bank, but separate and apart from the International Cooperation Administration. There were people who didn't want this kind of assistance touched by people who had been active in ICA. It led an independent existence, with a very small staff. Its policies were modeled after those of the World Bank. The ways it went about putting projects together and approving them, and administering them were patterned after those of the World Bank, a system which continues at the World Bank until now. The DLF was folded into AID in the reorganization under the Foreign Assistance Act of 1961. The people who worked for the DLF went into AID, although they were much diluted in numbers and influence as a result of the change. Ed Hutchinson, who was head of the Africa Bureau, had been the Deputy Managing Director of the DLF. His deputy, Art McLaughlin, I think, had not been with the DLF but Ed knew him quite well and they worked like two peas in a pod.

*Q: Who was that?*

WEDEMAN: Art McLaughlin. I came to know I knew him very well. I worked with him more closely than with anybody else. He died about a year later, which was a terrible loss, both personally and professionally. He was a very, very able man. My deputy, Al Disdier, was out of the DLF. I, of course, came from the outside. I'll be frank to say my background was not in finance. It certainly was in project management, but at a fairly senior level, so I had to learn from the start.

*Q: So Miles, would you say that your approach, as you took this \$100 million commitment drive, was very much along the lines, or something different from the DLF?*

WEDEMAN: I think it was very much what the DLF had done, and I came to know how the DLF had operated. I will say I thought the DLF knew what it was doing. The DLF was entirely in capital development, not in technical assistance. It would be in infrastructure projects, sometimes in industrial projects, and also in development banks, which used to be a very popular area for foreign assistance. And that's what we concentrated on in the Africa Bureau during the years that I was there.

All of this has changed. AID does almost nothing by way of capital development now. When it began to get out of capital development, the main rationale was the fact that since AID followed a "buy American" policy, sometimes a "super buy American" policy, it meant that American capital projects were too expensive compared to those of Europe and Japan. American construction firms and equipment suppliers generally were not competitive in the world market. Therefore the Agency came to feel after a while that the role of providing capital development to the less developed world was best done by, let's say, the World Bank and other donors

*Q: Did you have some concentration countries?*

WEDEMAN: Yes. The U.S. had made formal commitments in certain cases, either to finance particular projects or to support the development of multi-year programs of a particular country, in Africa, most notably Nigeria. Nigeria became independent in 1960, and the U.S. made a commitment of 81 million Nigerian pounds, which worked out to something like \$225 million to assist the first five year development plan of the Government of Nigeria. Capital development was targeted to carry out a large part of that commitment.

To achieve the Bureau's FY63 target of \$100 million in development loans was a lot of work. The effort involved all kinds of projects. In terms of what we financed, it was quite opportunistic. It was a matter of finding things to finance, and my experience in AID was that we were always looking for things to do. AID never lacked for money. Maybe it does now, but it didn't in my day. You were always scrambling around, looking for projects. I know in the case of the decision to authorize \$100 million in fiscal 1963, it was hard work finding things that would pass muster but nevertheless would get us on to meeting that commitment. Every morning I would have what I called an operations meeting, with at least that part of the staff working on a particular group of projects or a particular group of countries. We had a system for not only measuring progress, but predicting whether we were on target to meet that goal of \$100 million. In the end we fell just short of it, I think, authorizing something like \$94 or \$96 million.

*Q: By the end of 1963?*

WEDEMAN: By the end of fiscal '63, which then would have been the 30th of June, in the old way. This was just authorizing the loan, not obligating the funds which could only occur with the signing of a loan agreement by the U.S. and the borrower. The DLF still continued in the early years of AID as a name, although not as an organization. All of the monies going into AID development loans were authorized and appropriated under the DLF, of which the Africa Bureau's share in 1963 was \$100 million.

*Q: It became the implementer of all those appropriated funds.*

WEDEMAN: That's right.

*Q: Was this the major element of Africa focused AID activity?*

WEDEMAN: I can't tell you. I was so involved with what I was doing, I probably was not looking at what was going on on the technical assistance side. I'm guessing it constituted probably about half of the Africa Bureau's effort. Maybe more than half. You also had the fact that Ed Hutchinson had been a development loan man for quite a while. His real interest was in development lending, and much less in technical assistance.

*Q: Would you say that the Africa Bureau then was functioning in a manner significantly different than the other bureaus of AID?*

WEDEMAN: I don't know. Of course it was much smaller, because the Africa program was the smallest of all the regional programs. You had the Near East, Far East, and Latin America. The major political push was in those areas, not in Africa. Africa was way down in terms of priorities. All of the loans, I won't go into detail as to how they were authorized, but they all had to be consented to by the Treasury. Treasury was always frustrated, in my observation, by the fact that it couldn't do anything about the Alliance for Progress loans (Latin America), or about the Near East, and more significantly perhaps, India and Pakistan, which were the biggest recipients of this kind of lending. So, it would be particularly tough on the Africa Bureau in terms of insisting that every "t" be crossed and "i" dotted. It was not easy to deal with Treasury in that respect.

*Q: You had an interagency committee then?*

WEDEMAN: It was more than an interagency committee. It was something known as the Development Loan Committee. The head of AID was the chairman of it. The other members were the President of the EXIM Bank, a very prominent member; the Assistant Secretary of the Treasury responsible for international monetary affairs; the Deputy Administrator of AID (who often chaired the meetings of the Development Loan Committee); and the Assistant Secretary of State for Economic Affairs. There may have been others, I'm not sure. One major difference existed between the way the DLF and AID approved development loans. In the DLF, as in the case of the World Bank, the board of the DLF, not its Managing Director, approved or disapproved the loans. But the Development Loan Committee AID, whose membership was virtually the same as that of the DLF, was only advisory to the Administrator and he could take the advice or he could reject it. Now...

### **Decision to Combine U.S. Foreign Aid Agencies**

*Q: This reflected a Kennedy Administration judgment that there ought to be a focus of responsibility in AID?*

WEDEMAN: I don't . Certainly the decision had been made that they weren't going to have several foreign aid agencies. I think that is true. They weren't going to have the DLF and ICA. They were going to combine them. They, of course, didn't do anything about the EXIM Bank, which continued as an independent agency. The DLF and the ICA were the two principal components of AID. ICA people rather than DLF staff dominated AID, just by sheer numbers. They outnumbered all of the DLF people. Certainly you could sense with the DLF people a feeling that, I won't say that they had been downgraded, but they had a much harder time in pushing for their views and their ways of doing business. The DLF was very different in the way it authorized and administered loans from the ways in which ICA administered technical assistance.

*Q: One was more banker oriented and one more development oriented, perhaps?*

WEDEMAN: I'd put it a slightly different way – the DLF was much more flexible than AID. It was more financially oriented. I won't say banker oriented. Banker, if you mean World Bank,

okay, but the World Bank is a very particular kind of bank. But looking at ICA, ICA had, and so far as I know AID still does, this array of devices, PIOs [Project Implementation Orders] of one sort or another, used to implement projects.

*Q: Project Implementation Orders (PIOs) ?*

WEDEMAN: Yes. And a source of considerable friction between the DLF people and the former ICA people. Not long after I joined AID I was asked to chair a task force on procurement, including PIO/Ts (Project Implementation Order/Technical) and PIO/Cs (Project Implementation Order/Commodity).

*Q: Ts being technical, Cs being commodities, right?*

WEDEMAN: That's right. But not Participants, PIO/Ps. I was chairman of a task force which was to recommend to the Administrator any changes that should be made as a result of the melding of these two agencies. My basic recommendation was to get rid of PIO/Ts and PIO/Cs. These recommendations were not adopted. I will confess to the end of my days in AID I never did understand what they really accomplished. The Deputy Administrator in the Africa Bureau, Art McLaughlin, said they had one major purpose and that was to squirrel money away and not use it. I came to see how right Art was. I found the PIO in the beginning, and all the way through my career with AID a very cumbersome way of doing business. It did seem to me as the years went on that AID became much more—bureaucratic is the wrong word for it; I don't really object to bureaucracy—but it became much more rigid and much more detailed in how it carried out things. Perhaps PIO/Ts were appropriate for technical assistance, although I doubt it, but they certainly didn't fit the world of development lending for capital projects. In any event, in the beginning, and for as long as I was with the Africa Bureau, we didn't have to worry about PIO/Ts and PIO/Cs. I felt then and later AID was an organization which should have been flexible and adaptable in the way it did its business, but alas it resembled nothing so much as a fossilized old line government agency.

*Q: Now, I wonder if you would comment briefly on how you jumped into this. Did you jump into this in terms of the administrative functions, or did you also get involved in what the countries looked like and what the issues and problems were in the country?*

WEDEMAN: Both. The approach was very opportunistic but with some emphasis on particular countries. We had Nigeria as a special case, which was the largest single country of concentration. There was a general interest in francophone Africa, although it was recognized that it would be difficult to make loans to these countries, all of which were newly independent. It was felt there should be an American presence in these countries.

*Q: But all of those had a primary focus on their relationship with France.*

WEDEMAN: Yes, indeed. They still do. AID also had an interest in East Africa, but in terms of what we did it was very much a matter of what you could find to finance. In some cases what

we were doing was picking up projects that for one reason or another the World Bank decided not to do.

### **Development work with Nigeria, Liberia, Uganda**

*Q: What were the other countries, besides Nigeria, where you were primarily working?*

WEDEMAN: Nigeria was the major one. Tunisia was a second one; there was almost a commitment to Tunisia. Then there was a country we more or less inherited from the DLF in terms of concentration and that was Morocco. But I think, although I think that my memory could be wrong, that Nigeria was the only one with which the U.S. government had a formal commitment. This was authorized under the Foreign Assistance Act of 1961. A commitment was designed to be something new in terms of foreign assistance.

*Q: And this reflected a sense of the importance in the size and geographic weight of Nigeria.*

WEDEMAN: Yes. Particularly the political side of it. Nigeria was and is the largest country in sub-Saharan Africa in terms of population and economic potential. In the beginning there was a great deal of hope for Nigeria, that Nigeria, unlike, say the francophone states and many other states in Africa, had a fairly large number of trained, skilled people at the professional level. That was the reason behind it. You have to remember the commitment was not ironclad in the sense that the U.S. would provide \$225 million in assistance, but that the U.S. said it would consider up to \$225 million in projects and technical assistance for Nigeria over a period of five years.

This led to some misunderstandings. I can remember the time of the World Bank and IMF meetings in the fall of 1963. This was when all these people would come to see us, and the senior Nigerian visitor was the Federal Minister of Finance in Lagos, Chief Festus Okote Ibo, who was very powerful politically. He was a great big fellow who wore Nigerian dress and a boater on his head with a great big feather that came out of the top of it. And this man had a squeaky little voice and he said "That commitment has existed since 1961 and I have not seen one dollar." His view of it was that each year there would be a cash transfer and that's exactly what the U.S. was not willing to do. Certainly Nigeria was not a country where you sensibly make a cash transfer.

To show you one of the problems let me describe a visit I made to Nigeria. In the summer of 1965 I had to go there in connection with the very first project being implemented, the Ibadan water supply scheme in the Western Region. We had gotten word that the Deputy Chief Minister of this Region was trying to influence the award of contracts for that project and he had his hand out. I was asked to call on the Chief Minister of the Western region, Chief Akintole, in Ibadan. On a very dark rainy afternoon in very dark bungalow (his official residence) I told him this was not acceptable and that the information we had concerning the Deputy Chief Minister was quite reliable. He replied, "Oh, I'm so happy you have come. Now everybody says that Nigeria is corrupt, but you're the first person who has indicated that you have

actual evidence of corruption. Please convey back to Mr. Hutchinson my regards that you have revealed this," and so on and so forth, "and you can be sure I will do something about it." Six months later, he was assassinated in the first coup in Nigeria. He was said to be one of the bigger takers of money in all of Nigeria. In the same coup Festus Okote Ibo , probably the champion in this game, reportedly had his eyes gouged out and then was killed when he wouldn't reveal the number of his Swiss bank account. The commitment to Nigeria certainly was troublesome because of this fact, and it was difficult to develop projects that were acceptable and capable of being implemented.

When you mention countries, one cannot overlook Liberia. It always claimed a special relationship with the United States. While there was no formal commitment in the sense of the one to Nigeria, nevertheless, Liberia was treated as a very special case

*Q: What were some of the principal projects there?*

WEDEMAN: The one I remember best in Liberia was Mount Coffee. This was a hydroelectric scheme and it went fairly smoothly, at least to the point of awarding the contracts and getting it started. Later on, I understand, there were major technical problems with the grouting required to plug up gaps in the rock foundation of the dam.

*Q: To prevent seepage?*

WEDEMAN: Yes, that's right. It didn't work entirely. There was a great deal of seepage. One thing I do remember about Mount Coffee was that we had a visit from the Liberian Ambassador to the United States when we were in the process of completing our review of the major construction contract for Mt. Coffee. He called on the Assistant Administrator, Ed Hutchinson, and me to see how things were going. We were just about ready to approve the contract. His name I can't remember, but I can well recall his final remark "I'm going home and pray tonight that you are going to approve it." There was a great deal of religious feeling on the part of that Ambassador. We did approve the contract, but not for religious reasons.

*Q: This was a dam?*

WEDEMAN: Yes, still there I gather, but who knows? Given the tragedy that befell Liberia, I have no idea. But it was a very difficult country to develop

*Q: What about Uganda? Was there any particular focus on Uganda? It was a sort of favored country in some respects.*

WEDEMAN: I don't know if it was favored or not, but we did work on two projects in Uganda. One was the University of East Africa. We had a program for assisting the capital development of the University of East Africa, including the former Ugandan institution at Makerere, near Kampala, the Tanzanian University College at Dar Es Salaam, and to a lesser extent the University College in Nairobi in Kenya. Our main emphasis in the end was on Dar Es Salaam.

We never really did get going on anything for Makerere.

The other project in Uganda I will always remember favorably. I won't say it was unique, but it had the great virtue of being home grown in Uganda. This was not like most of our projects which were our ideas. The Ugandan project was a scheme for young Ugandan ranchers to raise cattle. A certain amount of land had been set aside by the Ugandan government for this purpose and the Ugandans had put the project together. It was very, very well thought out. All that was asked of us was the foreign exchange required, about \$800, 000, for the purchase of equipment. I and the loan officer went out to look at it and were impressed. It did go forward. Later it fell a victim to all the chaos that later engulfed Uganda. Four years ago I was in Uganda and found what had been the site of the project. Not a trace remained.

*Q: Were there differences between the four AID bureaus on capital development?*

WEDEMAN: There were four regional bureaus in AID, and the heads of capital development for each one of the four bureaus certainly knew one other, but we weren't necessarily telling each other exactly what we were doing. In some ways it was apples and oranges. In the case of the Africa Bureau there were no commodity support programs. Ed Hutchinson did not believe in commodity support as foreign assistance. I tended to agree with him..

*Q: Perhaps particularly in the circumstances of Africa.*

WEDEMAN: I would agree. Certainly given the limited nature of American assistance and the small size of even the largest African countries, commodity support lending had no real role to play in AID assistance to the continent. With the much larger economies in places such as India and Pakistan where AID had large formal dollar commitments, I wouldn't say you could shovel out huge amounts of money, but you could commit large amounts of money in this fashion. These were much larger economies, and I remember sitting through a meeting of the Development Loan Committee, when an amendment to an existing Indian commodity support program being considered was on the order of something like \$100 million—the size of the entire AID Africa development loan program. In a given year AID assistance to these other countries annually could run to hundreds of millions of dollars to any one of them. Emphases changed over the years. By the 1980s the Africa program and the Africa bureau had become much larger players inside the agency than they had been in the 1960s.

*Q: They reached the \$400 to \$500 million per year level.*

WEDEMAN: That's right. But in terms of interchange of information, I will confess, not a great deal. Sometimes your best source of information was to go to meetings of the Development Loan Committee when the Committee was considering projects from other bureaus, and hear what was said back and forth. On the Development Loan Committee, at least two or three members, were very active. I remember in one case they had up for review a development loan in Argentina. It looked like it was a project but it wasn't a project. It was masquerading as one. In fact, it was a loan to finance local costs, i.e. budgetary support, a much more dubious

proposition. The President of the EXIM Bank, a very shrewd and able fellow, and very colorful at that, Harold Linder, just took the project apart piece by piece, and said, "This is no project. All you are doing is providing X number of dollars for budgetary support for the government of Argentina." And the capital development chief from the Alliance for Progress really had no answer to this. The head of the EXIM Bank turned to Dave Bell, who was then the Administrator of AID and said, "Dave, I don't think this ought to be approved, but it's your decision." And it was approved. But that's how you learned what was going on sometimes in the other bureaus. Later the Committee was abolished when Bill Gaud became Deputy Administrator. I understand he particularly disliked having to justify projects before the Committee when he was head of the Near East South Asia Bureau.

*Q: There were some differences...*

WEDEMAN: In terms of what people were doing there were considerable differences. In the case of Africa it was entirely projects. The program was managed and administered from Washington. This system for running the program was much resented by the field people who had come out of ICA. They certainly had a point but, unfortunately, most of them were technical not capital assistance minded and had the PIO/T mindset. When I later served in missions I never really thought the missions were always right and Washington was wrong.

*Q: Did you make some trips to Africa with some frequency? Or were those relatively exceptional things for you?*

### **West Africa Travel**

WEDEMAN: The first year I was totally engaged in getting the \$100 million committed. So I did not travel until the summer of 1963, which was after we had gotten almost \$100 million in development loans authorized. Then I made a swing through West Africa. Usually I would make one trip per year. The next year it was through East Africa. I would do roughly the same thing each year but I wanted to go somewhere only if I felt it was necessary. I didn't like to be just a developmental tourist. I knew later when I was in the field people from Washington sometimes just came out, they wouldn't have any serious role to play with respect to projects or programs—they just wanted to travel. To some extent they were country collectors.

*Q: And, did you have any input to, was there any relationship between what you were doing and the Akosombo Project in Ghana?*

WEDEMAN: No. That was a holdover from the DLF. This was Ed Hutchinson's project. There may have been some AID participation, but this would have been before I came to AID in June 1962. I've been to Akosombo but that's about as much as I can say.

### **Africa Bureau and Development Projects**

*Q: Were there any particular kinds of projects that you felt the Africans were interested in, but you did not feel merited your response?*

WEDEMAN: It would be hard to say. It seemed to me that we were always on the offensive looking for projects. With the exception of the rare bird such as the Uganda ranching scheme, it was not easy getting ideas from the African side. I never really had the feeling of the Africans developing projects. There were some that had been put together by the French, for example, in francophone Africa, which we picked up in one way or another. Or there were projects the World Bank had been interested in that we fell heir to. However, I will be frank in saying that I never felt any real sense of initiative on the part of Africans.

*Q: I happened to be working in a different bureau at that time, and lest you feel there was something wrong with the situation in Africa, we had the same problem to a considerable extent in other regions.*

WEDEMAN: I'm not surprised. I'm not sure it's changed even now in Africa, but I don't really know.

*Q: You've spoken several times about Ed Hutchinson, and his role as Assistant Administrator for Africa. What kind of leadership was he providing for the bureau? Can you characterize the way he operated?*

WEDEMAN: I think I can. I knew him quite well professionally in connection with development lending. His heart was in development lending. He and Art McLaughlin, his deputy, were perhaps more interested in development lending than in anything else. Any project we had went to Ed, not only for a written review, but we'd have an oral review with him as well. It was like having a small development loan committee meeting with him

*Q: So it was a rehearsal, in effect?*

WEDEMAN: Yes. He knew where the weak spots were, as well as the strong ones. He was quite a leader in this field. My impression is that he found technical assistance a bother. He recognized it had to be done but his heart was really not in technical assistance. That may be unfair to him, but in development lending he gave a lot of leadership. He was also, as you may or may not know, and this reflects his DLF background and the example of the World Bank, not a great believer in field missions. I know when I said to him the first time that I thought I would be interested in going to the field, he said "Why would any intelligent fellow like you want to go out?"

*Q: So, if you were getting those kinds of vibes from your leader, what was your own feeling about the role and relationship between Washington as the formulator of major capital projects and the missions of the countries where they were located?*

WEDEMAN: I have to admit that during the time I was with the Africa Bureau I thought we were entirely right. When I got to the field and when I was not with the Africa Bureau I

developed a somewhat different point of view, although as I commented earlier, I never regarded Washington as a hostile or competing camp.

*Q: Comparable to being a pedestrian as opposed to being a driver, right?*

WEDEMAN: It may be, but in the case of the Africa Bureau there were constant complaints from the field that the missions played no role in the development loan program. It is true the program was managed entirely in Washington by the Office of Capital Development and Finance which was what I was head of, and by Ed Hutchinson. Opinions of the field were not asked for and the missions weren't expected to make any great contribution. When you got to the implementation of projects, or more specifically loans, the people you were dealing with in host governments were very different from the people ICA missions worked with in the case of technical assistance. For development lending the key official was the Minister of Finance. Usually the Minister of Finance was a very powerful individual politically, which is not too surprising. This was true of every African country I ever negotiated with. And so you would deal with the Minister of Finance and with his ministry. The missions on the other hand knew a great deal about the technical ministries such as agriculture and education. In a sense all the missions were doing was providing housekeeping services in the implementation of development loans. The missions, I will be frank in saying, were not asked to participate.

*Q: And, as you said, when you were sitting in Washington, working on these projects in the field, you at least at that point you felt that that was perfectly o.k. and appropriate.*

WEDEMAN: I did indeed.

*Q: Could you then reflect back on your experience in the Africa Bureau from the Washington end in light of what you later saw, and would you have had a different view working in that job in the Africa Bureau in Washington if you had had some overseas field experience?*

WEDEMAN: I think I would. One thing that needed to be done which was not done during those years was to staff the missions in a way that they could make a useful contribution to development loans. Generally they had people who had experience and expertise in technical assistance, but not in capital development. For the missions to play a role, it was certainly necessary that they have people who were more capital project oriented, not just financially but also procurement oriented, because procurement is a large part of the implementation of a project development loan.

*Q: Now, although the Development Loan Fund per se was dismantled and integrated into AID, it is perhaps not unfair to say that when AID was created in 1961, it had a fairly strong bias toward capital projects and major infrastructure activity.*

WEDEMAN: I think that's fair to say.

*Q: And therefore, you probably felt, you were in a very key role within that context.*

WEDEMAN: Yes.

*Q: Did you see this evolve during that six-year period, from 1962 to 1968?*

WEDEMAN: There was no change as long as Hutchinson was there. The amount of money we authorized annually went down somewhat from \$100 million after that very first year, and by the time he left we were deeply into major problems in implementation. Much was learned during that time as to what projects were capable of being implemented in a satisfactory way and those that were not.

After Hutchinson left, the new leadership in the bureau was quite different. Peter Strauss was head of the Africa Bureau when I left. I suppose it was quite understandable—he did have an interest in capital development, but he wasn't interested in capital development as capital development. He was interested in it more from the point of view of "splash"—what kind of public impact it would make, not in the host country particularly, but in terms of what you could say AID was doing.

There was a project in which the U.S. never participated, known familiarly as the Tanzam Railway. This was to be a railroad running from Zambia to the port of Dar Es Salaam in Tanzania, to carry copper from the copper belt in Zambia, and perhaps eastern Zaire, in order to lessen the dependence on the Benguela Railway, which ran in the other direction, toward the Atlantic through Portuguese Angola. Considerable negotiations took place on American participation in the railroad's financing. In 1966, President Johnson himself decided that the U.S. would not do so, much to the chagrin of Soapy Williams, then Assistant Secretary for Africa. I was told LBJ used some very salty language when he turned the proposal down.

*Q: Was he the big desk officer for Africa, as he was for India? You are speaking of Mr. Johnson?*

WEDEMAN: Yes. He was right in the case of the Tanzam railway. I felt he was right, and he was capable of making that kind of decision, rather than having it fuzzied up in some way. As I said, he used very colorful language and said we're not going to do it. After that, an AID project was developed as a kind of substitute, which would have been a road running over roughly the same route, even though the railroad might or might not be built. There were all kinds of problems with the road project in terms of planning, and later its implementation. The road had to be built through territory where no road had run before. I remember telling Mr. Strauss, "It will take at least a year to mobilize the equipment in East Africa for the construction of the road, let alone the time required to build the road." All the equipment had to come from the United States; there could be no other source under our development loan procurement policies.

*Q: No other source allowed.*

WEDEMAN: Yes, that's right. And he said, "I don't buy that." I said, "Well, what would you

consider to be a reasonable period?" He said, "The road's got to be built in six months." I said "It can't." That's when I finally decided, and this would have been 1967, the time had come to leave the Africa bureau. There was no way of dealing with him on the subject. And the road was never built. The railroad was - with Chinese engineering, equipment and labor. It was not a success.

*Q: How did you see capital projects as a factor in national development priorities and strategies? Did you have that kind of opportunity to focus on those kinds of issues?*

WEDEMAN: In those days I thought they were good ideas. Today I'm not so sure. I suppose in this respect the career after I left the government plays a role. I worked in the field of agricultural research, not as a scientist but on the managerial side, and I came to conclude that capital development wasn't all that important. Many other things had to be done which were of higher priority.

*Q: So if you look back on the period of the 1960s when so much of what AID was doing was in the capital development field and the budget support field, and balance of payments support, would you say that that was a misplaced emphasis, as you would now reflect on it?*

WEDEMAN: I think it depends on the country. If I were looking at India, I would probably say balance of payments support made a great deal of sense. I think this is true in a country that is well developed, as India is. Capital development, I believe, is justified, when you can clearly see what it is that is needed by way of capital development and you are not in the process of looking for something to do in order to achieve your own sort of policy or agency goals. Looking back on Africa, I would say that the projects that had education as their focus were a good idea even though they were difficult to carry out. Some road projects made sense, although I think we grossly underestimated the cost and difficulty of maintaining them after they were completed. African countries did not have the technical or financial strength to do so.

*Q: Now I've been perhaps leading you in some directions that you would not necessarily pursue as much if I had kept my mouth shut. Would you like to speak to some issues that arose during that period that you were involved with and concerned with that you would like to address?*

WEDEMAN: You mean as far as Africa is concerned?

*Q: Yes.*

WEDEMAN: I think the main thing that I became concerned with, and I felt very strongly about after a while, is that if you are looking at foreign assistance, and at capital development specifically, it doesn't work unless it's homegrown. The initiative has to come from the organization or the country that is the recipient of the assistance. I used to make a proposal every so often that, rather than have country programs, rather than have yearly targets for the amount of money you want to obligate, why not set up a system under which you tell countries what kinds of things you are interested in financing. You tell them what they have to do in order

to get projects or programs approved. You may provide money to them to do the preliminary work, in terms of feasibility studies and things like that, but you put the burden on them, and you are not in the driver's seat. Now, this would have meant a revolution in the way AID did business. I was not in favor of having specific amounts for country programs. The way I would have done it would have been in effect to have a guide that you would give to aid recipients outlining what you were willing to consider in terms of financing and what they had to do in order to qualify themselves for it. But given the fact that you lived in a world as most government agencies do where you either obligate funds or lose them, that's hard to do.

### **Development in a Cold War Environment**

*Q: And to what extent would you say your experience was significantly impacted by the fact that we were engaged in a worldwide struggle which reflected the cold war environment?*

WEDEMAN: As far as Africa concerned, I'll be frank in saying it didn't affect me at all. I never thought of it in those terms. We were certainly generally aware of it, but Africa in those days still was not up front in this regard. The kinds of struggles and competition carried on in Africa with the Soviet Union, weren't all that hard fought. The Soviets had their countries. They had Guinea, for example, for a while, which was pretty much their preserve. You were more aware, in some ways, of your competition with other donors, particularly the French, and to a much lesser extent, the British. I may have been too far down the line. This is totally different from my experience after I left Africa.

*Q: Certainly in the '60s Africa was being dealt with perhaps for other reasons, and the cold war hadn't impacted Africa that heavily.*

WEDEMAN: That's right.

*Q: O.K., does that perhaps wrap up your particular interests with respect to that six-year period?*

WEDEMAN: I suppose it does. As I say, life after Africa was also interesting, and very different. Later I went back and served again in Africa in the Ivory Coast.

*Q: Let's pause there, and we'll come back to that in a minute. If that then wraps up the discussion of your experience in Washington related to Africa capital projects, let's turn to your next assignment. What was that?*

### **Assignment to Korea as Deputy Director of AID Mission**

WEDEMAN: I went to Seoul, Korea, as the Deputy Director of the AID Mission. I had a second title, Deputy Director for Economic Affairs in the Embassy. The decision had been made to combine the Embassy's Economic Section with the AID Mission, so I and the Mission Director wore two hats. It didn't have any great significance. I spent almost all of my time on AID matters. This was in some ways an easier situation than my position in the Africa Bureau,

and one of my less challenging assignments. The AID program in Korea had been very successful for a long time. For many years, I gather, people had wrung their hands over aid to Korea, up until the middle 1960s. Joel Bernstein, who had an African connection, became Mission Director. He was an economist and was very much interested in economic policy, and very influential in getting one major reform carried out in Korea, the freeing up of the interest rate structure. He convinced the Koreans to allow domestic interest rates to find their natural level. Also, the exchange rate regime was made more flexible up to a point.

*Q: Put a strong emphasis on export development, right?*

WEDEMAN: That came as a result, I think. But the two things I mentioned, I think, really got things going. Someone in Korea told me that for years foreign aid officials would say, "You know, we have spent all this money on industry, all kinds of industrial projects, infrastructure, technical assistance, and we just don't seem to be able to get anywhere. Nothing seems to work. The only solution is to find some sort of accommodation with the North." However, as I said, in the mid '60s when the decision was made to get the Koreans to, in effect, reform their banking structure, things changed enormously. All of these investments, which previously had looked like white elephants, turned out to be excellent, because they provided the base for industrial expansion in Korea. Also, the country became export oriented. I can't tell you because I wasn't there at the time, whether the Embassy or the AID Mission was influential in getting the Koreans oriented in that way, or whether it was another distinct influence - Japan. My feeling, the longer I was in Korea, was that even though the Koreans respected and admired the United States greatly, nevertheless the model they looked at in terms of their own future was Japan. If the Japanese could do it, there was a chance they could do it. Very clearly, their export oriented economy was partly a result of watching what was going on in Japan. They were very close observers of what happened in Japan, and they knew a great deal about Japan

*Q: A love-hate relationship, perhaps?*

WEDEMAN: I said it was like the relationship of the British and the Irish. Yes, it was a love-hate relationship. The Japanese looked down their noses at the Koreans. When I was there, I remember an organization was set up to promote greater cooperation between Japanese and Korean businessmen, and they had a big annual meeting. One year it would be in Tokyo, which the Koreans loved to go to. The next year it would be in Seoul. The Japanese never wanted to come, because among other things they couldn't stand Korean cuisine. They didn't like kimchi, the Korean national dish, which you could never forget once you ate it. Nevertheless, when it came to how Koreans were going to go, Japan was an enormous goad to them. Not just goad, but example. Of course, the Koreans had other great advantages. It was a fairly literate country. Long before I arrived in 1968, the school system had become well organized. As for the university system, it had some drawbacks. It probably still does. Nevertheless, there were a large numbers of highly educated, trained, skilled Koreans. Also, the American aid program had been quite successful, both in terms of technical assistance and in capital development. By 1968 Korea had really taken off. Someone told me that in 1960 total exports from Korea were something like \$20 million, and it consisted, first, of raw silk, shipped to Japan to be made into

garments or spun, and, second, I can't remember the Korean word for it , but it was pressed seaweed, a delicacy, both in Korea and in Japan consumed as an appetizer. By 1970, the exports were at the level of \$1 billion a year. People couldn't understand what was going on; they can't go much further, was the feeling. They had grown just about as much as they could. But they did go on and on and on and on and on to the point where Koreans now buy American firms. They had a lot going for themselves in terms of the infrastructure and education, and ambition.

*Q: All that had been laid down with a lot of Korean initiative in the earlier days, but with a lot of U.S. support too.*

WEDEMAN: Any country's development in the end is the product of that country, not of foreign assistance. There's no doubt about it, Korean success was born of Korean attitudes, Korean capabilities, and Korean interests. Absolutely no doubt about it. When I was there I read what was then a fairly well known travel book by a British woman who had traveled through Korea in the late 19th century. She said, in effect, "This is the sleepest place I have ever seen. There is no energy in this country. Just sloth and nothing else." It's incredible when you think of Korea as it must have been compared to what it was when I was there.

In any event, by 1968 the AID program was beginning to wind down. We were not undertaking new capital projects, we were not financing new technical assistance. The only really new thing that was being done, and it had been authorized earlier, was to help the Koreans with the establishment of the Korean Institute of Science and Technology, KIST as it was usually known. The purpose behind it was to attract back to Korea highly trained, skilled people who had left for better prospects overseas, free as well of the suffocating political atmosphere in Korea.

*Q: Yes, I happened to be in close communication with Joe Bernstein whom you had mentioned, who became an Assistant Administrator, during the period immediately after he was in Korea, and he continued to have a strong interest in KIST.*

WEDEMAN: I know when I was there we kept wondering exactly what the Koreans were going to do with it. It sounded like a good idea, but would it work? The political rationale was to try to get people back who did not think well of the government. Many who had left were strongly opposed to Park Jung Hee. It turned out to be a great success. It did exactly what it was supposed to do.

Korea is an authentic example of success in development. I remember when I was there you had the Embassy and the AID Mission (it had originally been just the AID Mission) in one building, and you had a twin next to it, which was the Korean Economic Planning Board, established with American inspiration and support. The Economic Planning Board—I'd never seen anything like it. It was in total control of the economy or at least it had total policy direction of the economy. The Deputy Prime Minister, who usually was a political figure, but not all that political, ran the Economic Planning Board. The Economic Planning Board was senior to and directed the Ministry of Finance, the Ministry of Agriculture, and the Central Bank. It was also the

equivalent of our Office of Management and Budget and in that capacity controlled and developed the national operating and capital budgets. It reviewed and approved all foreign investment and controlled all aspects of foreign assistance to Korea. It was unique and it worked. Once a month the President spent an entire day with the Economic Planning Board to review the performance of the economy and to determine economic and fiscal policy. He played a major role in all of this. Economic development was a religion in Korea.

*Q: So, here was a case where you went from a considerable period of exposure to the aid and development processes based in Washington to a field assignment which gave you a different perspective. What were your principal reactions?*

WEDEMAN: I enjoyed it very much. I was the number two not the number one, which naturally makes some difference, and I didn't have the responsibilities that the director had. To some extent I think it was an educational period. Even when I was in Washington I never thought of the field as being "they" against "us" and similarly in the field I never looked at Washington as being the enemy or "they" against "us." In Korea in 1968 things ran smoothly. We were not doing anything new, which had been the great fun in being in the Africa Bureau. It was mostly a matter of keeping the machinery tuned, and seeing that the gradual process of phasing down proceeded in an orderly way. So it was an easy period for me. I didn't have to work as hard in Korea as I had in Washington.

*Q: It's a wonderful experience to be phasing down in a country that's succeeding as you withdraw. Perhaps not quite unique maybe, but certainly one of the most spectacular cases of this sort.*

WEDEMAN: It certainly is. Korea was broadening for me. I had spent six years on Africa matters; I knew almost nothing about the Far East but I learned a little. In great contrast to Africa you were dealing with a developed situation and the country you were working with knew where it wanted to go and how to get there. What you were there to do was to phase out politely and with grace.

*Q: So, as you look historically at Korea, from the time that this lady tourist saw Korea in the late 19th century as the sleepiest place she'd ever experienced, through 40 years of colonial experience under the Japanese, and then to burst forth from the end of the Korean War in the next 15 years by the time you got there to a country that was not only on the way but racing forward, what would you say were the principal ingredients of that as you perceived it?*

WEDEMAN: I don't know Korean society well enough to be able to analyze what got them started. The colonial period is probably one that ought to be examined and studied more closely. Development had occurred under the Japanese, harsh though they had been. The beginnings of industry in Korea were certainly noticeable under the Japanese, and mass education started during the occupation. When you looked at Korean school children, you knew you were looking at Japanese school children. Much of the foundation had been laid between 1910 and 1945.

*Q: The prevailing philosophy of education was still that of the Japanese?*

WEDEMAN: Yes, I would say so. Education is a key to success. The basic question to ask is why did they shift, why did this change occur? I will be frank in saying I don't know, except that perhaps it was a society that had been pushed down not only under the Japanese but also the previous Yi dynasty. The talents and energies of the Koreans had simply not had an outlet until the end of the second World War. Beginning in 1946 all kinds of changes occurred. They had opportunities they had never had before... Again, I don't know why it is Korea changed the way it did. I can't tell you.

*Q: The Korean War was a stimulus, perhaps?*

WEDEMAN: Since I hadn't been through the Korean War in Korea, I don't think I would know whether it was that that produced all this energy. I think the energy must have been obvious or apparent before that. One major thing that happened under Syngman Rhee was a major and effective land reform. The Japanese had taken all of the best land. When the Koreans had gotten their patrimony back, the Korean government under Syngman Rhee undertook a major land reform and redistribution program that was tremendously successful, politically and economically. Someone has said that this is what gave South Koreans a real stake in the survival of the republic in the South; not Syngman Rhee, who was not very popular, and who had been, as you know, in exile for a good deal of his life.

Land reform was a major factor in the survival of South Korea. The people had such a stake that by 1950, even though it was not completed by then, they had something they were determined to preserve. After a while Korean agriculture began to produce not only a surplus of food but a surplus of people. The latter went into the nascent industries in Korea. One time I visited an industrial town that impressed me as having the characteristics of the industrial revolution in England in the 18th century in terms of working conditions and pay, child labor, what have you. It was really pretty shocking to see what would go on in a Korean factory.

Their economic policy was based on cheap, skilled, submissive, obedient labor. I remember visiting a forge in a small South Korean city and here were little boys all bandaged up from having been hit by flying sparks and what have you, working in conditions that we would consider intolerable, and there were a couple of other factories in that town that were roughly the same. The owner of the factory owned the town. He had all kinds of charitable foundations. He ran the schools. It was right out of Dickens. I went into a plywood factory in the southern city of Pusan. The conditions were bad and the plywood looked to me like a low grade product. The young women working there weren't exactly in the same situation as the Thais in the Los Angeles garment factory, but they couldn't go anywhere. They worked 30 days a month, ten hours a day, and they lived in the company dormitory next to the factory.

*Q: Your reference to the Thais in Los Angeles is a reference to the recent newspaper stories about the people there under essentially slave conditions.*

WEDEMAN: Yes. Not quite that bad in Korea, but there's a similarity. The Koreans had become very large in garment manufacture in the way the Thais had. Like Los Angeles, the work was done under contract with American firms. Gradually the Koreans came to realize that quality was important. Today you will find Korean clothing sold almost anywhere. All that was done with American assistance and American leadership, although the working conditions still would not be very admirable.

*Q: What were your relationships with Korean officials? Were they comfortable?*

WEDEMAN: Yes, I found them comfortable. I saw a great deal of them. The Economic Planning Board, Ministry of Finance, some people from their banks, and from the technical ministries as well. I did not speak Korean. but most of these officials spoke English, and many had American training.

*Q: Including the President?*

WEDEMAN: Syungman Rhee, not Park Jung Hee.

*Q: Park Jung Hee spent some time at Harvard.*

WEDEMAN: Did he? I didn't know that. I found them quite satisfactory to deal with. They were quite aggressive and I didn't blame them for this. We were not at that point pushing them to do very much. We would have liked to see more flexibility in foreign exchange rate management. But that was about all, and, of course, our leverage was going down as the size of the aid program went down.

*Q: And their own economy was growing vigorously anyway.*

WEDEMAN: That's right. We had had an impressive training program under which Koreans went to the United States for training. At the same time we brought a large number of American technicians to Korea to do a variety of tasks. All of this had been going on for years. Finally, one of the senior officials of the EPB said to us, "I think we don't need those technicians anymore. Some of our people are better trained and more experienced than yours." That shows you've succeeded. I don't think we had any difficulty slowing things down and beginning to get out. I don't think that bothered anybody in the mission. I found the Koreans quite good to deal with. They knew their stuff. Of, course, there were some oddities about Korea. You are aware of kisaeng parties?

*Q: No.*

WEDEMAN: It's the Korean equivalent of a geisha party. It's a much bigger thing in Korea. Same idea. It's almost a national disease. The Korean Government had a flat rule - the Korean Government would not pay for any kisaeng parties for Koreans alone. At a kisaeng party, a large one, you might have 20 women and 20 men, plus entertainment, plus bands, what have you.

They could be very expensive. The government said "No kisaeng parties financed by the Korean Government unless it's in honor of a foreigner." So you were always being asked, "Is there anybody coming from Washington?" The result was you'd end up going to many kisaeng parties. If you've been to one you've been to them all, but people from Washington thought they were great. But I'd had enough after a while to last a century.

*Q: But were these occasions where business was done, or strictly social?*

WEDEMAN: They were quite social, very social. There was one apocryphal story about one kisaeng party, which didn't involve AID. Someone like the Secretary of Defense came to Korea or the Chairman of the Joint Chiefs of Staff. Naturally there was a kisaeng party. At a kisaeng, you sit around a low chop table, one man, one woman. The woman is assigned to the man, and she pats his face with hot towels, and feeds him. The story goes that at the party I mentioned the kisaeng girl sitting with the Secretary of Defense, or whoever it was, said, "You are going to give us that destroyer, aren't you?" True or not, I don't know.

We were always aware of one particular American politician in this regard, his name was Otto Passman. You remember Otto Passman, who was chairman of the Subcommittee on Foreign Assistance of the House Appropriations Committee. He came to Korea once a year, and when he came, he always wanted to stay in a specific hotel. He didn't want to stay with the Ambassador, or the Mission Director. He expected to be treated in accordance with his perceived importance. There would always be a very big kisaeng party for Passman. It was usually held in a kisaeng house called the Blue Cloud, the most expensive in Seoul. The cost of these affairs was based on the price per kisaeng girl - \$100.00 per girl, or something like that. At all the ones I went to, you were well aware of the fact that when you were through, and left, your Korean hosts, not just the kisaeng girls, were staying behind. Because the kisaeng house had another function. Someone said who went to kisaeng parties with Passman, that they were different in one respect: even though all the other Americans left, and the Koreans stayed behind, he stayed behind too. He liked this sort of thing and he came to Korea once a year. I think I could almost predict when Otto Passman was scheduled to visit

*Q: So that assignment was for how long?*

WEDEMAN: Two and a half years.

*Q: And maybe we have time to introduce your next assignment, unless there are other things about Korea you would like to talk about?*

WEDEMAN: I don't think so. Korea was an interlude.

*Q: Let's at least introduce your next assignment. Where was that?*

### **Assignment in Cambodia- 1971**

WEDEMAN: Phnom Penh, in Cambodia. The country at that time was known as the Khmer Republic. My assignment there was from early 1971 until late summer 1973.

*Q: So you got there before the bombing?*

WEDEMAN: After the bombing of eastern Cambodia, yes, in 1970. Sihanouk had been overthrown in March of 1970. Even before he was overthrown the U.S. had resumed diplomatic relations with Cambodia. The U. S. had a charge d'affaires in Phnom Penh beginning sometime in 1969. When things heated up after the change of government in March 1970 an Ambassador was appointed and he arrived in early 1971 (Emory Coblentz "Coby" Swank). Our assistance program started in February 1971.

*Q: And you were there in what capacity?*

WEDEMAN: My title was Economic Counselor, a State designation. I did not have an AID title. It was not a separate AID Mission. We were the Economic Section of the Embassy. I don't know how frank you want to be, but I did not have an AID title because I could not get political clearance from the White House. Beginning in 1969 this became a problem for a number of AID people. If you were not true blue Republican, or more particularly if you were a Democrat, you were not going to get a job at the top. So it was decided in my case I would carry a State title, not an AID title. You had friends around who would help you in this regard. So I was an Economic Counselor, but it was the same thing as an AID Director, except I had, as I said, a State title. The AID office was not the AID Mission but the Economic Section of the Embassy.

*Q: But it carried out all the functions of an AID Mission?*

WEDEMAN: Yes, exactly the same thing, although when I arrived there was one slight difference. The same situation existed in Korea, as a matter of fact -- one person was already in the Economic Section, not an AID person, who was a CIA representative. In Phnom Penh, I made sure after a very short period that the CIA person was moved elsewhere. I think it does not help to carry out an aid program when it is known that someone from CIA is listed as being on your staff.

*Q: And what were the particular problems and issues that you were addressing at that point?*

WEDEMAN: The problems were enormous: Cambodia was in the midst of a civil plus international war, which had started immediately after the overthrow of Sihanouk in 1970. The basic question had nothing to do with development, but rather how could Cambodia survive economically in the face of ballooning expenditures for military purposes and the cutting off of foreign exchange earnings.

The principal sources of foreign exchange had dried up. Before 1970 Cambodia exported a very poor grade of rice - "brizures" i.e. broken rice - to a market developed for the Cambodians by

the French - Senegal. Almost immediately after hostilities broke out in the summer of 1970, the transport route from the rice export growing area of the country, Battambang, the westernmost province of the country, to the port of Kompong Som (before 1970 "Sihanoukville") on the Gulf of Thailand was not secure. Furthermore, for whatever the reason, the rice could not be moved through Thailand. Battambang's rice did help, though, to feed Phnom Penh until the land route was definitively cut in the summer of 1973.

Before the war in Vietnam intensified in the mid-1960s, Cambodia was a producer of crude rubber which was exported through Sihanoukville. However by 1969-1970 the rubber growing areas were either under the control of the North Vietnamese or were the scene of fighting. Except for a brief period in 1972 - 1973 the movement of rubber for export stopped.

There was concern as well that not only did funds have to be provided to keep the economy going, in terms of imported requirements, but also to maintain the economy on an even keel to avoid inflation, if that was possible. The whole purpose of the AID program for at least a year and a half was economic stabilization. The AID money initially went entirely into a commodity import program. Later on, AID funds were used for refugees as well. That's what it was, pure and simple, a commodity import program.

*Q: So this was a dramatic change from your Africa experience, and from your Korea experience.*

WEDEMAN: Yes, but for some reason, it didn't seem all that different because being in Korea, I began to move in an atmosphere where there were more politico-military matters which you were aware of, and even if you didn't participate directly in them, you were aware of them, and knew that AID was part of the mosaic of the American presence. In Cambodia, it was more apparent, even though there were no American military forces other than a MAAG Group. So to that extent, it was quite a difference. I had not been in a war situation since the second World War. This was real war. It was dangerous. There was a war going on and you knew it all the time. And it was a war that was not being won by our side.

Not long after I arrived in Cambodia, it was quite obvious the war was going to be lost. There was no way the Cambodian Army was ever going to be able to win it. Slow, downhill, all the time. Now the Ambassador bore the major brunt of this problem. Very, very difficult for him. And he was not, how would I put it, he was not part of the team that ran the American effort in Vietnam, the country right next door. Ambassador Swank was a member of a group that wanted to preserve Cambodia by means of diplomacy and aid in a different way, and without an overwhelming American military and civilian presence. After a while, Congress imposed restrictions on the number of official Americans that could be in the country on any one day. Marshall Green, then the Assistant Secretary of State for East Asia, was the organizer of the American effort in Cambodia and its guiding light. He was not a "hawk." I think he was very apprehensive about our involvement in Cambodia and wanted the American intervention carried out in a way that would result in the least damage to ourselves and the Cambodians. However, as the Cambodian military position weakened and the Government of South Vietnam lost ground, the hawks became more and more influential. I said then and later that as Cambodia and South

Vietnam went under, all but the super hawks in the American government had fled. The doves had long since been banished from the scene.

*Q: And to what degree was the war in Cambodia a direct reflection of the war in Vietnam, as opposed to being a Cambodian civil strife?*

WEDEMAN: It was both. The civil war, in a sense that it had started long before. Parts of the country had been restless in the 1960s, even in the 1950s. Beginning in about 1965, 1966, Sihanouk was having more and more difficulty with the opposition. The more militant opposition eventually became known as the Khmer Rouge, the Cambodian communist party. After Sihanouk was overthrown in 1970, a new government came in largely composed of his alienated relatives and anti-Vietnamese personalities. The Khmer Rouge then became the heart of the domestic struggle against the Phnom Penh government supported by the United States. The Khmer Rouge was not the tool or close to the North Vietnamese, but they were actively supported and supplied by them, and maybe to some extent by the Chinese. Cambodia had been terribly important as a conduit for the movement of supplies from Sihanoukville, built by its namesake on the Gulf of Thailand, to the Vietcong and North Vietnamese forces operating in Vietnam and in eastern Cambodia, the period of the Ho Chi Minh Trail. I won't say a deal had been struck, but Sihanouk had consented to this arrangement, even though I think he didn't like it. Many people felt that by 1970 he didn't really know what to do, that he could see the country slowly falling under North Vietnamese and Vietcong influence. At the same time relations with the South Vietnamese were pretty bad. Thus it was both a civil war and an international war. If, let's say, the government in Saigon had been successful, then the government in Phnom Penh, which in effect was our government, would have survived. I think there's no doubt about that. Once you realized that the war was not going to be won in Vietnam, you knew it was extremely doubtful that the government of Phnom Penh could make it.

*Q: I would like to return to a point that you were making earlier about the Ambassador's views; his view of policy and relationships with what was going on in Vietnam, and wondered if you might elaborate on that a little further?*

WEDEMAN: I wanted the opportunity to speak about it because I didn't cover at all the question of the staffing of the Embassy and later the Economic Counselor's office in the Embassy in Phnom Penh, because it was guided by a particular principle. The Embassy reopened in 1969. This was when Sihanouk was still in power. The course of affairs changed drastically in 1970 when he was overthrown. I might say, not overthrown by popular revolution, but by a result of a struggle within the ruling groups in Cambodia, including some of his influential but alienated relatives. Coby Swank was appointed to be the new Ambassador to the Khmer Republic, as it was known. This was the first diplomatic representation at that level since 1966, when diplomatic relations had been broken off.

I won't call it a governing principle, but certainly the hope was to staff the Embassy and the AID program in terms of leadership, with people who had had no exposure to Vietnam. In the case of the East Asia Bureau at State, the bureau was interested in having people whose views

had not been influenced by experience in Vietnam. Coby Swank had been the DCM in Moscow; previously he had been a special or executive assistant to George Ball when Ball was Deputy Secretary of State. Coby was a Soviet expert, a Sovietologist, in the words of the trade. He had had no experience with what had been French Indochina. His first diplomatic post during his foreign service career (he was a career officer) had been in China, his second in Indonesia. He had also served in Romania. In any event, he came to Phnom Penh in late 1970 or early 1971, I don't have the exact date, as our Ambassador. He arrived after the United States became heavily involved in Cambodia—we have discussed the incursion of American troops into eastern Cambodia in the late spring of 1970. These troops were withdrawn partly because of domestic political pressures in the United States.

*Q: That incursion was largely to interdict the movement of supplies.*

WEDEMAN: I guess so. It 's hard to say. It was certainly to try to prop up the new government which came to power after the overthrow of Sihanouk. The incursion was not successful and the American troops were withdrawn. From that point on you knew the Khmer Republic was going to lead a very uncertain existence.

*Q: So this incursion was an attempt in some fashion to bolster the new government of Cambodia; not so much to do with the trend of the war in Vietnam.*

WEDEMAN: Both. Perhaps nobody realized what a weak weed we were leaning on in Cambodia. When the war spread more openly and widely in Cambodia, the situation became even more difficult for the United States. To get back to the staffing question: Ambassador Swank did not represent any views with respect to Southeast Asia in terms of background. I was appointed Economic Counselor of the Embassy. I certainly did not have any experience with Southeast Asia. The State Department wanted things run so it would have a team in Phnom Penh not influenced by experience with Vietnam.

The State Department wished to have a fresh view with respect to Cambodia. The people in State responsible for Cambodia were not great enthusiasts for the war in Vietnam. I would not describe them as doves necessarily, but they were not hawks, to use popular terms of the day

I arrived in Phnom Penh in February of 1971 to direct the AID program officially characterized as "economic supporting assistance," or whatever the term was at the time for aid serving a political/military purpose. It consisted of one program, if you can call it that, which was commodity imports. General commodity imports. The goal was economic stabilization of the Khmer Republic. The country was in a difficult economic situation in that it did not have a strong economy to begin with. The years of war had not been helpful to Cambodia, and as a result of the bringing of Cambodia into the war as a whole, it lost its ability to export. As I mentioned earlier Cambodia had two significant exports. The first was a low grade of rice, "brizures," i.e. broken rice, all of which was exported from Cambodia to Senegal. Why Senegal? This was a market which the French had arranged for low-grade Cambodian rice. Second, there were rubber plantations north and east of Phnom Penh, between the Mekong River

and the border. They had been fairly profitable before the war. But the plantations were in an area in which the North Vietnamese and Vietcong had based many troops. There was some fighting in that general zone as well, so that rubber production virtually came to an end for quite a while. There was a slight revival when I was there, but it really didn't amount to much.

Under these poor conditions the purpose of the American AID program was to try to assist in the economic stabilization in Cambodia. Another player in this effort was the International Monetary Fund. The United States persuaded the IMF to appoint a resident representative in Phnom Penh to try to oversee or influence the fiscal management of the government. At that point it was very rare for the IMF to do such a thing. It appointed a man from Iceland, interestingly enough, who was in Cambodia for the entire time I was there. And we worked very closely with him in supporting his efforts to get fiscal management improved. I say improved, because the government was virtually starting from zero. It was a daunting task to get fiscal management improved and to make some sort of sense in trying to keep the economy manageable. This meant pushing to reduce the rate of inflation, which, even during the time I was there, was not uncomfortably high. Also to improve tax collection. This did not happen. As I mentioned earlier the AID program consisted entirely until sometime in 1972 of a commodity import program.

For at least a year there was one big oddity about that program. In the East Asia Bureau of AID in Washington the Assistant Administrator, Rod O'Connor, became convinced that it would be undesirable to allow a normal import mechanism to operate in Cambodia. He felt that relying on normal commercial channels would be an invitation to fraud and corruption. Therefore, a decision was made to have the General Services Administration buy everything that was to be financed under the commodities import program. To put it mildly, this was difficult, and it was a mistake. It proved to be, as many had predicted, awkward and unworkable.

Q: *USGSA?*

WEDEMAN: USGSA. GSA had no experience in buying commodities to be imported and consumed in a foreign country. GSA wanted to purchase everything by competitive bid. On the other hand, the Cambodians had a habit of importing many products by brand name, not too surprising a commercial practice. For example, the most popular American brand toothpaste in Cambodia was Ipana. Well known in the United States before the war, it was no longer produced in the United States. Keep in mind that everything that was financed for that program had to be produced in the United States. This was a Buy American program. When we looked at the list of what the Cambodians wanted to buy, naturally there was Ipana toothpaste. GSA basically didn't know what to do. Even so GSA wanted to put toothpaste out for bids. This made no sense in terms of how business operated in Cambodia. You didn't even know to whom these shipments would be consigned.

The situation was complicated by a very odd Cambodian import-export regime, if you can call it that, in operation before 1970. Sihanouk was very suspicious of the merchant community in Phnom Penh, which was largely expatriate or overseas Chinese. He didn't want them to control

imports, nor did he want them to determine what the balance of trade would be. So before the beginning of the calendar year, the national bank and perhaps other agencies of the government in Phnom Penh would draw up an estimate as to what they thought Cambodia's foreign exchange earnings would be for the coming year. Another agency of the Cambodian government, SONEXIM, would look at that calculation, and would prepare a list of what the country wanted to buy using that foreign exchange calculation. The one who finally approved that list, item by item, was Sihanouk himself. Everything was imported for the account of SONEXIM. One of the thoughts behind using GSA was that SONEXIM as the sole importer could deal with a single American exporter, namely GSA. In reality, the import regime in Phnom Penh did not operate this way. The buying was actually done by the private importers in Phnom Penh.

This Cambodian import/export regime had begun to atrophy once Sihanouk departed. One of the things his opposition disliked was the clumsy way he attempted to run the economy. To make a long story short, having GSA operate as a procurement agent for the Cambodian program simply didn't work. But it took a long time to get that decision undone in Washington.

*Q: The whole first year essentially you were there?*

WEDEMAN: The first year I was there. It was finally undone. I came back to Washington in December of 1971 to try to get this arrangement stopped. The consequence had been almost nothing had been imported into Cambodia under the program. Even then it was several months before the new, more normal commodity import regime could be brought into being. That time was lost.

*Q: That was a shift to commercial channels?*

WEDEMAN: It went through commercial channels. I should mention that the war in Cambodia was very unpopular in the United States. There had been student riots, student closings of universities in June of 1970. This was at the time of the American incursion into Cambodia. Congress took a great deal of detailed interest in whatever went on in Cambodia, including the import program, and we had one or more visits from the staff of the Government Operations Subcommittee of the Senate Appropriations Committee that dealt with foreign aid, to look over in detail what we were doing.

For example, the staff of this subcommittee got the idea that we were importing bidets into Cambodia and some others were starting to make a certain amount of political hay out of this. You may or not remember that several years before, in the case of the Dominican Republic, when the United States had intervened, the Mission Director spent a lot of his time warding off charges that AID had spent money on champagne glasses, which was not true. In the case of Cambodia, it wasn't true either in the case of the bidets. As I testified later before that subcommittee, we did not finance pink bidets, blue bidets, flowered bidets, or what have you. But this is emblematic of the kinds of problems you had to deal with. That same subcommittee later produced a report later on the execution of the commodity import program, and I was called to testify on that. The subcommittee had a long list of items we had bought. When you went

down the list, you found something labeled as "hose," h-o-s-e. I was asked by Senator Inouye, "How can you defend the purchase of women's hose?" I said, "We never financed the purchase of women's hose. It would be absolutely out of the question." "Well," he said, "that's on the list." And I looked at the list and said, "What we financed were h-o-e-s, garden hoes, and that particular procurement was monitored very, carefully."

This was the hostile atmosphere in which we operated. There was opposition to almost anything we were doing in Cambodia. I can remember later on, the Ambassador and I participated in a ceremony to mark the beginning of a refugee program in Cambodia. This was televised and rebroadcast in the United States, and it showed the Ambassador drinking a glass of champagne, a traditional custom in the country for such occasions. Immediately, criticism arose about the U.S. living, in effect, "high on the hog" in Cambodia, and "there's the Ambassador - what's he doing? He's drinking champagne." You had this kind of situation all the time.

Another problem, although not of that character, was the fact that even a commodity import program as AID would ordinarily conceive it, was probably not well adapted for Cambodia. I recommended more than once that it would be far better simply to give the government a cash grant and monitor what they were doing with money, with the help, or with the active participation of the IMF. I said this would be a far better way to help Cambodia than to have a staff in place in Phnom Penh trying to carry out a commodity import program ill adapted to the circumstances in the country. What I was told was, "Oh, no, that is politically unacceptable." I found it interesting that by the late 1970s, this was a not unknown device as a means for providing assistance to countries in which the U.S. had a very strong political interest. That was done by cash grant. If the cash grant had been used in Cambodia, we wouldn't have needed an Economic Counselor, and would not have had to go through the awkwardness of administering an ill fitting commodity import program. Considering the fact that before the war, before 1970, Cambodia imported almost nothing from the United States, this was not too surprising. Cambodia was in the French sphere of economic influence, and commercially Cambodia looked to France and other parts of the world, but not to the United States.

*Q: So, in the execution of this in this peculiar fashion, what kind of staff did you have to try to monitor and implement this?*

WEDEMAN: We had a comptroller, Don Sohlin, whom we recruited from the Mission in Bangkok. A large amount of accounting had to be done on the commodity import program. He was a very experienced man and I had known him before. We had a commodity specialist and a procurement specialist. These three were the ones who ran the program. Later we got into refugee assistance, but that was something else again. It was a staff that was entirely concerned with the management of the commodity import program, centered on a comptroller, a commodity specialist, and a procurement specialist, all of whom had had experience with commodity import programs. It was a very small staff, about eight altogether.

*Q: When you finally broke out of the GSA procurement mode, you got into what was supposed*

*to be essentially commercial procurement, but you still had difficulties because there were too many people looking over your shoulder.*

WEDEMAN: People were looking over our shoulder, particularly on the Hill. But the root problem was "tied" procurement; tied, that is, to procurement in the United States. Thus, inevitably there were going to be all kinds of problems. The Cambodian merchants had little or no experience in buying in the United States. A cash grant could have been tailored to performance by the Cambodian government in fiscal policy, and in general economic policy. Cambodia had almost no economists. It had very few skilled people. The person with whom I dealt for about a year and a half, who was in charge of economic planning, was the first Cambodian who had ever been trained as an engineer, with a "license," the French equivalent of a bachelor degree. And that occurred only in the late 1960s. A number of people in the country had been participants in the AID training program in the 1950s and early 1960s. Whether economists had been trained under this program I do not know. An economist (not American trained) did head the national bank. He was competent, but the bank didn't have a "working" staff. A not unknown Cambodian habit was non-attendance in government offices. I remember going to the national bank on almost any day of the week, and room after room, empty tables, desks, chairs, with nobody there. One employee was almost always present, an expatriate Finn married to a Cambodian, who dealt with the whole range of issues of economic stabilization. She was the only one and almost frantic to get out of Cambodia (she later joined the World Bank). There was nobody else.

The level of technical expertise was about the same as I had observed earlier in Africa. There was very little difference. Why the French had approached Cambodia in that way, I don't know. In staffing the colonial administration, they had relied heavily on Vietnamese. The colonial administration in Phnom Penh under the protectorate had been largely Vietnamese. In 1970 the population of Phnom Penh was one-third Vietnamese, one-third Chinese, one-third Cambodian. It was not at heart a Cambodian city.

*Q: So, in terms of relationships between Cambodia and Vietnam, this sort of secondary colonialization by Vietnamese of Cambodia had something to do with the strained relations?*

WEDEMAN: The strained relations between the Khmer, as they usually called themselves, and the Vietnamese, go back hundreds of years. It's not anything new. It's been there a long time. If you go back to the years, 800-1200, the Khmer empire was the largest political unit in what later became known as Indochina. It gradually weakened for a variety of reasons. You had the Thais on one side, and the Vietnamese on the east, who were gradually moving south, from the area of Hanoi down to what became known as Cochin China, the extreme southern portion of modern Vietnam. The Vietnamese had ousted the Khmer from Cochin China, including what became Saigon, by the end of the 18th century.

Nevertheless, a substantial Khmer population remained in this region. They were called the Khmer Krom, i.e. the South Khmer. One day when I was going from Phnom Penh to Saigon on business and I mentioned this to the fellow who was in charge of economic planning. And he said, "Saigon is ours; it isn't theirs; it belongs to us." He was right in a sense. The Khmer

had been in control of the area of modern Saigon until pushed out by the Vietnamese by 1800. In 1970 two million Khmer Krom lived in the southern "bulge" of Vietnam. They had provided troops to the Diem government in Saigon. When the war expanded into Cambodia, and the United States became more directly involved, the Khmer Krom wanted a "piece of the action" in Cambodia.

Their leader had been the first prime minister of Cambodia in 1945, when the Japanese left. He was pushed aside by Sihanouk, who had earlier been crowned king. After 1970 the South Khmer really wanted to run Cambodia if they could, and were always demanding a larger share of political power in Phnom Penh. While they were Khmer, the rest of the Khmer in Cambodia tended to look at them as more Vietnamese than Cambodian. The Khmer rather feared the Vietnamese, north or south, although they did draw a distinct line between the northerners and the southerners. They very often would refer to the northerners as "Les Dents Noirs," or the "Black Teeth," because apparently Vietnamese in the north would often lacquer their teeth black, hence, "Les Dents Noirs." The Cambodians thought the North Vietnamese were worse than the South Vietnamese. They didn't like the South Vietnamese either, and yet the United States was somewhat insistent that they cooperate with South Vietnam. One of the weaknesses in Sihanouk's position as the years went on was the fact that he was cooperating with the Vietnamese, in that case the Northerners, and that was no way to endear himself to the Khmer. Relations between South Vietnam and Cambodia were never good. Vietnam had an Ambassador resident in Phnom Penh who was a target of at least one bomb attack. I called Indochina the Balkans of Southeast Asia. The Khmer or the Khmer-Mon as they are sometimes referred to, the Thais, the Laos and the Vietnamese for thousands of years have been jostling with each other for control, never with any clear winners, and the only clear losers being the Khmer.

*Q: So if you then look at the second year, was there any improvement in the effectiveness of the commodity import program as an instrument to improving the economy?*

WEDEMAN: I think it began to work better. The major difficulty was that the military situation was deteriorating. In reality it started going downhill after the incursion came to an end in the summer of 1970. Later that year Lon Nol became the leading figure in the government. He had been minister of defense under Sihanouk, and had profited enormously from a trucking concession, or something like that, that moved supplies from Sihanoukville, later Kompong Som, on the Gulf of Thailand, to the North Vietnamese troops which were along the North Vietnamese border. He became the dominant figure, certainly by the end of the year. He then had a serious stroke, which left him, I won't say incapacitated, but certainly his physical condition was much weakened, and his mental capacities were as well. He considered himself an authentic general, he ran the war, and he wasn't very good at it. In March of 1971, the government conducted a major offensive against the Khmer Rouge in North Central Cambodia. It was a total failure. I think everybody knew even then, that things were just going to get worse, and that, absent some sort of miracle, sooner or later the government in Phnom Penh would fall.

So you had in the background a military situation that was always deteriorating in one way or another. The central government over time controlled less and less territory. By the time I left

in August 1973 it controlled Phnom Penh; the Mekong River from Phnom Penh to the Vietnamese border; the area that ran from Phnom Penh southeast to Vietnam; most, but not all of the provinces lying between the capital and Kompong Som; and the extreme western portion of Cambodia. And it controlled a number of towns. But otherwise, the Khmer Rouge was in control or free to roam. In some ways, I kept wondering if this was really different from what had been true under Sihanouk, because even then the writ of the central government didn't run to the remote villages of the country. With this unraveling military situation, you also had a deteriorating political situation. You had more and more restlessness with the government. You were always aware of one group or another that wanted to replace Lon Nol. At least one armed attempt was made to overthrow him, which didn't succeed. He remained in Phnom Penh until the very end in 1975 when he was evacuated by American forces. Thus, even though the commodity import program might have been working better in late 1972 or at the beginning of 1973, the political and military situations were becoming more perilous. Ominously, as a consequence of the unsettled conditions and warfare in the rest of Cambodia, we were getting more and more refugees in Phnom Penh.

*Q: And, I presume, in the broad sense, this was also complicated by the impending greater certainty of U.S. withdrawal from Vietnam?*

WEDEMAN: Yes, although it's very curious in a way. I think I mentioned that we had a small U.S. military assistance group in Phnom Penh, whose chief was a general who had served in Vietnam. He brought with him officers who had been in Vietnam – always referring to "our war," meaning the American war. It was a war to be won. I think even when the situation began to change drastically in South Vietnam looking toward the end of the American military presence, they still believed there was still a chance that Cambodia could survive and that it wouldn't go under in the way that you knew sooner or later Vietnam was going to go under. Although everybody lived with the fiction that things were going to stabilize in South Vietnam; that we were going to bring the South Vietnamese forces, ARVN, as they were known, up to snuff; and we would continue to aid them economically and they would be able to survive. I won't go into the situation in Vietnam, but it didn't happen. I think many knew that once the American troops were withdrawn, there was no possible way that South Vietnam could survive.

*Q: So as you look back on that Cambodian experience, would you regard it as one of the toughest nuts you ever had to deal with?*

WEDEMAN: It certainly was tough. There were no solutions, which was the problem. The Ambassador, whom I came to know very well, said, "Every day is a little worse than the day before." He was talking about the total situation, political, economic, social, so on and so forth. After March of 1971 when a major Cambodian offensive failed, it was downhill. There would be occasional successes by the Cambodian Army, but not much.

The United States continued to bomb in Cambodia, and that was stopped by Congress. Congress also decreed the maximum number of official Americans who could be in the country on any one day. The first thing the Ambassador did every morning was to look at the staffing pattern and

number of official visitors present in the country. If the total was over the permitted number, the excess visitors had to leave by the end of the day. I remember I had had to tell a couple of people, "You've got to go." They were AID people who were from an AID regional mission in Bangkok. They were very interested in Cambodia, and had been so for a number of years. They wanted to come over to be helpful. And I had to tell them, "You've got to leave today." And their reaction was "Well, we'll speak to the Ambassador about that." I said, "You can speak to the Ambassador, but there's nothing he can do because every day he has to account for all Americans who are here, and he has to make sure that the ceiling imposed by Congress is not exceeded." They left.

*Q: So, one in, one out.*

WEDEMAN: That's right. Gradually, Congress imposed its will on bombing. I can well recall the last day of the bombing. At that point, the Cambodian situation was particularly bad. I made a courtesy call on Lon Nol that day, just before my final departure. U.S. aircraft were bombing a town about 10 miles to the south. The windows in Lon Nol's office rattled as the bombs dropped on that town and our conversation would be interrupted every few minutes. Other mistakes were made such as bombing a town down the river, Neak Long, crowded with civilians. Many casualties resulted. The U.S. got a black eye out of it. The war in Cambodia was probably even more unpopular in the United States than the war in Vietnam, if that's possible.

*Q: Tell me a bit about your personal existence in that awkward environment.*

WEDEMAN: I hate to tell you but living was very comfortable. Phnom Penh was a very pleasant city. I lived in a house and the Khmer were a very nice people. You faced several problems, one being the endless security problem. There had been one attack on the Ambassador's life sometime in May of 1971; later there was an attack on the DCM.

My car was armored. Now, what was armor? It consisted of vinyl that was woven into a kind of coat of mail, sandwiched between the steel panel of the car and the inner shell. It was installed in all four doors. Clear acrylic shields were fitted just behind all four side windows, the windshield and the rear window. A dark curtain ran around the back window and would come forward so nobody could see who was in the car. Personally, I don't believe AID was intended as a target for terrorist attacks. The political side of the Embassy was, of course, meaning the Ambassador and the DCM. Even so, the country was not safe. Phnom Penh was not safe, because there were infiltrators from the "other side" as it was referred to.

I can remember one incident very, very vividly. After I had been there several months, my wife and my three sons came to Phnom Penh. Before this they had been in what was known as "safe haven" in Bangkok. Every Sunday afternoon the boys went to a local soccer field to watch the Marine Guard and Embassy civilians play baseball. The game always started at 2:00 p.m.. The Sunday I am describing was my youngest son's birthday. In the morning we went out and swam in the Ambassador's pool. The pool was not at his residence and was some distance away. We

came home back for lunch and had a birthday party for him, his next older brother (his oldest brother had gone off to school in northern India) and two friends. After this I said, "Now what would you like to do?" And my son said, "We think we'll go back to the pool." I said, "You don't want to go back to the pool, you were there this morning. Why don't you go to the ball game?" "We don't want to go to the ball game." So they went back to the pool.

If they had been at the ball game, they would have sat at home plate as they always did. They would have been killed. That afternoon, there were a couple of guys from other side on bicycles with sacks of plastique, a malleable explosive. They threw the sacks from their bicycles into that ball park. The plastique exploded right at home plate. I think eight people were killed. The end of that afternoon for me was spent helping to ship the body bags back to Saigon. The boys missed the ball game. It was sheer accident that they did. That kind of threat was always present.

As time went on, you had another kind of threat which turned on how close the Khmer Rouge and the North Vietnamese could come to Phnom Penh. If they were not too distant you'd get rocket attacks on the city. My children thought it was exciting. I said, "There's nothing exciting about it." Everybody in the Embassy had a safe place in your house you would go in the event of rocket attacks.

I remember another incident of infiltration, which was more than just shooting rockets at the city. My wife and children were in Phnom Penh. It was another Sunday afternoon, and we decided to take a ride outside the city. Not easy to do since if you went beyond 20 kilometers from the city you could run into some chancy situations. So we drove north from Phnom Penh along the river, presumably a safe area, and saw some interesting Buddhist temples. I believe it was Buddha's birthday. Long, brightly colored streamers fluttered from the temples. We came back after a very pleasant afternoon.

That night, the Khmer Rouge attacked that area and also blew up what was known as the Japanese Bridge. This was the only bridge crossing the Mekong in Phnom Penh and had been built with Japanese aid money before 1970. To blow it up, they had to come right into the city. In this same attack, the invaders also destroyed the country's major oil depot. Although they were driven back this attack sharply increased the sense of insecurity and the knowledge that something like it could happen again.

Another time, the Khmer Rouge came very close to Phnom Penh. They were on the other side of the river. Yet the reaction of the Khmer to it was startling. Down on the river bank was a broad esplanade, on which were people just sitting during the afternoon and watching the fighting literally going on on the opposite bank of the Mekong. A little fellow was going around with his cart selling colored ices, and that sort of thing. That was probably the closest the Khmer Rouge got to Phnom Penh while I was there. I left in the summer of 1973.

There was always that element of danger. I must say, I'd been in dangerous situations in World War II, and I had the same reaction in Cambodia I did in the Philippines, which was the longer

I was there the less safe I felt.

Availability of food was no problem. The river was still open, and they were still importing Evian water from France. Nothing had changed in this regard. Excellent restaurants continued to operate. The main hotel in the city, the "Le Royal," which later became the "Le Phnom" -- where I lived for about three months in, I don't know how many different rooms -- had a first class French restaurant. That sort of thing continued for as long as I was in Phnom Penh. As the security situation worsened and attacks increased you would see outside the restaurants patronized by foreigners wire mesh grids over the entrances. This arrangement was designed to deflect grenades or what have you thrown at the restaurants.

The security situation was getting worse and worse in the city and in the countryside still controlled by the Lon Nol government. I can recall not long before I left the country watching from the Embassy the Cambodian army staging what was called a victory parade after a semi-victory it had won down the river somewhere. Looking at that army I thought the end was in sight. Some soldiers were children of about 10 to 12 years of age and the entire procession included their families who traditionally traveled with the army. They were all threadbare - men, women, and children. Even though the Cambodian army had been armed by the United States to some extent, it still was not well equipped. I thought, "If that's the victorious Cambodian army, it's not going to be terribly long before the whole thing comes to an end. " Which, of course, it did.

On another occasion, I went with the Ambassador to Kompong Som, just to spend the day. A hotel there had been built by Sihanouk, including a movie theater. Monseigneur, as he was sometimes referred to in order to recognize his royal pedigree, fancied himself a movie producer and director, and built a movie theater at the hotel to show his productions. Phnom Penh had a similar theater to cater to his whim.

While at Kompong Som we were invited by our military to watch an exercise in the training of Cambodian recruits at a new camp outside the town. There we stood at the top of a rise, on which had been erected two or three wooden towers looking something like forest ranger towers in the U. S. About two or three hundred feet, maybe more, sloping gradually down from the top of this rise, had been cleared. A forest lay beyond the slope. On the slope were laid rows of barbed wire, maybe three feet above the ground. Machine guns with fixed trajectories were mounted in the towers, restricting fire to no lower than two feet or so above the top of the rows of barbed wire. An exercise was underway. Recruits under constant machine gun fire crawled on their bellies under that barbed wire from the woods at the foot of the rise to the top of the hill. Naturally many of them were absolutely paralyzed with fear. I hardly blamed them. When the remainder who were not scared to death scrambled to the top, the senior Cambodian officer asked the Ambassador to review them. He did so. It was a real shock. Most of the soldiers, I would say, were boys 12, 13, 14 years of age, perhaps even younger. They were just children. You wonder why children. This was not an unknown phenomenon in that part of the world. They were the sons of career soldiers in the Cambodian army. The fathers simply took the pay of the children. No one else would join the army in his right mind. We saw a few older

"recruits" but they appeared to be in less than top notch physical shape. They could have been forced physically to join the army.

Once again, you were looking at a situation which told you in glaring terms there was never going to be any success for the regime in Phnom Penh. It was doomed to failure and collapse.

Q: *So would you say that this was the least developmentally oriented duty you ever had in AID?*

WEDEMAN: Yes. It had nothing to do with development - it had everything to do with the political survival of the Lon Nol government! Cambodia was in such chaos that it was simply a matter of trying to hold on in the hope that something would turn up. It didn't.

Q: *In the extreme.*

WEDEMAN: And that was it. Toward the end, as I said, we were beginning to get refugees, and started programs to help them. Occasionally we would get messages from the Mission in Saigon, wanting to send technicians to look at the possibility of increasing rice production. They did send up two agriculturalists. They went out to Battambang province, came back and made recommendations. I asked them when we could we see any results in terms of higher rice production. Their response was there wouldn't be anything for at least two years; it had to be a long-range effort. I said, "But this country doesn't know whether there's even going to be a tomorrow. Anything that's to be done in Cambodia to improve or increase rice production has to be something that you can start now and get results within six to nine months." Sound as the recommendations might have been they simply didn't address the crisis Cambodia was in.

The whole exercise had nothing to do with development. Cambodia was not a country that had been active in development even before the war. This was to some extent a place of milk and honey. It didn't take a lot of effort to get by. You could raise almost anything in Cambodia with ease. For example, conditions were particularly well suited for aquaculture. I won't say it flourished, but did very well under wartime circumstances. But there wasn't a great deal of energy behind it.

I wouldn't generally be optimistic about development in Cambodia, but I have another view—not every society wants to develop, or necessarily is going to develop, and I think this is one that is not.

Q: *I think that perhaps you have more specific things you feel need to be touched on and maybe one of them might be this refugee issue. Refugee in this context, I presume, means internal refugees.*

WEDEMAN: Yes, they were all Khmer. They were coming into Phnom Penh from the countryside. The Khmer Rouge was very brutal. Not much was known about what they were doing in the areas they controlled, but some information indicated that when they came into a village they would immediately kill the Buddhist priests. Reportedly they would often kill

people indiscriminately. People were frightened to death of them. I don't know whether intentionally or not, but driving the refugees toward Phnom Penh simply increased the burdens of a government that could hardly cope in the first place. In the end I guess there may have been 500,000 to one million refugees in Phnom Penh.

Our refugee program was carried out by two American religious organizations, Catholic Relief Services, which had experience with this sort of problem, and World Vision, if you know World Vision. The two of them ran the program, which I thought went pretty well. We provided the funds for them. I did not get the impression there was any amount of proselytizing that went on. Cambodia is a Buddhist country. I don't think I ever met anybody who wasn't a Buddhist.

World Vision was efficiently organized and had good ideas, particularly in regard to housing. Catholic Relief Services somewhat less so. One interesting thing about Catholic Relief Services was the man who ran it in New York. He was a real marketer and promoter. He came out to visit, and I told him I thought World Vision was doing a good job, perhaps better than CRS. He said, "I'm not worried about that kind of competition." To dramatize CRS' interest he had Mother Theresa make a one day tour of Phnom Penh.

Buddhism was divided into two groups. They were not theologically divided like Catholics and Protestants nor did they apparently compete for souls. Each had a chief bonze (priest). They were fairly well informed of what was going on in the world and had read in a Bangkok newspaper that the senior bonze in Bangkok had been invited to Rome to call on the Pope. They felt put out that they had not been invited. The Resident Representative of the Asia Society in Bangkok, who was both an American and a Buddhist, was asked by the Cambodian bonzes to come to Phnom Penh to discuss the papal slight. They desperately wanted to be invited to Rome because they said, "We're more important than the Thais are." They weren't invited and so had to endure being considered inferior to their counterpart in Bangkok.

My overall conclusion is that Cambodia was a mistake and a terrible tragedy. We never should have been involved.

*Q: But involvement in Cambodia was essentially a by-product of being involved in Vietnam?*

WEDEMAN: Yes.

*Q: And so the issue was joined in Vietnam, and what happened in Cambodia was an inevitable result, is that right?*

WEDEMAN: I think the result in Cambodia was inevitable; but American intervention in Cambodia was not. I think if the U.S. had been more sophisticated, it would not have intervened in Cambodia. It would have left Cambodia alone. The leadership of the State Department did not like Sihanouk, and . . .

*Q: Thought of him as a neutralist?*

WEDEMAN: He was a neutralist, no doubt about that. But I think there was also a certain amount of personal animus between the man who was running policy, Kissinger, and Sihanouk. The Cambodians who wanted to overthrow Sihanouk probably should have been told by the United States, "You do this at your peril; there's nothing we can do to assist you." I don't know what would have happened at that juncture, but his fall from power was not a foregone conclusion.

*Q: These people wanted to overthrow Sihanouk, other than the Khmer Rouge . . .*

WEDEMAN: He was overthrown by members of the ruling group in Phnom Penh. They were literally frightened to death of him. But I think either we could have arranged for Sihanouk to remain in power, or at least to have said to the people who wanted to overthrow him, "We will not intervene. If you do this, you do it at your own peril."

*Q: And yet Cambodia was under Sihanouk, and maybe subsequently to some extent playing ball with the North Vietnamese?*

WEDEMAN: Yes.

*Q: And wasn't that what drew the U.S. into the intervention?*

WEDEMAN: You can deal with countries you don't like. Sihanouk was caught in many ways. I don't think he liked the North Vietnamese any better than he liked anybody else. But Cambodia was weak compared to North Vietnam. They didn't have the military power to deal with the North Vietnamese. The North Vietnamese had occupied a good deal of eastern Cambodia in the late 1960s, and he was fearful of losing control of the country. There had been also internal political developments unfavorable to him. He finally got around to having a fair election to the local parliament in 1966 and he didn't do too well. What later became the Khmer Rouge showed electoral strength. Sihanouk's reaction was to lock up the leaders of the Khmer Rouge, who were later released. Even so, his internal political situation was not strong, but I think he didn't know what to do about it.

To some extent he had cut off his line of retreat with the west. The U.S. and Sihanouk hadn't gotten along for years. By the early 1960s the French, traditional and cultural friends of Sihanouk, were not going to intervene in the region again. Absent support from the U.S. and/or the French, no great power was going to help him. He was on fairly good terms with the Soviets and had gone there in 1970 to get some support from them. It was while leaving Moscow that Sihanouk was told of his overthrow in Phnom Penh. They never lifted a finger for him. Perhaps they were the ones who found a place for him to live in Pyongyang in North Korea. So he was caught. I'm not saying the U.S. had to intervene or should have. This is my view of Vietnam as well. That was avoidable. It was my greening. Do you know that phrase?

*Q: Any other thoughts on Cambodia?*

WEDEMAN: No, it was an experience never to be forgotten.

Q: *And hopefully never to be repeated.*

WEDEMAN: Never to be repeated, but I don't have that much confidence.

Q: *The time in Cambodia came to an end, and you moved onto what next?*

### **Brief assignment on Vietnam affairs in Washington- 1973**

WEDEMAN: I was Director of the Office of Vietnam Affairs, in the East Asia Bureau of AID. I was there from the summer of 1973 until the late spring of 1974.

Q: *And did you like that interlude?*

WEDEMAN: No.

Q: *Who was your boss then?*

WEDEMAN: Bob Nooter was my boss, whom I liked very much. But I didn't like working on Vietnam. I said at the time, "All but the superhawks have fled." Everybody, not in AID necessarily, but people who were influential in State, and particularly on the National Security Council staff, and the Ambassador in Saigon, still thought it was a war to be won. And, won in a sort of conventional sense, that somehow the North Vietnamese were going to be beaten. It was clear this was not going to happen. But here we were, still busy, planning for future fiscal years. People were still talking about the light at the end of the tunnel. But the tunnel got darker, not lighter as time went on. In the fall of 1973 we were planning for fiscal 1975. In April of 1975 the whole thing came to an end when the North Vietnamese and the Vietcong took over the entire country. So ended that an unhappy period. Certainly the people who worked at AID on Vietnam were uneasy about it, but our Ambassador in Vietnam was very, very insistent on a big AID program, that sort of thing.

Q: *And who was the Ambassador at the time?*

WEDEMAN: That's a good question. I'm trying to remember his name. Graham Martin... well known. He'd come up through the administrative side of State, and he'd been the Administrative Counselor at the Embassy in Paris early in the Kennedy administration. The fellow who was then Ambassador, Dillon, Douglas Dillon, thought he was very able, and brought him to Washington. Then he got into the political side of State, as against the administrative side, and he was appointed Ambassador to Vietnam, oh, I can't remember when. He was Ambassador when I came back from Cambodia in the summer, early fall of 1973. He came to Washington in the fall of 1973 to watch very carefully, among other things, the preparation of AID's FY75 budget. He would sit in on all the big budget meetings. He stayed on in Washington in order to see the President. As he said, "I'm the President's representative in Vietnam." In other words,

"I don't work for the Secretary of State. I'm the President's man in Vietnam, I take orders from him, and I will see him and decide what we're going to do." By this time, Nixon had no time to think about Vietnam .

*Q: He was really on the ropes.*

WEDEMAN: He was really on the ropes in the fall of 1973. Finally the Ambassador left, but he must have stayed in Washington three months. He never did see Nixon. For me, I have to confess it was an unhappy time. When I came back from Cambodia I really didn't want much more to do, I really didn't want anything further to do, with Southeast Asia. I'd been given another opportunity, the Senior Seminar, but I didn't want it. In any event, I began to hear of other possibilities. Sam Adams, who was head of the Africa Bureau, asked me if I wanted to go to Abidjan, as the director of REDSO, and I said fine. So that's where I went. I really have very little to say about my function or my career as the Director of the Office of Vietnam Affairs. I think I intentionally make it a blank, I'm not sure.

*Q: It was a hard time to be in that kind of role, when it seemed so clear that things were getting tougher and tougher.*

WEDEMAN: And when you were unsympathetic. So it didn't last too long, and I went back to Africa in May of 1974.

*Q: So a brief interlude in Washington that didn't perhaps give you any great sense of joy, but maybe just as well concluded? How would you characterize that as a general experience, in a capsule note?*

WEDEMAN: The important decisions involving Vietnam, even including AID, were not made at that level. The most junior level they were made at was at Bob Nooter's. As far as I could see, the critical ones were made by the NSC staff, and in the case of AID, by what was then known as PPC, which was concerned with the question, among other things, of the financing of oil for Vietnam. But the Office of Vietnam Affairs, as far as I'm concerned, was just a paper shuffling exercise. The important decisions on assistance were being made elsewhere.

*Q: So it wasn't great fun.*

WEDEMAN: No.

### **The Director for the Regional Economic Development Services Office for West Africa - 1974**

*Q: Then came the shift to Abidjan. Tell us a little bit about what REDSO is, the Regional Economic Development Services Office for West Africa.*

WEDEMAN: It was a totally different kind of existence for me. A totally different kind of office

than I'd ever seen before. I don't know when REDSO was created. The idea, certainly, was to have a center in West Africa—there's also one in East Africa—which would provide specialized services to the missions and other AID offices in West Africa. This would accomplish two purposes: one, reduce the need for substantial staffing of the posts in West Africa; and two, cut down on the amount of expertise that had to be brought from Washington to help the field. Both of these were very sound ideas, and to a large extent, that's what REDSO was all about. We had specialists in a number of fields. We had experts in agricultural economics, population, public administration, PL480, cultural anthropology, procurement, project and program and project development and implementation etc. We also had a lawyer who served as a kind of regional counsel. All of these people were available to travel throughout the region. We also had direct responsibility for the assistance given to an entity known as the Entente Fund, an organization of five francophone states in West Africa; an aid receiving and administering organization. We had the same responsibility for AID assistance to the African Development Bank, which had its headquarters in Abidjan.

The time when I arrived was at the beginning of a vast expansion of the AID program in West Africa, as a result of the drought. What had been regional offices were being upgraded to missions as were some bilateral offices. You finally had missions all over the lot. These replaced much smaller organizations with much more rudimentary staffing.

*Q: But you are talking primarily about countries that were francophone, right?*

WEDEMAN: They were primarily francophone but not entirely. You already had missions in Ghana and Liberia, and you had the remnants of a mission in Nigeria. I don't know what we had in Sierra Leone. I doubt if it was a full mission. But yes, francophone states, plus the Cape Verde Islands, plus Guinea Bissau. REDSO territory ran all the way from the Cape Verde Islands and Mauritania to Zaire. The services were provided to the missions and other offices throughout that entire area. I thought it was a very good idea, and I thought on the whole we had very, very able people. However, some of the Mission Directors didn't care much for REDSO.

*Q: But then, there's a long history in AID of field people in a particular country not being comfortable with the center of power anywhere else, either in Washington or in some field office that had some power to intervene.*

WEDEMAN: I'm interested in hearing you describe REDSO as the center of power. I would never have thought of REDSO as being all that powerful or influential. However, every mission director knew that the REDSO director reported directly to the Assistant Administrator for Africa, for me initially Sam Adams, and later Goler Butcher. I also worked for the Ambassador, but that was on a more equal basis. He was my landlord, not really responsible for anything I did. We had no bilateral program in the Cote d'Ivoire

Certainly a number of Mission Directors wished they could have the complete staffing within their own offices rather than be dependent on help from REDSO. For example, when somebody

came to Bamako from REDSO, the mission director felt he ought to be able to tell that individual what to do, and what results he wanted. I would tell Mission Directors like the one in Bamako, "You really don't want that; what you are getting is an independent view. What you ought want is someone who will tell you what he or she really thinks, rather than just here to carry out your orders." But that was always a bone of contention.

It was also the feeling of some Mission Directors, partly because REDSO reported directly to Washington, that REDSO was a kind of spy, that it was spying on all these missions, and so on and so forth, and then funneling whatever it found out back to Washington. There wasn't a bit of truth in that. We didn't do anything like that. Some of the Missions were quite happy and did not think that it was an exercise in power. We provided teams to put together projects, carry out studies, help in the implementation of projects, etc. It would have not made a great deal of sense to station some of these people full time in any one or a number of missions.

I always remember the attitude of one mission director, which came out very clearly in a meeting of all Mission Directors of West Africa held in Senegal. I'd been told ahead of time a major move was going to be made to get rid of REDSO East and REDSO West, as they were popularly known. This fellow was more or less the spokesman for at least a few others. He said, "When I became mission director, I thought I was mission director, but I hadn't been there very long before I realized there was a distant figure who determined everything that would be done. And if he didn't want it to be done, it wouldn't be done. And you just did what he wanted done." In his Mission there was someone on the mission staff who was paid for by REDSO but reported to the mission director for all practical purposes.

This particular mission director went on to say, "Furthermore, he's not a Section 236 Appointee." Section 236 of the Foreign Assistance Act provides for the appointment of senior officials of AID below the level of those requiring senatorial confirmation. Mission Directors were Section 236 appointees, which meant they had to have political clearance - it went all the way to the White House before the Carter Administration came into office in 1977. The REDSO director was not one of them. From my point of view this was fine, since I was a Democrat, and never would have passed muster under either the Nixon or Ford administrations. Thus you could have an attitude of regarding the REDSO directors as a lower order of beings. This could make things a bit more difficult but you lived with it. I liked to think, at least when it came to some Missions that were well established and fully staffed, such as the one in Accra, that resentment of REDSO was not present. Under the most ambitious of circumstances, I don't see how you could have justified a Mission in a place like Lome in Togo. The country itself hardly exists in a way; it's a very small country.

I think much good work was done. I believe many people in the field appreciated the quality of the service and the work that was done by REDSO. We had some really good people; they did a lot of work; and they did an awful lot of traveling. I came in the end to feel there was too much traveling.

*Q: It was a hard life for those people who had to move from country to country on frequent*

*intervals, wasn't it?*

WEDEMAN: Abidjan was the base, but at any given time, there wouldn't be any more than 30 or 40% at the most of the professional staff in Abidjan. It was just a place that provided the services and the people to do all the specialized work. Before my tour came to an end in May 1978, I became convinced that there was too much traveling, and that REDSO ought to be cut back in size because of family problems that arose as a result. This required a good deal of my time and attention. You came to realize that some marriages were more or less on the rocks well before a staff member was assigned to Abidjan. When that individual got to Abidjan it represented a chance to get away from marital problems. Not too surprisingly the consequences were bad.

*Q: Fifty or sixty percent of the time was spent away from home.*

WEDEMAN: I would discover that the ones that traveled the most had the most problems.

*Q: Were escaping them.*

WEDEMAN: Were escaping them, in Abidjan. Not a happy situation. I had to deal in Cambodia with the problem of wives being separated from their spouses in Phnom Penh because dependents were not permitted to accompany their staff member husbands (I was an exception but eventually all dependents had to leave). A number of these wives were in safe haven in Bangkok. I would go to Bangkok once a month in order to deal with whatever frictions had arisen after my last visit to Bangkok. The same problems existed in Abidjan, except the wives and I were in Abidjan most of the time. I concluded there was too much traveling to "escape" with some people looking for opportunities to travel when it wasn't justified. I still think REDSO was a good idea, and professionally I have to say it was one of the most challenging experiences I've had, in terms of having people with ideas; experimenting with concepts; and trying out ideas or trying to get other people to adopt ideas.

*Q: Developmental ideas, or operational ideas?*

WEDEMAN: Mostly in terms of project planning and project execution. The people there were really quite realistic. The project officers were people who had all had a great deal of experience putting projects together, and broadly speaking they knew what would work and what wouldn't. This experience could produce problems when they went to a Mission with a Director with dreams of glory, who looked on his job as being one to get the biggest possible program. The project officer might well find the Mission Director had in mind something on the order of \$10 million or \$50 million, and the project officer and the team from REDSO would recommend the Mission start off with something more like \$1 million.

We sent a team to one country, and it looked like there were some interesting opportunities in what was then popularly known as community development. The team put together a modest pilot program, the total cost of which would have been \$1 million. It would have been in health,

and to some extent in agriculture, and education - a very, very modest venture, not costing a great deal of money. Later I was in Washington and sat in on a meeting considering that country's program for the following year. On the table was a recommendation of a \$150 million for this project, vastly expanded and bloated. It was not justified, but the Mission Director felt that that was how you got the money. I remember him saying, "The knack in this game is to get the money and then decide what to spend it on later." That was only too true of a lot of AID.

Given the quality of the REDSO staff, and they were people who were truly independent thinkers, I think they made a terrific contribution to the program in West Africa.

*Q: What were some of the development issues that you dealt with that didn't have so much to do with the issue of personal aggrandizement, but represented a struggle to find the means to address some of the really difficult problems, like how you introduce successfully broader irrigation programs in West Africa where irrigation was not very well established as a concept or a system?*

WEDEMAN: Sometimes it was not easy to disentangle personal aggrandizement or ambition from what ought to be done. Overall in West Africa, the program was dominated by the Sahel and the huge effort to fund development in the Sahel. It was not easy to find viable things to finance. We, for example, did interesting preliminary work on small irrigation schemes in Senegal, assessing what already existed in Senegal in terms of what the local resources were, not just economic resources, but community ones as well.

*Q: That's one of the things about irrigation: unless the community works together it doesn't work.*

WEDEMAN: You're right. One community in Senegal had developed a very modest irrigation proposal for one village along the upper Senegal river. It was an excellent idea for a pilot project. It ran into the problem of being too small for the players concerned, the Senegalese Government and to some extent foreign donors. At the same time, you had a huge multinational project going forward at the mouth of the river, an enormous thing . . .

*Q: Which river?*

WEDEMAN: The Senegal. It focused on massive irrigation and agricultural development. The people at REDSO said it wouldn't work, and it wasn't working, even then. Generally REDSO'S recommendations were directed at doing something on a small scale. Don't think of it as something that's even going to be replicated, but see what you can do on a small scale, and see if it will work. You've got to have a project going for a while before you can render any judgment on whether a particular irrigation scheme is going to work. But it's hard to convince people in AID that you've got to have that kind of patience. People are shifted around in AID on relatively short tours. I was myself. You are gone after two or four years and the institutional memory is consequently weak. It was hard to get people to be patient and think small not big.

Take another area: livestock. AID had a great deal of interest in livestock in West Africa. The question was what could be done to promote livestock, not only livestock production, but also livestock processing - transport, butchering, marketing and exporting, from the ports along the west coast of Africa.

Q: *To points beyond Africa?*

WEDEMAN: Yes.

Q: *Not just movement between the Sahel and Lagos?*

WEDEMAN: That's correct. These were cattle originating in the north, maybe Mauritania, more likely in Niger and Mali, and raised on a transhumance basis, i. e. going back and forth from one place to another during the wet and dry seasons. This cycle was repeated every year until the cattle were marketable and driven south.

Q: *That's the traditional pattern, right?*

WEDEMAN: The traditional pattern, but a commercialized pattern. For example, Bouake, the second largest city in the Ivory Coast had a major abattoir for butchering these cattle. However, many were driven all the way to Abidjan, but not much had been done in export from Africa to other parts of the world. We finally got something going known as the Red Meat Study, which was to analyze all the stages in this process so you would know what all the possibilities and pitfalls were. It was completed after I left, but I think the conclusions were that the chances of success for export of Sahelian livestock products outside Africa were modest. Under the best of circumstances, it was probably going to be cheaper to land South American chilled or frozen beef in West Africa than it was to bring it to the cities along the coast from the north. There would little or no possibility of export. Even the potential for domestic consumption of African beef along the coast was far less than you might think. This was because it was inherently more expensive to run the entire enterprise, from the raising of the cattle to the processing of it based on African rather than beef imported from South America by ship.

Q: *And did this study look at the issue of the expansion of cattle herds in the Sahel and its implications for the environment?*

WEDEMAN: At this time the herds were reduced because they had been severely affected by the drought. During the 1950s, maybe even before that, large programs for digging wells in the Sahelian region had been undertaken. They had the immediate effect of encouraging cattle to congregate around the wells, trampling down an already fragile grass environment. The wells had largely been financed by France

Q: *Overgrazing . . .*

WEDEMAN: Overgrazing but primarily overgrazing in the immediate vicinity of the wells.

*Q: There's this pattern of circles . . .*

WEDEMAN: That's right. The drought came, the cattle congregated around the wells in larger numbers and, of course, because the wells dried up, they died. I think AID should have started out with the assumptions that the total cattle herd ought to be much smaller in order to preserve the environment, and that the economics of expansion of the livestock industry, if you can call it that, were not very favorable. The commercial consumers were generally in the port cities along the coast, starting with Lagos, and going all the way around to Dakar. If you could buy better quality beef landed in Abidjan, and at a lower price than you could beef brought down from the north, then why promote the African-based industry? You could explore other economic possibilities but livestock would not be one of them.

Not only had those wells been dug, but at places such as Bouake which had had a traditional butchering industry, foreign assistance financed a modern abattoir displacing the traditional arrangements. The result was that whereas the former facilities employed, let's say 100 people, the new ones employed only 10 - downsizing, to use a current phrase. That's the kind of thing we looked at to try and get people to take a broader and longer range view of what foreign donors ought to be doing.

We recommended, although I don't think anything ever came of it, that it would be useful to have studies made without a reference to a particular project or a particular program, in order to have a database in various areas, such as livestock, agriculture, etc., which would simply identify strong points and weak points. They would not be feasibility studies but instead constitute a database on which more directed work could be mounted. In all of my experience in AID there was always a shortage of that kind of information.

*Q: So would you say that you came to perceive REDSO as a place having a larger view of what was going on in West Africa?*

WEDEMAN: Yes, I think so. It had the advantage of having everyone traveling from one place to another. This did provide and enable you to get the experience that was observed in Dakar carried all the way around to Kinshasa, a kind of cross-pollination. The project officer, or engineer, or agriculturist in going to Bamako would see something new he hadn't seen before, and therefore could tuck that away in his body of knowledge, and maybe it would be applicable later in the Congo. I found it terrific that you had these people who did have a broad and knowledgeable point of view. Going all the way back to my early days in AID in the Office of Capital Development and Finance in the Africa Bureau, one of the advantages that that office had was a broad view. The loan officers, later known as project officers, went everywhere. They weren't specialized in one place or one kind of project. They covered a huge area, and, therefore, would have a breadth of view which was useful even in terms of detail. I think the same thing was true at REDSO.

*Q: How did you perceive this advantage, which definitely existed, meshing with what I think was already emerging, and which I had some occasion later to see, expounded in some detail about*

*the need and desire for greater Africanization of the initiative and control of what went on in development?*

WEDEMAN: I'm a strong believer that, in the end, all development is indigenous. I think that the best you can do is to identify places where Africans are going to take the initiative on their own without someone from the outside advising; where they have already coalesced in a fashion, to have some idea as to what they want to do. I always felt that any program of foreign aid should originate with the recipient and the recipient should be the driver - not only in terms of execution, details, but of what that country, that government, or that entity felt was viable. Now most of them wanted big things, but it could be small things. I feel that assistance only works when it's the product of the local environment.

*Q: And yet you were saying in your comments with respect to your experience as the director of the Capital Development Office in West Africa in the 1960s, that it was difficult to find this kind of initiative.*

WEDEMAN: Exactly. I learned then that no inventory of projects was available. Nothing was available. The bigger the lack, the bigger the problems. I remember a project in Senegal for a school for training secondary teachers. Nothing had been done, somebody had had an idea, nothing more. Some people in Washington thought it would be a good project, but no real work, no preliminary work, no conceptual work had been done in Senegal. The result was that not until two and a half years after the project was authorized, was the loan agreement signed. The project then later died. I believe this reflects the fact that foreign assistance often can be a product of the giver's ideas, not the recipient's. By the time I left AID that would be my view as against what I thought when I first joined AID, when I didn't know anything. I was just as ignorant as the Africans. Even in the case of REDSO, we were doing work which logically should have been done by the Africans themselves. Earlier I believed it a product that could be handed to anyone to implement.

There were times in Abidjan that when asked I would recommend that the entire approach to foreign assistance be changed; I have mentioned this earlier - we would assume a passive role. We would put out statements of policies outlining what we were willing to consider by way of projects or programs. We wouldn't have country programs and the race would be to the swift. The countries interested in AID assistance would assume the responsibility for doing all the preliminary work. We might be willing to pay for feasibility studies and things like that, but it would be done under their sponsorship rather than ours. They would have to carry out the projects, except for technical assistance, which is a different kind of animal.

*Q: Now, during the time you were in Abidjan, if I remember correctly, there were a couple of shifts in the basic approach being applied by AID to its operations overseas. How did those changes affect your activities? The emphasis on rural development, the emphasis on dealing with the poor as a primary focus?*

WEDEMAN: I don't think they did change anything, because the Sahel program was directed,

to a large extent, at the poor. It was directed at farmers and certainly the most disadvantaged.

*Q: Because they were largely only farmers?*

WEDEMAN: They were subsistence farmers. There has been a running debate about whether you could do any good giving assistance to subsistence farmers, the idea being they'll never get anywhere. But the emphasis on the poor and rural development, it seems to me were integral to the Sahel program. I keep thinking, what changes are you talking about, because from my point of view that's what we were doing, and AID had already shifted away from capital development. When I was in Abidjan we only had a few capital projects which were remnants left over from a previous period, which were still being carried out. Almost everything else in the Sahel program dealt with agriculture, rural development, and the poor, but not capital development.

*Q: Right. You mentioned earlier some relationship with the African Development Bank based in Abidjan. What did you think of its operations, and how useful an entity was it?*

WEDEMAN: The idea was a good one. To some extent it was the product of an American idea. Ed Hutchinson was one person who did some of the conceptual thinking for the African Development Bank. The original concept was that the United States and other non-African states would not be voting members of the Bank. The voting members would be entirely African. In a sense, that scheme of control was carried out. When I was in Abidjan, you were very much aware of the fact the Africans were running the bank. It was not a matter of having a bunch of expatriate advisors. There were a lot of them, but the Africans themselves ran the bank. Later because of problems in raising capital, foreigners did become much more prominent, particularly in connection with the soft loan window of the bank.

*Q: They actually became members in the same sense that . . .*

WEDEMAN: Today the foreigners, the non-Africans, probably have as much say as the Africans themselves. Certainly in the period I dealt with the bank, it was still in its early stages. I was there when it celebrated its tenth anniversary. It had a great deal of trouble finding competent people who would run it. They had one person as head of the bank, Ghanaian, whom I thought very highly of, Kwame Fordwor. I think he was pushed out. A lot of politics was involved in the bank.

*Q: That fellow was the reason I ended up going to Ghana, but that's an aside.*

WEDEMAN: It was very much like the Asian Development Bank and the Inter American Development Bank. The African Development Bank was conceived of as being roughly the same kind of organization. I had a good deal of contact with the bank. AID financed technical assistance for the bank, and our relations with the bank were pretty good. At that point the United States was not active when it came to the management of the bank. That came later, toward the end of my stay in Abidjan. A Treasury representative was stationed in Abidjan, and

he watched the bank for Treasury. We had some problems with him in that he seemed to be timid about discussing with us projects the bank staff was bringing forward. He would go back to Treasury in Washington, but he would never come to us for our appraisal, and I found this a little bit difficult. He seemed to be hesitant to work closely with REDSO. He had an interesting background. He had been a kind of bag carrier for George Shultz, when Shultz had been Secretary of the Treasury, not what you'd call a really substantive position. He was a kind of personal assistant for Shultz. As I was leaving, Treasury was becoming more prominent with respect to the Bank. What was emerging was a typical Treasury operation which did not postulate cooperation with AID. The Bank at that point was certainly not a success, but to be fair to them it was too early to tell.

I had more to do with the Entente Fund and knew that organization quite well. I understand eventually the decision was made not to give any more assistance to the Fund.

*Q: It was a peculiar animal, wasn't it?*

WEDEMAN: It was a peculiar animal, but when you actually knew that animal, you realized what the animal was. It was, at heart, a political vehicle of Houphouet-Boigny, the President of the Ivory Coast. It enabled him to exercise influence in Togo, Benin, Upper Volta (now Burkina Faso) and Niger. All of the Entente's funds came from foreign donors and were administered and controlled by the Fund. It was heavily influenced by what the Ivory Coast wanted. You were always aware of the fact that the Ivory Coast had the most important vote in any decision that was made. We financed feasibility studies for them but provided funding as well for projects.

*Q: So Miles, here we are resuming our conversation about your experience in Abidjan. This is Thursday Nov. 9th. You have already discussed some matters pertaining to the Entente Fund, but perhaps you would like to elaborate a little bit further?*

WEDEMAN: No, thank you John. I think the Entente Fund had some interest and significance because it was a regional organization. It consisted of five francophone countries in West Africa, with the Ivory Coast being the lead country. I would go to meetings where representatives were present from all five Entente countries. The Ivorians would outnumber everybody else by about five to one and also were dominant in the discussions.

In each Entente capital, the Fund had a compound with five presidential villas financed by the Entente Fund and used for the annual meetings of the Fund, attended by the chiefs of state of the member countries. A nice perk for a chief of state. Also, I became aware of Entente projects which were not developmental in character. They had not been very well thought out and were not successful, including a hotel. Where the funding I came from I was never able to find out.

An interesting fact I found in all my dealings with the Entente Fund was a big brick wall in front of you if you strayed off discussing purely development matters. This came, I won't say to a head, but was highlighted when we asked the Executive Secretary of the Fund to provide us with a copy of the Fund's preceding year's financial statement. He refused to do it. The

reason was that if we had seen that statement, it would have shown us that some Fund activities were political in nature. I'm not critical necessarily of an organization that does that sort of thing, only for pretending it is something else.

Also of interest was the man who headed the Fund. He had been a minister of finance in Congo -Brazzaville and after a coup in about 1965 or '66 he had to leave. The government was overthrown and he came to the Ivory Coast. He was a financial man basically and he was very much the protégé from then on of Houphouët-Boigny. A striking aspect about the way he ran the Fund was the fact that other than himself, his secretary, the janitorial force and the receptionist, there were no African employees. The staff other than the group I've mentioned were financed by foreign donors: France, the United States, Canada. I remarked to him one day that I found it a bit strange, that an African organization didn't have a cadre of African professionals and no evidence that Africans were being brought forward for training. His answer was, "That's the way I like to run things." I think he knew that with non-African expatriates being the staff he could exert his authority better than if it were an African professional staff. With the latter he ran the risk of having staff members reporting back to their home countries.

I found it a very strange organization and was not in favor of continuing assistance to the fund. We had provided some technical assistance and had furnished a senior advisor to the fund. At one point it was to be Charlie Mann, a long time well-known figure in AID, but that didn't come off. Most of the projects we financed through the Fund were capital projects. There was one in Benin on small ruminants, small animals such as sheep and goats. Another that was to go forward in Niger was a dam along the Niger river. Our people did not think it had economic justification. What we found out, not too surprisingly, was that this was a project personally sponsored by the President of Niger. Here you could see the strong political influence in the fund. The head of the Fund didn't take much interest in what the projects were. He was looking for money and he wanted to make sure that he controlled the projects. I came away from that experience with a somewhat - how would I put it? - tempered view of at least one African regional organization.

The second one I might mention was the Lake Chad Basin Commission, a regional organization whose member states were: Chad, Cameroon, Nigeria and Niger. Its purpose was economic development.

AID had offered to finance for the Commission a telephone line between Maiduguri, a city in northeastern Nigeria, and Ndjamena, the capital of Chad. We had a great deal of difficulty with this project in the preliminary stages. The project agreement had been signed. The next step was to retain an engineering-cum-feasibility firm to do the preliminary work. This took a long time with a number of visits to Ndjamena being made by our regional lawyer in Abidjan. The one thing that became quite apparent was that the staff and the person serving as the executive head or administrative head of Lake Chad Basin Commission had no authority to approve or negotiate. Anything of any significance had to be approved by the Council of Ministers of the member states, which met once or twice a year. You were totally at the mercy of whatever their timetable was and whether they would make any decisions. They were not good at decision

making.

The denouement of the telephone line project was curious. We had sent our lawyer to Ndjamena hopefully to wind up negotiations which would lead to the award of a contract to an engineering firm. When he got there he discovered that a parallel project, an identical project, was already being built with other external financing. No mention had ever been made of this in all the time that we had been working with the Commission. Undoubtedly some of this reflected sheer inefficiency which is neither here or there. But the decision making structure of Lake Chad Basin Commission was pretty faulty. The dominant member was Nigeria. It had more money than anybody else. My impression was that either Nigeria would go along with what the Commission had in mind, if it affected Nigeria favorably, or wouldn't if it didn't feel like doing the project itself. So I would not - at least in my experience - consider it a successful organization.

Now another organization on a much larger scale, and on this one I have to confess I probably know less, is CILSS, the French acronym for the Comité Inter-États de la Lutte Contre la Sécheresse dans le Sahel, in English, more or less, the Interstate Commission for the Struggle against the Sahelian Drought, headquartered in Ouagadougou in Burkina Faso. CILSS was the creation of the states most severely affected by the drought. However, Cameroon was not a member nor was Nigeria. It was predominantly francophone with the addition of, as I recall, the Cape Verde Islands and the Gambia.

CILSS had a donor parallel in Paris, the Club des Amis du Sahel, whose secretariat was located physically in the Development Assistance Committee offices. CILSS and the donors through this mechanism would meet once or twice a year. It was hoped these arrangement would provide the framework for a systematic flow of information and views back and forth between the donors and CILSS. CILSS was, if I recall correctly, 100% funded by the donors, most prominently by AID. It was a creature of the member states and I had the impression of CILSS as an organization not being terribly decisive. It was a coordinating body, but I never had the feeling that CILSS as such gave a great deal of leadership. It did provide a convenient interface between the donors and the African states at the policy level.

I would never, I think, really have even given CILSS very high marks for leadership or its coordination function. I know of one proposal being pushed through the CILSS, which was the relaunching of a project in the Niger River delta in Mali. It had been started by the French in the 1930s as a massive agricultural development and irrigation scheme. It was designed to develop a huge area of the Niger delta in Mali. The project involved the development of thousands of hectares for irrigation purposes, probably to grow cotton, although I'm not entirely certain on that point. Basically it had failed years before. One of the reasons it had not succeeded was that the French assumed nobody owned the land. required for the project. It seemed to be empty. This is a situation seen elsewhere in Africa. The French probably thought the project could go forward without worrying about land tenure, ownership rights. This wasn't true. In fact the area had been the center of a Malian empire or something like it hundreds of years before. A whole complex of land rights existed which the French were never able to cope

with successfully. Nevertheless, people in Mali and CILSS were back to promoting a rebirth of the project but did not bother to look at what had gone before. I think probably the US was influential in saying; "That is not something you want to go ahead with," and I don't think it actually proceeded. Again, CILSS did not in my mind act as a catalyst and a leader for the Sahel program.

I might mention as a personal note, although perhaps irrelevant. Much later after I had left the government I was working for ICRISAT (International Crops Research Institute for the Semi-Arid Tropics) and was serving as the acting administrative and financial chief for ICRISAT in West Africa. Its operation was based in Niger. I went to Ouagadougou on business, which I occasionally did, and one time the General Secretary of CILSS asked if he could see me. I said, "Yes of course, I'm delighted." I'd probably have called on him anyway. He owned the house I occupied in Niamey and the lease was about to run out. He wanted to make sure that ICRISAT was interested in renewing it - that's really what he was after. Also he wondered if ICRISAT would give him a job after he left CILSS. I said; "We're always interested in able people; however, it is not a decision that I can make." I just mention it as a personal thing because I felt his mind was more on that lease than on what to do about the drought. I always had the feeling that the donors took CILSS more seriously than the Africans did. In the years I spent in West Africa first with AID and later ICRISAT I never met an African official who had a sense of urgency about the drought.

*Q: Tell us a little bit about the way that your organization in Abidjan related to these various regional bodies.*

WEDEMAN: First, the African Development Bank. We were the official contact of AID with the bank. I think previously I've discussed the role of Treasury. AID provided grant money for technical assistance to the bank. We negotiated those agreements and they were signed generally by our ambassador in Abidjan. Second, the Entente Fund. We again were the official representatives of AID to deal with the Entente Fund. The provision of technical experts and financing for projects came through REDSO. In Abidjan the Fund's offices were right down the hill from ours. Third, the Lake Chad Basin Commission. We did not play the same role with the Lake Chad Basin Commission. We had a specific project for which we were responsible - bringing it forward, and, if it hadn't been canceled, negotiating and executing contracts and would have provided the supervisory services that were necessary to carry out that project. Fourth, CILSS. In the case of CILSS we did not have any direct responsibility for dealing with CILSS. That came through the AID office physically located at the DAC in Paris. A person deeply involved with CILSS and the Sahel program was Dave Shear who had been its virtual founder. He was my predecessor at REDSO. CILSS itself didn't administer projects. It did, to my recollection, put together shopping lists. The projects came from the individual countries or, more likely, the donors.

*Q: So you were providing funding in the case of two of them, but technical advise, support and assistance in the other case?*

WEDEMAN: That's right.

*Q: And your staff related to these organizations in substantially the same way as you would with respect to bilateral projects in the various countries that AID was working in?*

WEDEMAN: Yes, that's correct.

*Q: So whether it was legal advise or engineering advise or technical assistance in the design of the project, you would be there. Your staff would work with the local people or the international people who were working on the projects.*

WEDEMAN: That's right.

*Q: But the decision making authority was elsewhere for the overall project approval with your providing a lot of what made it a feasible project or how... ?*

WEDEMAN: In case of the Entente Fund and the African Development Bank, the money had gone through the usual programming process. Once the projects had been approved - let's assume they were approved in Washington - then we had control.

*Q: Implementation processing... ?*

WEDEMAN: Yes, very much. I had the authority to sign project agreements with these organizations. As I said in the case of the African Development Bank, even though I had the authority, I thought it prudent to have the ambassador sign. He liked to sign project agreements, but I had the authority to do so. This was also true of the Entente Fund.

*Q: Well, this meant that you and your people were in touch with organizations and governments throughout the region and traveling. Did you then have opportunity to interact with the missions on how things were going and whether priorities were properly lined up? What was in terms of the strategies for the country or for the region, how did you interact?*

WEDEMAN: It varied from place to place. In the cases where there was a Mission Director as against an Aid Representative, although this is perhaps a slightly broad statement, the Mission Director generally would want people from Abidjan to come to work on a specific project and to take orders from him. This provided problems particularly in the case of Mali. The Mission Director said to me, "When your people come to Bamako, they work for me." My reply was, "They do not. They are there to provide you with independent advice. You should be happy that you have a source of independent advice from people who have acquired so much experience in the entire region."

In the case of country programming - with some exceptions - we did not play a significant role. One case where we did, interestingly, enough was in the Gambia, which I think may have had an Aid Representative, I'm not sure. In that instance we were asked to prepare - I can't

remember what the name of the document was - but it was a five year planning document, programming document. We did the whole thing, providing the necessary experts. It went very well and I admit it I was very happy with it. We were certainly in the Gambia to render advice, but you had to tread a very careful line in giving advice as to the direction of a program. For example, in the case of the Casamance region in southern Senegal, a multi-donor effort was getting underway involving the World Bank, the Dutch, and the United States. The initial concept on the part of AID, particularly in Washington, was to go slow - this was a river basin development scheme - and not try to do too much until we knew whether ideas worked or not. But the Mission Director in Senegal wanted money. He wanted large sums of money - I can still remember it - he wanted \$17,000,000 committed, authorized in the first year. Our recommendation was \$2,000,000 and it ended up being \$2,000,000. That final decision of course had to be made in Washington. We did not independently, by the way, go to Washington with our recommendations, but Washington for example, in this case was aware of the fact that REDSO had come up with a different recommendation which represented a desire not to over extend ourselves in the Casamance. So that's what happened. Naturally, the Mission Director was not all that happy with that kind of result. He was somebody I knew quite well and had been on the REDSO staff before going to Senegal. Thus, you did have situations in which you had to be very, very careful not to usurp the authority of the Mission Director. We certainly were not prepared to do that.

One thing we wanted to start was a series of - I guess they are now called - "baseline studies," not directed at any particular project. We had in mind looking at river basins, livestock, some aspects of agriculture, public health, education etc. to provide the basic information and perhaps the concepts that would help people to decide what should go into the country programs. Ideally, country or regional programs would grow out of these baseline studies, instead of deciding what to do first and providing the justification later. That was the purpose, for example, of the "Red Meat Study" I've mentioned before, which was designed to help determine what if anything AID ought to do to support livestock development throughout West Africa. I don't know whether AID went ahead with the proposals on river basins and the other subjects or not. I had left Abidjan by that time. Might have been a very good idea. These studies could be updated so that at anytime you would have the database to provide the basic information needed to make project decisions. It does admittedly reflect a philosophy that it's the donor that does the conceptualizing.

*Q: I think you mentioned earlier that that is one of the more difficult problems in getting programs going in developing countries and to get them moving in the direction of conceptualizing a strategy, an overall set of objectives within which projects could...*

WEDEMAN: That's entirely true.

*Q: And perhaps this was as acute in West Africa as anywhere in the world?*

WEDEMAN: I don't know. That situation did not exist in Korea, a very sophisticated, highly developed country, with a clearly defined national objective in terms of development, and with

many well educated, quite experienced professionals. You could do it in this situation. To some extent, this was true in Syria, which was my last AID post. In both instances, both in Syria and Korea, the countries knew what they wanted to do and your job was in fact to figure out what you wanted to support. You could either decide to support a project or not, but the basic work had already been done by the Koreans and Syrians. In Africa this was not true. The only home grown project which we considered in 1963-65, was the young rancher cattle scheme in Uganda. This was before Uganda descended into hell. The project had been developed literally by young ranchers working in cooperation with government agencies to develop small ranches in a specific, well defined geographic area. The preliminary work had been done entirely by the Ugandans. All that they were looking to us for was foreign exchange to finance tractors and other related equipment. Our share of the project costs project came to \$800,000. The project was very well thought out and it was successful.

*Q: So there is a specific and significant exception to whatever generalization one might apply?*

WEDEMAN: Yes, that's right. I think West Africa right now - how would I put it - is more at the beginning of the learning curve than other parts of the world for a whole variety of reasons.

*Q: So would you then wish to carry this forward to your experience in Syria?*

WEDEMAN: Fine.

### **Mission Director In Syria- 1978**

*Q: You might comment first about the situation in the Middle-East at the time that you took up your assignment there and how the US related to Syria during that period.*

WEDEMAN: I went to Syria as the Mission Director in July 1978. Diplomatic relations had been broken off between Syria and the United States at the time of the 1967 war. This is when Israel overran the West Bank, until then under Jordanian control, and the Golan Heights in Syria. Diplomatic relations did not exist between 1967 and 19.. - I can't give you the exact year - but it would be about 1973. Renewal of diplomatic relations was part of a package negotiated by the Secretary of State himself, Henry Kissinger. In his shuttle diplomacy, he had extensive negotiations with the Assad, Hafez El Assad, the President of Syria, whom he is said to have respected enormously. The Embassy was reopened - I'm guessing - in about 1974, with the understanding that there would be an American aid program. This was part of the U.S. commitment to peace in the Middle East through cooperation with a very prominent Arab state, which had been quite hostile in the past.

It was not anticipated that the U.S. program would be the largest program in this situation. Rather the U.S. would have a position and a presence, but it would not be the major donor. The major donors by far, although all in cash, were the oil rich gulf states: Saudi Arabia, Kuwait and the United Arab Emirates. When I was in Syria they were providing somewhere between a billion and a billion and a half dollars a year, deposited in checking accounts of the Syrian

Government in Europe. Next came the World Bank with quite a sizable program. The World Bank, I think, had been there all the time, but it may have expanded its program as a result of the working out of these various arrangements between the U.S. with Syria. Our program ran to \$90,000,000 a year, a predetermined number. I had a predecessor in Syria as Mission Director. Gordon Ramsay was the first one to be in Syria as Mission Director after 1967. He had been director of personnel, among other things, in Washington in AID. He started the program, and when I came in '78, I simply inherited what had already been set in motion. It consisted of three pieces: a very large capital projects program which was unusual for AID at that time; a commodity import program; and a small technical assistance program.

A major component of the latter was a training program. The Syrian Government realized that by having had so many people educated at the professional level in either the Soviet Union or other states in the Eastern Bloc, they were not as well qualified technically in many fields as, for example, the Iraqis were, whom they were always looking at and with whom they in general enjoyed terrible relations. They wanted to send some of their experienced technical people to the United States for short term training in order to upgrade their skills. Many did not speak adequate English, and AID started an English language training center in Damascus. Through it went most of the people who were sent on to the United States for training from anywhere a month or two up to a year. The men and women in this program were usually middle level professionals, such as plastics engineers. Typically they were probably 10 to 15 years into their working careers, and all had been educated in the Eastern Bloc. This was a very popular program and very successful, I believe. It confirmed what I always thought, namely that participant training was a great thing to do and didn't cost a great deal of money. Georgetown University was the contractor providing the instructors.

We had a commodity import program, although it was not a general commodity program in the usual sense. It was focused on equipment. As a result the U.S. became best known in Syria for financing garbage trucks for Syrian cities, most notably Damascus and Aleppo. Everybody recognized these bright yellow trucks when they went into service. The Government refused to allow the AID clasped hands logo to go on the trucks. If you forced them to put them on the trucks they would immediately take them off. Nevertheless, everyone in Syria knew where they came from and the Government did not gain much by attempting to conceal their origin.

The last component of the program, the biggest part of it, consisted of capital projects. There was a big project for improving the water system for Damascus and others for the construction of major roads. Before I arrived in Syria much of the preliminary work had been done for a program for building state schools, particularly in northern Syria where the level of education was lower than in the rest of the country. The Government's objective was to have everyone educated through high school by 1990. The school building program was conceived with particular attention to girls, because women inevitably had not received as much education as men over the years. A second project was for small water supplies in selected locations, again in northern Syria. The Government also requested our financing for a rural roads program in the north.

All of these projects were developed by the Syrians. The Syrians, like the Koreans, had a large

cadre highly trained, experienced, professional people. American firms were employed in some cases, but generally the experience was not very good. One drawback - I suppose it couldn't be avoided - a number of the people of these firms provided could not speak Arabic, perhaps not a crippling weakness in that many educated Syrians did speak English. The Syrians, interestingly enough, were very hard negotiators even though we were providing the money and had to approve the contracts for engineering and construction. The Syrians were intent on always negotiating for the lowest price. This was not always the wisest thing to do in the case of engineering firms. The result was they got - I won't say bargain basement firms or bargain basement people - but they did not get the best.

A great fear existed on the part of Syrian officials of being accused of corruption, accusations coming mostly from the top. Thus, they were always super careful about what they would agree to. It very often took forever to get anything settled so that by the time the Syrian program began to shut down as a result of congressional pressure, little had been accomplished in getting the big capital projects underway. Some projects should have been started long before but had not, because of endless negotiations between Syrian Government agencies and American firms.

Furthermore, administrative procedures in the Syrian Government were difficult, cumbersome and slow, everyone trying to make sure that nobody could be accused of corruption. I remember one person - a Palestinian who tutored me in Arabic and had been in Syria a long time said, "You know what this place is? It's the Ottoman empire." He as a Palestinian had to have various documents renewed from time to time. He said, "Every time it happens there are all kinds of chops and initials all over the documents. When I see this I know the Ottoman empire is alive and well." He had been born under Ottoman rule.

When it came to the matter, for example, of importing project vehicles you could spend six months to a year in the clearance process for one vehicle and you had to hire facilitators to get the job done. One reason why it was difficult importing vehicles for aid projects was the fact that the Syrian Government had a law or regulation flatly forbidding the import of any new vehicle. This didn't mean that all of the vehicles were old in Damascus or other Syrian cities, far from it. I saw many new Mercedes and a friend of mine said, "You have to pay a bribe to bring these vehicles in despite of the anti-corruption efforts." He said, "You look at a Mercedes and let's say it's a Mercedes 500, just add three zeros and you know how much had to be paid; 500,000 Lira (Syrian pounds)", then worth about 4 to the dollar.

Despite all of these restrictions economic life went on. Syria physically sits right in the middle of a very busy area. It's on the main road, north and south, from Europe to the Gulf. Syrian cities stand in a line along this road, starting with Aleppo with the north and ending up with Damascus in the south. The road was heavily traveled by trucks in Europe transiting Syria on their way to Kuwait, Saudi Arabia and the Emirates. This was also true with respect to traffic coming out of Lebanon, even after Lebanon more or less had fallen apart militarily and politically. The Bekka valley in central Lebanon lying over the mountains from Beirut, was

enormously prosperous. It's a great farming area and there was a huge amount of truck traffic carrying fresh fruits and vegetables grown in the Bekka to the Gulf. When you went to there from Damascus, in crossing the border, very often you could see maybe 50 or more refrigerated semi-trailers on their way to the Gulf. Years of great prosperity for that area even though Beirut was a mess! In any event, as I say, Syria stood there in the center of traffic.

American relations with the Syrian Government were satisfactory until the ~~the~~ negotiations at Camp David in 1978 and then they fell apart. The Syrians felt that they had been ignored. The Secretary of State did come to Damascus shortly after that to try to bring them around but it didn't work. Apparently some American officials felt King of Jordan could assuage Syrian feelings. It simply couldn't be done. Nor can it now.

After Camp David, which was about the time I arrived, relations went downhill. By the time I departed in June of 1981 I couldn't get appointments with Syrian officials. I was not able to pay a courtesy call on the senior Syrian official who was responsible for dealing with us. I simply had to tell his secretary I was leaving the next day. They simply wouldn't receive us. Relations were very, very chilly. By that time it became clear that the U.S. was going to cut back on the aid program, even canceling projects for which project agreements had already been signed, a practice more or less unknown before then. Having said all that I found Syria an interesting place to be.

*Q: Did you feel that your role there was connected significantly with the cold war or mainly with the Middle-East struggle?*

WEDEMAN: The two things were somewhat linked. Syria at that time was a very close ally of the Soviet Union. I'm not sure the Soviet Union found that very pleasant, because the Syrians were very difficult to deal with. They were difficult with us, they were difficult with the Soviet Union. There certainly were the overtones of the cold war. There were quite a few Russian civilian technicians in Syria and the Syrian military was fully equipped by the Soviet Union. Everything - tanks, planes, everything - had been provided by the Soviets and this was covered by annual agreements. The relationship was close. However, Syrians were very friendly to Americans and many knew a great deal about the United States. After a while when I met a Syrian for the first time - say middle class or upper middle class - I would say, "Do you have any relatives in the United States?" and in seven cases out of ten they did. Often the relatives were doctors. For example, I gained an impression of a clutch of surgeons of Syrian origin in Santa Barbara, California.

Even in the years when diplomatic relations didn't exist some Syrians still traveled to the United States. I remember I dealt with a man - can't remember what the professional connection was - but he was the Mercedes distributor in Syria, obviously well connected, and I asked him if he had been to the United States. He replied, "Oh yes, I go every six months." He had for many years and he was very proud of the fact that he had bought from a Texan a very long white Cadillac convertible, that had imitation cattle horns on the radiator. He said his most interesting experience during the preceding six months in the United States had been when he was driving

from Columbus, Ohio -I think - to Chicago and he was stopped by an Ohio state policeman, who told him he was speeding (Syrians as a whole were very fast, reckless drivers). The Syrian said, "Yes I admit it, I don't have any money on me though." The state policeman then asked, "You have credit cards?" My acquaintance was impressed by the fact that there was no way to avoid paying. Yes, he did have credit cards.

I said from time to time, "The ideal country for an American to be stationed in is one where the government is unpopular, enjoys close relations with the Soviet Union, and is hostile to the United States." Syria met all of these criteria. I only was treated rudely once in Syria when I was accused of being an Israeli spy, but uh...

*Q: Weren't you?*

WEDEMAN: [Laughs] Yes! I don't know what place - it was in a mill which spun silk from cocoons. Syria did have something of a silk industry. My wife and I and a friend had gone on a trip in west central Syria and had heard about the mill. While we were there a fellow came in. He was a military man. He asked, "What are you doing here?" He spoke English, and I said, "We're just looking." "You're not... I know what you are, you're an Israeli spy. You're not an American," and so on and so forth. But, you know, even when it came to the Israelis Syrians were curious. They knew a great deal about Israel. For example, my driver, a Palestinian who had fled Palestine in 1948, and I were driving in the countryside one day. Listening to the car radio I heard the "Star Spangled Banner" being played. I said, "Mahmoud, where is that coming from?" He answered, "From Radio Jerusalem." I said, "What's the occasion?" The occasion was the ceremony held when the Israelis handed back the Sinai to the Egyptians. The American ambassadors to the two countries were present. I said to Mahmoud, "Do you listen often to Radio Jerusalem?" His answer was, "Well, they tell the truth."

Syria was a very sophisticated, very interesting place. We were at the crossroads of the Middle East. It was always striking, when you drove from Damascus to Amman at night you'd look to the right and see the lights of Israel only a few miles away. It was that close. The distances are incredibly small. It's something like 90 miles from Damascus to Jerusalem by road. I enjoyed working with the Syrians even if we didn't get anything done.

*Q: It's a tough place. Did you have any involvement in the Tigris and the Euphrates development program?*

WEDEMAN: There are several aspects of this. First, major political issues swirl around those rivers, particularly the Euphrates in the case of Syria. The Syrians feel aggrieved at Turkish decisions, which I believe have been carried out, to build dams upstream. These affect the flow of the Euphrates in Syria and downstream in Iraq. The Iraqis were always nervous about what the Syrians were doing with the river and relations with both countries generally were poor. With Iraq, for most of the time that I was there, they were non-existent. With Turkey they were frosty with a long history behind them. Most Syrians disliked Turkey because of the Ottoman Empire which had ruled Syria for five centuries. They tended to blame the Turks for things that

went wrong such as a cholera epidemic in 1978 in Damascus during the Haj when many Turks were passing through on their way to Mecca.

The main movers in development along the Tigris were the Russians and the World Bank. We were involved tangentially in one or two smallish projects that never came off. We were never able to get to the point of agreeing with the Syrians as to exactly what was to be done.

Second, major problems developed as a result of a mammoth undertaking to build a major multi-purpose dam on the Euphrates east of Aleppo financed, built and equipped by the Soviets for (i) irrigation of a vast area in northern Syria; and (ii) the generation of power, some of which was to be exported to Jordan. The latter purpose was considered one way to assure the economic viability of the dam. I gather, although I can't speak authoritatively, that this has not happened because the dam has been unable to generate enough power even to meet Syrian domestic needs.

Third and more seriously, when I was in Syria the irrigation scheme was in trouble. The Russians planned and were executing this portion of the scheme. I understand they did not do their technical homework. Huge areas had been cleared and leveled for irrigation and major problems ensued, salination particularly. For example, river bottom land that had been cultivated, let's say, for 2,000 years, had to be taken out of cultivation, because of salinity. This was a major problem.

The World Bank was deeply involved in giving technical advice and trying to figure out whether there was any way to reverse this process. Whether they were successful I don't know. We had agreed to provide equipment to help with the maintenance of new irrigation structures. They were poorly designed and major leaks had developed.

It is a shame that overall scheme was not working out. This area in northern Syria had become a bread basket for wheat, and in the late 1940s and 1950s Syria had become a major exporter of wheat. This was the product, not of state intervention, but of private investment. This had come to an end when the government moved massively in the direction of state enterprise. In the 1970's the Syrians were still growing wheat, but they were now a net importer.

The economy was badly managed, curious for a society so commercially and entrepreneurially minded. Alas, the heavy handed Soviet style way of doing things could be seen everywhere. Yet banking, modern banking started in Syria. I said, "Whatever happened to Syrian bankers?" The answer was, "They all went to Beirut and of course we have very close relations with Lebanon." The Syrians probably even then regarded Lebanon as a kind of dependency. The two countries had the same currency up until, I believe, some time in the 1960s. When you crossed the border into Lebanon and then came back the formalities always seemed much less than what you would encounter anywhere else in Syria. I remember one day coming back from Lebanon in the official car, which had diplomatic plates. A customs official was getting ready to go through the car; open the hood, open the trunk and so on and so forth. When he looked at the license plates he stopped and said "Oh, Safira Amerikyia" (American Embassy in transliterated Arabic), welcome to my country, go ahead." The Lebanese, on the other hand, regarded many

Syrians as "farmers" in a pejorative sense.

*Q: Long history there.*

WEDEMAN: Yes, but a very interesting place to be in terms of living. I can't think of any place in which I was stationed in the Foreign Service that equaled Damascus as a pleasant place to live. It really was a fine place to live. An interesting country. The past is always with you in Syria.

*Q: O.K. That about winds it up with respect to Syria.*

WEDEMAN: I might say one or two other things. As relations got worse we were quite aware of the fact that there were growing pressures in this country to stop the aid program and it finally was stopped.

The other matter I might just touch on concerns a river basin river project involving Syria which was pushed heavily by AID with strong cooperation from Israel and Jordan. It called for building a dam across the lower part of the Yarmuk river, which empties into the Jordan Valley as it comes down from the escarpment. The dam was to provide water for irrigation in both Israel and Jordan. The Yarmuk was the border between Jordan and Syria at the dam site. Intensive negotiations took place among AID, Israel and Jordan on the project but not a word was said to the Syrians. I did ask the question once, "Well what about Syria?" and the answer was, "The Jordanians will take care of the Syrians in this regard, they will bring them around."

I said, "If they do it, it will be the first time in history." The Syrians said no. They are now well known for their habit of saying no. No ifs, ands or buts, no qualifications and so the project came to a screeching halt. By that time the atmosphere in Washington toward Syria was very cool and AID never took any steps to open a dialogue with Syria. The Syrians knew exactly what was going on and I don't know if they would have cooperated if they had been talked to or not. Nevertheless I felt then and do now it is a failing in dealing with Syria to think you can deal with Syrians through some other device or intermediary. The answer was and is "no." You must negotiate with them directly. I gather on the question of the Golan Heights even now there won't be any compromise, because Assad's position is very simple, "Get out! We'll talk about other things after you have left." But I think that's about enough for Syria.

### **Views on US Foreign Assistance and International Development**

*Q: O.K., We will come back to some other things in a few moments after some conversation about how this might be wound up. Miles, we have pretty much covered your AID career right down to the end of your duty in Syria. In order to give some overview I would be interested in having you elaborate some of your ideas about the nature of the U.S. development program as you experienced it and the things that you saw in regarding to that program, what you might have done differently or things what you think were especially successful or other things that*

*didn't work so well.*

WEDEMAN: First, I would say that my present view is that we probably should have done far less than we did, particularly in Africa where there was so little to go on in terms of strong, viable, modern societies. All development is local in my opinion and, therefore, has to be generated locally. It has to have its origin in the country we want to assist. I know at the very beginning of my career with AID, I put forward the same view and somebody said to me, "But they don't know what they want." Now at that point I thought, " All right, then we can help them figure out what they want". Today I think I would say that if they don't know what they want, you're probably wise not to attempt it in the first place.

Second, the American aid program inevitably in the end is politically driven. It exists to realize American foreign policy objectives even though we are, let's say, doing things in the program that are not directly connected with a political objective. Nevertheless the overall purpose of the program is political, which is to protect, serve etc. the interests of the United States. This being so, I think one has to be careful about what one finances. In some ways I could argue that if it is that political perhaps you are best advised to make cash grants to realize your political objectives, recognizing no development or development you don't like may take place. The prime example of a cash grant approach throughout all of these years has been Israel, which has received enormous amounts of money in cash and for which the driving force and rationale are political. There is no accounting for the funds that the Israelis receive. We presume we are satisfied that money provided to Israel helps to realize the objective of the United States internationally to promote peace in the Middle East and secondarily - I say secondarily although not in the subordinate way -to deal with the political background in the United States.

When I was in Cambodia I said it would have been far easier if we simply gave Cambodia a cash grant rather than go through the process of trying to develop programs and projects. But the answer was, " Congress would never go along with that." However, interestingly enough, after my time, I gathered that this became a more popular way to provide American assistance to those countries in which we had strong political interests. I think I would agree that if our political objectives are paramount and the country in question lacks the capacity to carry out effectively conventional aid programs, it probably is best to provide assistance on the basis of a cash grant.

Third, if you do have a significant aid program, I would say as I think I've said before in this oral history, that I think the United States ought to be passive as an aid giver. We would, through AID (or whatever mechanism is used for administering foreign assistance), state to prospective recipients what our policies are as to programs, types of projects and what the individual country or grouping has to do in order to obtain financing by AID. This would shift the initiative away from AID to the country itself. It also means you would get away entirely from any country program long range planning process. I felt over a period of years that the AID program was basically the end product of a tug of war among Defense, State and AID, with the recipient country the innocent bystander. Significant decisions were made by the donor for its own reasons, rather than out of concern for what the target country necessarily wanted or needed.

I see no compelling reason why there has to be an annual country program for American foreign assistance. To plan, program and implement a "program" has fostered the creation of an administrative mechanism in Washington and the field, which while not large, is cumbersome. I felt in all of my years with AID that it was an unwieldy organization. Its ways of doing business in Washington and overseas were awkward. The use of PIO's and ultimately the heavy reliance on Handbooks were poor ways to get things done. My general view was that personnel management was inept and only sporadically treated as important by top AID management.

Despite the fact that I served overseas, I guess I was never wholly convinced that you needed a large standing presence in a recipient country. I will say that AID overseas was highly respected and regarded by many donor representatives in the field. Even so, the question remains: is it really necessary? The situation would be transformed if greater reliance was placed on cash grants for politically oriented assistance and a passive approach was adopted for the remainder. People's ambitions and careers become heavily involved if you have country programs and missions, for then the name of the game becomes expansion with not too much worry about implementation.

I believe that in all of the years that I was with AID that the weakest part of its effort was implementation. I remember going to a seminar on implementation at a Mission Directors meeting. I thought this was a good idea, but one Mission Director said, "I don't know why we are here. I'm bored to death with implementation. The name of the game is to get money."

Unfortunately, nobody generally stays long enough at a post, particularly Mission Directors and program officers. They are there for the takeoffs but rarely for the crash landings. This has been a weakness through all the years that AID has been in existence.

Now in terms of what works, I think small things are best and particularly if they originate with the recipient country. I've mentioned the project in Uganda, which was home grown. It was small and it was successful. I also saw in other places, even in Africa, very small projects that really had been developed. The push behind them was entirely local, but from the AID point of view they had one weakness. They were too small: \$100,000 or \$200,000. AID was not structurally equipped to deal with that kind of situation, which I think is unfortunate.

*Q: What would you say on the issue of the relative cost of administering a program that consists of small projects? Is there an issue there?*

WEDEMAN: There could be, but there wouldn't be many of these small projects. You would be very selective in what you did and you might or might not need a field organization. If you had something like a REDSO that probably would suffice. What I'm saying is that I would foresee a much smaller foreign assistance effort, except in those situations where for political reasons you think you've got to push out a lot of money to achieve your political objectives.

One thing I might mention in terms of how you run things. After I left AID and retired from the government, I went to work for an international agricultural research center in India, which

I have mentioned earlier in the oral history. I was with that organization for four years. It was a totally different kind of assistance organization. This is a case in which the organization is creating technology, and diffusing it directly to less developed countries. The organization I worked for, ICRISAT, was at the time one of about 13 - 15 similar centers situated around the world. All of them, in terms of the kind of money AID spends, are relatively small even though AID is the largest donor to these centers. It has been a very intelligent effort on the part of AID. Each of these centers is somewhere between being autonomous and independent.

They are under a donor umbrella, the Consultative Group on International Agricultural Research (CGIAR) for which the sponsors are the World Bank, the Food Agriculture Organization and the UNDP. Each one of the centers basically runs on its own. It doesn't look anywhere else for anything to be approved in terms of specific projects. As the years have gone on, an executive secretariat has been established in Washington, financed and staffed by the World Bank, to provide oversight for financial administrative matters. A similar body in Rome staffed through FAO does the same job on the technical side.

The international centers don't look outside their own four corners in order to go ahead with programs. They have differing personnel policies, differing budgeting policies but using a common format, and differing ways for developing and administering their programs. They operate with very tiny groups of people at the top. The distance in terms of tiers between the Director General, the customary title for the head of the organization, and the most junior employee may only be three levels, three tiers - much smaller than what AID is accustomed to. This was true of ICRISAT. When I left it had a budget of \$30,000,000 a year. The money, I felt, was better spent than it was in the case of AID, probably because people looked much more carefully at what they were doing with the Institute's funds. It was smaller and everybody was right there together with an alert Director General -I worked for one - who was very much aware of the need to manage things carefully and efficiently. I had never seen anything like this before in terms of having a very small group of people responsible for the management of an organization. In the case of ICRISAT you had the Director General, you had a Deputy Director General, you had a Director of Research and then you had somebody else in charge of administrative and financial affairs. That was the sum total of management!

It was a great experience. I didn't have to worry about PIO/Ts or PIO/Cs, no referral of projects back to anybody in Washington. The budgetary side was somewhat different, but even in budgetary procedures the rules of the CGIAR were not all that detailed and the Director General had a great deal of flexibility in how he ran the center. There was one drawback, one I don't think is ever going to be replicated in a governmental organization such as AID -the Directors-General were capable of being absolute autocrats. The only effective restraints on their power were the Boards of Trustees for each organization. The Directors General tended to regard the Boards as advisory. I think this has changed a bit over the years. But the Director General is in complete charge and if he wants to do something he will. If he doesn't, he won't. If you have a very able Director General the arrangement probably runs very well, but there aren't any checks and balances in this system. The Director General is the one in charge and he

also considers himself totally liable or accountable for what goes on. There is no running away from it. I suppose it reflects what agriculture scientists expect. They don't expect to move around very much. The Director General I worked for stayed with ICRISAT for 13 years. A senior scientist I knew in Niger was asked by a visitor from an AID sponsored delegation, "How long have you been here?" and he said, "Well, I've been here for five years and I was in Senegal for five years before this." The visitor remarked, "That's a long time to be associated with of a single effort," crop improvement in pearl millet. The ICRISAT scientist responded, "Yes, but it's still another ten years to go before I know I can get decent results." Maybe it's the nature of the beast but the agricultural scientists serving in these places did not expect to move, they expected to stay put for a long period of time. They also were quite accustomed to living in not very favorable circumstances.

*Q: So you would say that if you tried to relate this directly to the AID experience maybe people moved too often?*

WEDEMAN: Yes, I agree with that, I agree with that completely.

*Q: Do you think that would be valuable enough to override the concern that people would get too embroiled with too localized in their view in that particular country?*

WEDEMAN: I think you can, yes.

*Q: Localitus, is what you're talking about, it seems to me usually affects the very top. In my experience it has usually been a problem involving the ambassador.*

WEDEMAN: I didn't notice it on the AID side. If anything, sometimes I felt AID people were not as interested in the local society as they should have been. Too much of a tendency not to know the people in the host country and sometimes -I think I've mentioned this to you in a different connection - perfectly happy to be engaged in paperwork all day long and not getting out of the office. I have to say very frankly, I would not give AID people -this is perhaps overly broad - high marks on knowing the countries they are in. State is much better at this.

*Q: O.K. Any particular observations with respect to some of the larger issues in AID that you may have dealt with?*

WEDEMAN: What kinds of issues?

*Q: Oh, some of the things that have to do with the changing in philosophy that occurred over the decades that you were there.*

WEDEMAN: When I started out the great emphasis was on capital development and on commodity import programs and more specifically on countries of emphasis. It was India and Pakistan and Latin America (Alliance for Progress) that counted the most. Africa was at the very bottom of the heap. I remember one of the senior AID people saying, and these were his exact

words, " What's good for India is good for the world." You had that philosophy. I can understand it but I don't think it's a good one. I would not approach foreign aid in that way, particularly if you take a passive approach as I have indicated.

Later it was the Green Revolution. Then you had family planning coming forward. Still later by the time of the Carter administration the emphasis shifted to the poorest of the poor. After my time the major themes apparently became democratization, promotion of private business and that sort of thing. I'll tell you, I felt there was one common thread that ran through all of these shifts in policy: what is required to sell the program on the Hill, so you can get by one more year. In theory AID is a temporary agency and so AID like Topsy, jumps from one ice floe to another to cross the stream to survive politically. I went along with this, producing success stories like everybody else. The shifts were undoubtedly generated to some extent by shifts in American society, but they were also very often geared specifically to what was believed to be acceptable on the Hill. Everybody recognized that AID didn't have a strong constituency.

The story was somewhat different with country programs closely linked to achievement of political objectives. This link was played in different ways over the course of the years. At least most of the time that I was with AID, Economic Supporting Assistance, which went to countries for political purposes, was always wrapped in the same appropriation and authorization bills with military supporting assistance, because it was felt that there was more support in Congress for the latter than there was for ordinary economic and social development.

*Q: O.K., I would welcome any other observations that you have. If that seems to wrap it up, you can't think of anything else, I'll bring it to a close.*

WEDEMAN: O.K.

*Q: Well you're free, of course, to elaborate on any of these points and can edit this whole thing as you have opportunity and change as much as you wish.*

WEDEMAN: What's interesting in trying to recall the past, I haven't done it in any orderly way but be that as it may.

*Q: I have enjoyed it.*